

Energizing Organizations through Customers

Linkages, Mechanisms, and Contingencies

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List of Abbreviations

α	Cronbach's alpha
$AD_{M(j)}$	average deviation index
AMOS	analysis of moment structures
ANOVA	analysis of variance
β	beta-coefficient
χ^2	chi square value
CEO	chief executive officer
cf.	confer
CFA	confirmatory factor analysis
CFI	comparative fit index
CI	confidence interval
Δ	delta
df	degrees of freedom
Ed. / Eds.	editor / editors
e.g.	example gratia / for example
et al.	et alii
etc.	et cetera
F	F-test value
HR	human resource
ICC	intraclass correlation coefficient
i.e.	id est / that is
IFI	incremental fit index
LL	lower limit
M	mean
n	number of observations
n.p.	no page
n.s.	not significant
p	p-value
p.	page
POE	productive organizational energy
POS	positive organizational scholarship
r	Pearson product-moment correlation coefficient

R^2	squared multiple correlation coefficient
r_{wg}	index of interrater agreement
s.d.	standard deviation
SE	standard error
SEM	structural equation modeling
SPSS	statistical package for the social sciences
SRMR	standardized root mean square residual
t	t-test value
TFL	transformational leadership
TLI	Tucker Lewis index
TMT	top management team
UK	United Kingdom
UL	upper limit
USA	United States of America
vs.	versus

Abstract

An energetic workforce is imperative for corporate success. However, organizations often fail to reach their full potential as they do not master to create and sustain high productive organizational energy (POE). Hence, new approaches are needed in order to enable companies and employees to flourish in the long term and to achieve excellence. Whereas knowledge about intra-organizational determinants of POE is accumulating, external factors such as customers and their influences on POE have not yet been examined. In the course of this dissertation, three empirical studies were carried out providing linkages, mechanisms, and contingencies of the energizing influences of customers on organizations.

Study 1 relies on a sample of 80 companies and demonstrates that both positive and negative customer feedback has an impact on an organization's positive affective climate and thereby on organizational well-being, i.e. overall employee productivity, employee retention, and emotional exhaustion among employees. Based on 93 companies, Study 2 examines how customers energize organizations by introducing prosocial impact climate as a mechanism at the organizational level linking customer recognition with POE. Additionally, transformational leadership climate strengthens this relationship. Study 3 is based on a sample of 152 companies and establishes the positive linkages between customer passion, POE, and organizational performance. Furthermore, it reveals top management team's customer orientation as a boundary condition of the relationship between customer passion and organizational performance.

Overall, across the three studies, positive customer influences are positively related to POE and organizational performance supporting the notion that customers effectively energize whole organizations. Hence, this dissertation provides a starting point for future investigations of external factors influencing POE. Moreover, an extensive discussion of the practical implications and recommendations on how to enable, stimulate, and amplify positive customer influences in the pursuit of corporate success is provided.

Zusammenfassung

Begeisterte und energiegeladene Mitarbeiter sind unerlässlich für den Unternehmenserfolg. Allerdings erreichen Unternehmen oft ihr volles Potenzial nicht, da es ihnen nicht gelingt hohe produktive organisationale Energie (POE) zu erzeugen und zu erhalten. Es werden folglich neue Ansätze benötigt, damit Unternehmen und ihre Mitarbeiter langfristig hervorragende Leistungen erbringen können. Während Kenntnisse über unternehmensinterne Einflussfaktoren auf POE zunehmen, wurden externe Faktoren wie Kunden und deren Einflüsse auf POE bislang nicht untersucht. Im Zuge dieser Arbeit wurden drei empirische Studien durchgeführt, die Zusammenhänge, Mechanismen und Kontingenzen über die motivierenden Einflüsse von Kunden auf Unternehmen aufzeigen.

Studie 1 zeigt anhand einer Stichprobe von 80 Unternehmen, dass sowohl positives als auch negatives Feedback von Kunden einen Einfluss auf die positive Stimmung im Unternehmen hat und damit auf das Wohlergehen des gesamten Unternehmens, d.h. auf die Produktivität der Mitarbeiter, auf die Mitarbeiterbindung und auf die emotionale Erschöpfung unter den Mitarbeitern. Studie 2 beruht auf Daten von 93 Unternehmen und untersucht, wie Kunden Unternehmen Energie verleihen; Anerkennung vom Kunden führt zum gemeinschaftlichen Gefühl im Unternehmen, einen wertvollen Beitrag für andere zu leisten. Dieses Gefühl wiederum begünstigt POE. Durch ein transformationales Führungsklima werden diese positiven Verknüpfungen noch verstärkt. Studie 3 basiert auf einer Stichprobe von 152 Unternehmen und etabliert die positiven Zusammenhänge zwischen begeisterten Kunden, POE und dem Unternehmenserfolg. Darüber hinaus wird deutlich, dass die Beziehung zwischen begeisterten Kunden und dem Unternehmenserfolg von der Kundenorientierung des Topmanagementteams abhängt.

So zeigt sich über die drei Studien hinweg, dass positive Kundeneinflüsse positiv mit POE und dem Unternehmenserfolg in Verbindung stehen, wodurch die Idee bestätigt wird, dass Kunden dem ganzen Unternehmen Energie verleihen können. Diese Dissertation stellt somit einen Ausgangspunkt für künftige Untersuchungen von externen Einflussfaktoren von POE dar. Zudem werden Implikationen und Empfehlungen für die Praxis ausführlich diskutiert, die beinhalten, wie positive Kundeneinflüsse im Streben nach Unternehmenserfolg ermöglicht, angeregt und verstärkt werden können.

“Similar to soccer, the company is on the field, and energy and enthusiasm is created when the fans are cheering. And this effect can’t be achieved with internal praises only – it is necessary that it comes from the outside.”

Hans-Georg Krabbe, CEO of ABB subsidiary Busch-Jaeger
(cited from Bruch & Vogel, 2011, p. 205)

1 Introduction

1.1 Relevance and Research Problem

1.1.1 Relevance

An energetic workforce is imperative for corporate success. Companies with high productive energy are more efficient, perform better, and have more satisfied customers compared to companies with low energy (Bruch & Vogel, 2011). However, organizations fail to reach their full potential and the highest level of organizational energy (Cameron & Caza, 2004). They lack knowledge on how to unleash and sustain employees’ collective enthusiasm, mental alertness, and productive behavior. In this regard, the above quote of Hans-Georg Krabbe provides an inspiring analogy: A company may be viewed as a soccer team where cheering fans – a company’s passionate customers – transfer their energy and enthusiasm to employees. While doing so, employees may be emotionally infected and charged with new positive energy. In sports, such spillover of enthusiasm and energy is even physically observable when top athletes go the extra mile because their fans are cheering towards them. Indeed, sports sciences have provided evidence that large and dense crowds of supportive spectators are one crucial factor which explains why teams win more often competing at their own versus an opponent’s venue, the well-known home advantage (Agnew & Carron, 1994; Nevill, Newell, & Gale, 1996). Although such linkage is taken for granted and scientifically proven in sports, little is known whether this relationship also holds in business. Can a wave of customer passion and enthusiasm spill over to the workforce and permeate all areas of an organization? Are customers one of the crucial factors which unleash and sustain the collective productive energy in organizations? Do organizations also experience a home advantage or, more precisely, a competitive advantage when their workforce is energized through customers?

In order to provide answers to these intriguing questions, the present dissertation aims at providing fresh insights into whether customers are able to influence an

organization's climate of productive energy. Furthermore, it intends to figure out how and when customers energize whole organizations.

1.1.2 Research Problem

Productive organizational energy (POE) describes the shared experience and demonstration of positive affect, cognitive arousal, and agentic behavior among employees in their joint pursuit of organizationally salient objectives (Bruch & Ghoshal, 2003; Cole, Bruch, & Vogel, 2012a; Walter & Bruch, 2010). Importantly, POE is linked to critical organizational outcomes. Scholars found positive relationships between POE and internal effectiveness such as goal commitment and organizational commitment (Cole et al., 2012a), employees' well-being in terms of job satisfaction and turnover intentions (Raes, Bruch, & De Jong, 2013), overall company functioning (Bruch & Ghoshal, 2003, 2004), as well as company performance (Bruch, Cole, Vogel, & Menges, 2007a; Cole et al., 2012a). Additionally, research showed that an organization's positive affective climate, i.e. the positive affective energy in an organization, is positively associated with both employees' task performance behavior and organizational citizenship behavior (Menges, Walter, Vogel, & Bruch, 2011). Hence, these empirical findings corroborate the notion that the ability to create POE differentiates successful organizations from those that are less successful, and lead to the crucial question of how to create and sustain POE.

So far, empirical studies have revealed that transformational leaders and a transformational leadership (TFL) climate positively influence the positive affective energy in organizations (Menges et al., 2011), the productive energy of teams (Kunze & Bruch, 2010), and the productive energy of organizations (Walter & Bruch, 2010). Furthermore, the study of Raes, Bruch, and De Jong (2013) provides empirical evidence that top management team (TMT) behavioral integration is an important determinant of POE. Thus, knowledge about intra-organizational determinants of POE is accumulating. However, external factors such as customers¹ and their influences on POE have not yet been inspected although Bruch and Vogel (2011) pointed out that "[t]his energy [POE] can change from day to day as a result of outside factors" (p. 7). Consequently, this dissertation focuses on customers as one of such outside factors potentially influencing POE. In the course of this dissertation, I investigate linkages, mechanisms, and contingencies between customers and their influences on POE. In

¹ In line with Woodruff (1997), the term customer is used throughout this dissertation in a general sense to mean end users (including patients and clients), industrial customers, and intermediary customers in a channel of distribution.

order to lay the theoretical foundation for this endeavor, the next chapter summarizes literature related to the research problem.

1.2 Literature Review and Development of Research Questions

Figure 1–1 provides an overview of the three main research streams integrated by this dissertation: Positive organizational scholarship (POS), organizational climate, and customer influences on employees. I start with short introductions of these streams before I go into depth on research having bridged those. Herein, I first review literature on POE, second, literature on the energizing influences of customers on individual employees, and third, literature on customer influences on employees at the organizational level. In the last step, I identify the research gap which lies at the cross-section of these three streams and arising therefrom, I pose three specific research questions.

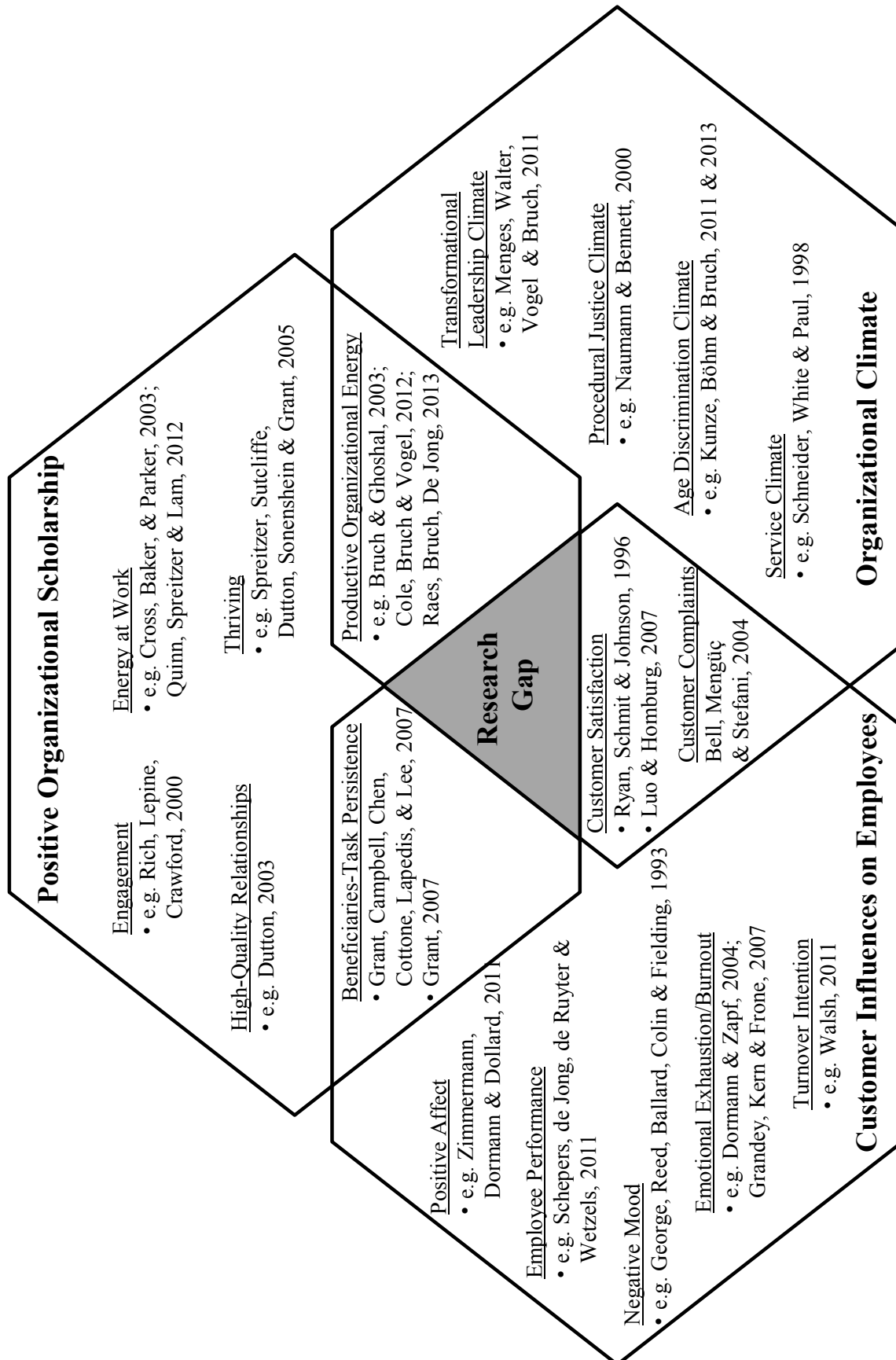
1.2.1 Research Streams

1.2.1.1 Positive Organizational Scholarship

Positive organizational scholarship (POS) is an umbrella term for research on positive states, outcomes, and generative mechanisms in individuals, dyads, groups, organizations, and societies (Cameron, Dutton, & Quinn, 2003; Roberts, 2006). The overarching objective of this work is to identify individual and collective strengths and discover how such strengths enable human and organizational flourishing (Cameron & Caza, 2004; Roberts, 2006). In other words, “POS investigates positive deviance, or the ways in which organizations and their members flourish and prosper in especially favorable ways” (Cameron & Caza, 2004, p. 731). Usually, humans and organizations fail to reach their full potential (Cameron & Caza, 2004). So, in order to help to realize the highest potential of individuals and organizations, POS focuses on factors and states which enable and stimulate extraordinary positive deviance.

One of those factors and states is described by the concept of energy at work. Energy “contributes to making organizations and the people within them extraordinary” (Dutton, 2003, p. 6). Hence, over the last years, scholars’ interest and work on energy at work has increased (e.g. Atwater & Carmeli, 2009; Cole et al., 2012a; Cross, Baker, & Parker, 2003; Fritz, Lam, & Spreitzer, 2011; Quinn, Spreitzer, & Lam, 2012). Thereby, several constructs around energy at work have been investigated.

Figure 1–1: Research Streams and Research Gap



For instance, emotional energy (Collins, 1981), energetic arousal (Quinn & Dutton, 2005; Thayer, 1989), subjective vitality (Ryan & Frederick, 1997), elevation (Haidt, 2000), vigor (e.g. Shirom, 2003; Shrager & Shirom, 2009), engagement (e.g. Kahn, 1990; Rich, Lepine, & Crawford, 2010), and POE (Bruch & Ghoshal, 2003; Cole et al., 2012a) are all constructs which reflect some form of energy at work. However, they differ in their encompassed scope. Out of those, the conceptualization of vigor (Shrager & Shirom, 2009), engagement (Rich et al., 2010), as well as POE (Bruch & Ghoshal, 2003; Cole et al., 2012a) provide the most comprehensive understanding of energy-at-work-related constructs by consisting of an affective, a cognitive, and a physical-behavioral dimension.

As employees' individual energy at work is not independent from each other, scholars have emphasized the need to study energy at work at a collective level (Bruch & Ghoshal, 2003; Jansen, 2004). Additionally, investigating phenomena at the organizational level is already highlighted by the term positive *organizational* scholarship in contrast to positive *individual* scholarship (Spreitzer & Sonenshein, 2004). The roots of research on the collective and organizational level respectively lie in the scientific inquiry of organizational climate (James & Jones, 1974; Schneider & Reichers, 1983). Hence, I provide a short introduction of research on organizational climate in the following.

1.2.1.2 Organizational Climate

Research on organizational climate is grounded on the desire and need to understand how work contexts affect employees' behavior and attitudes (Schneider & Reichers, 1983). Organizational climate represents shared perceptions among employees regarding the work context (Kuenzi & Schminke, 2009). As there are various definitions of organizational climate, Kuenzi and Schminke (2009) provided three fundamental characteristics of organizational climate in their review: It is a perceptual construct, a collective phenomenon, and it is different from organizational culture. Further, the authors state: "When perceptions of a work unit's employees are aggregated (typically after establishing some adequate level of agreement exists between employees), they reflect organizational climate" (Kuenzi & Schminke, 2009, p. 638). Typical composition models are additive, direct consensus, or referent-shift models (Chan, 1998). The latter two are based on within-group agreement whereas additive models are based on the average or the sum of individual responses regardless of their agreement.

Using an additive composition model means to average the climate perceptions of individuals within each organization – regardless of the within-organization variance – to represent the organizational climate variable (Chan, 1998). By pointing to researchers' overreliance on composition rules, Glick (1985) notes that the existence of an organizational climate does not depend on within-group agreement because all organizations have an organizational climate which can be described as high or low on various dimensions. As a consequence, researchers should be guided by theoretical arguments when deciding on the type of composition model for the specific organizational climate.

With respect to consensus and referent-shift models relying on within-group agreement, there are some elementary frameworks and processes which explain why individuals and their affects, cognitions, and behaviors are more similar to each other within an organization than between organizations. Two of them will be presented in the following due to their prominent role in explaining the emergence of an organizational climate. First, the attraction-selection-attrition framework developed by Schneider (1987) “is traditionally used to predict organizational-level homogeneity” (Mason & Griffin, 2002, p. 276). The basic notion is that certain individuals are attracted to and selected by an organization while some individuals who do not fit to the organization leave the organization through attrition. Hence, the remaining members of the organization are more similar to each other and constitute an even more homogeneous group than those who were initially attracted because of the restricted variance in individual differences. In turn, this limited range of individuals remaining in the organization yields similar kinds of behavior contributing to homogeneity of employees within the organization (Ployhart, Weekley, & Baughman, 2006; Schneider, 1987).

Second, due to organizational socialization processes, employees' attitudes, knowledge, and behaviors are more homogeneous within organizations than between organizations. Organizational socialization refers to a learning process of new employees who internalize and conform to organizational values, norms and goals (Fisher, 1986; Ostroff & Kozlowski, 1992). By doing so, new employees become more and more similar to other members of the organization (Fang, Duffy, & Shaw, 2011). This standardization processes also refer to emotional norms and organizational display rules which determine when and how certain emotions are to be expressed or suppressed (Rafaeli & Sutton, 1987). In sum, in view of attraction, selection, and attrition as well as assimilation processes of new employees to their new environment,

individuals' affect, cognition, and behavior become more uniform within organizations than between organizations.

On this basis, numerous different facet-specific organizational climates have been established; for instance, procedural justice climate (e.g. Naumann & Bennett, 2000), TFL climate (e.g. Menges et al., 2011), age discrimination climate (e.g. Kunze, Boehm, & Bruch, 2011), or a climate of productive energy (i.e. POE) (e.g. Raes et al., 2013). Referring to customers, an established organizational climate construct is service climate which describes employees' shared service orientation towards customers (e.g. Schneider, White, & Paul, 1998). It is often used to explain differences in customer-related consequences such as customer satisfaction or customer loyalty, and hence, implies the perspective from employees to customers (e.g. Dietz, Pugh, & Wiley, 2004; Mayer, Ehrhart, & Schneider, 2009). While research on service climate takes the perspective of how employees influence customers, the next chapter looks at such relationship from the opposite direction.

1.2.1.3 Customer Influences on Employees

Van Jaarsveld, Walker and Skarlicki (2010) stated that “the effects of customers on employee attitudes and behaviors are a relatively new line of inquiry” (p. 1488). Throughout this dissertation, customer influences on employee-related consequences refer to a change of employees' affect, cognition, behavior, attitudes, experiences, and resources (e.g. well-being) – directly or indirectly – caused by customers' affect, cognition, behavior, attitudes, and experiences. Although research in this field is quite a new stream, there are scientific perspectives which relate to that line of inquiry. Job design and emotional labor perspectives investigating the effects of interaction between employees and the public is in so far related to research on customer influences on employees as customers, patients, or clients are part of the public and are clearly specified as such in some scientific work (Dormann & Zapf, 2004; Grandey, 2000; Grant, 2007; Humphrey, Nahrgang, & Morgeson, 2007). Nevertheless, scientific findings on the effects of customers on employees have become fragmented: Interactions between employees and customers yielded both positive and negative consequences on employees (Grandey & Diamond, 2010). In order to sort the mixed findings, I provide an overview of key studies in Appendix 6.1.

Exemplary studies which investigated positive customer influences on employees are listed in Appendix 6.1.1. For instance, experiments showed that gratitude expressions from beneficiaries towards helpers increased helpers' prosocial behavior and were

mediated by helpers' increased social worth (Grant & Gino, 2010). Moreover, researchers revealed that customers increase employees' positive affect through customer-initiated support (Zimmermann, Dormann, & Dollard, 2011, p. 37). On the team level, customer appreciation of virtual team technology was positively related to perceived virtual team efficacy which, in turn, was positively related to virtual team service performance (Schepers, de Jong, de Ruyter, & Wetzels, 2011). Importantly, external factors such as customer appreciation predicted collective efficacy beyond supervisor and peer encouragement which are intra-organizational factors.

Referring to the negative site of customer influences, especially research on emotional labor has considered negative customer influences as these require emotion regulation from employees (for an overview of key studies of customer influences with negative employee-related consequences, cf. Appendix 6.1.2). Such negative consequences include job stress, emotional exhaustion, burnout, lower job performance ratings and ultimately, the intention to quit (Dormann & Zapf, 2004; Grandey, Kern, & Frone, 2007; Skarlicki, van Jaarsveld, & Walker, 2008; Walsh, 2011). The negative contagion can lead to long-term burnout in a sales environment (Verbeke, 1997) and to emotional exhaustion in healthcare jobs in which healthcare providers are in constant contact with people who are ill or depressed (Omdahl & O'Donnell, 1999). George et al. (1993) observed that the extent of a nurses' exposure to AIDS patients – as part of the nursing role – is positively associated with negative mood at work and that this relationship is moderated by organizational and social support. Furthermore, research revealed that customer complaints, i.e. negative customer feedback, are negatively related to employees' commitment to customer service (Bell & Luddington, 2006).

A few studies have considered customer influences on employees without focusing on either only positive or negative consequences on employees but rather taking into account both sites (cf. Appendix 6.1.3). Although neither positive nor negative employee-related consequences have been specifically investigated, the findings of Rafaeli (1989) affirm that customers exert influence on employees' behavior. Particularly, the qualitative study conducted in the context of supermarket cashiers discovered that customers have immediate influence on cashiers' work performance whereas management influence on employees was more remote (Rafaeli, 1989). One of the very few studies investigating both positive and negative customer influences on employees explicitly is a study of Basch and Fisher (2000). Having coded 736 work events in an event emotion matrix based on affective events theory (Weiss & Cropanzano, 1996), they found that, on the one hand, ten percent out of employees' total positive emotions at work were caused by interactions or acts with customers. On

the other hand, acts with customers caused seven percent out of employees' total negative emotions at work. Further, a diary-based study investigated affective work events and affect-driven behaviors (Grandey, Tam, & Brauburger, 2002). Its findings were that the most frequent cause of anger at work was interpersonal mistreatment from customers and that such mistreatment resulted in employees' faking expressions about 50 percent of the time. Additionally, Tan, Foo, and Kwek (2004) demonstrated that the personality trait agreeableness of a customer related positively to an employee's display of positive emotions whereas negative affectivity of a customer related negatively to an employee's display of positive emotions.

Altogether, this review on either positive or negative or on both sites of customer influences on employees demonstrates that customers exert influence on individual employees' affect, cognition, and behavior in both positive and negative ways.

1.2.2 Integration of Research Streams

1.2.2.1 Productive Organizational Energy

After having introduced the basics of the three research streams, I proceed to reviewing research which has integrated two of those streams. To start with, I present scientific work on POE. On the one hand, POE belongs to research on POS as productive energy is one of those extraordinary states and outcomes which organizations strive for (Bruch & Ghoshal, 2003). On the other hand, POE belongs to research on organizational climate as it captures human energy at the organizational level and is casted as a climate of productive energy (Cole et al., 2012a; Raes et al., 2013).

As already mentioned in Chapter 1.1.2, POE is defined as the shared experience and demonstration of positive affect, cognitive arousal, and agentic behavior among employees in their joint pursuit of organizationally salient objectives (Bruch & Ghoshal, 2003; Cole et al., 2012a; Walter & Bruch, 2010). As such, POE is characterized by the following two aspects: Comprising multiple dimensions and emerging as a relatively stable state at the collective level (Bruch & Ghoshal, 2003; Cole et al., 2012a).

First, in order to capture the complexity of collective phenomena, scholars have emphasized that dealing with multiple attributes simultaneously is crucial (McGrath, Arrow, & Berdahl, 2000). Hence, POE consists of an affective, a behavioral, and a cognitive dimension. Affective energy reflects the degree of shared enthusiasm and

strong positive feelings relating to work issues such as tasks, goals, or job challenges (Cole et al., 2012a; Quinn & Dutton, 2005). Cognitive energy reflects the shared intellectual processes that propel members to persist thinking productively and solution-oriented while being able to focus their attention and shut out distractions (Cole et al., 2012a; Lykken, 2005). Behavioral energy reflects members' joint efforts to achieve the shared goals of an organization and the degree of their pace, intensity, and volume invested for benefiting the organization (Cole et al., 2012a; Spreitzer & Sonenshein, 2004; Spreitzer, Sutcliffe, Dutton, Sonenshein, & Grant, 2005). Research has shown that these three dimensions of POE are conceptually and empirically distinct, and that they conjointly reflect the construct of POE (Cole et al., 2012a; Walter & Bruch, 2010).

Second, POE reflects the affective, cognitive, and behavioral energy of organizations as a whole. Therewith, POE is a collective construct that is functional equivalent to individual level energy but differs in its structure from it (Cole et al., 2012a). Whereas individual level energy manifests at the intra-individual level via biological and psychological processes, organizational level energy emerges at the organizational level via mutual dependence and inter-individual interaction (Bruch & Vogel, 2011; Cole et al., 2012a). Affect, cognition, and behavior of individual employees represent the "raw material of emergence" (Kozlowski & Klein, 2000, p. 55) which is transformed and amplified through interaction between employees. In the course of these interactions, mechanisms such as emotional contagion processes (Barsade, 2002), organizational sensemaking (Maitlis, 2005), as well as behavioral integration (Bandura, 2001) contribute to the emergence of POE on the organizational level. Due to the emergent state of POE, POE is relatively stable over time although it varies as a function of its context, inputs, and outcomes (Bruch & Vogel, 2011; Cole et al., 2012a). Assuming an a posteriori permanence of POE, i.e. POE influences individual and collective action constantly, the interactions which gave rise to POE are partly independent of POE (Cole et al., 2012a; Morgeson & Hofmann, 1999). Evoked by collective alignment and amplification processes, POE is more than the sum of individual level energy and has the potential to exert a much stronger positive force (Bruch & Ghoshal, 2003; Cole et al., 2012a). Multilevel theorists have repeatedly recommended using collective level constructs when investigating collective level outcomes (Kozlowski & Klein, 2000; Morgeson & Hofmann, 1999). One of such collective level outcomes is organizational performance being "the ultimate dependent variable of interest for researchers concerned with just about any area of management" (Richard, Devinney, Yip, & Johnson, 2009, p. 719). As POE reflects amplified

affective, cognitive, and behavioral energy of all employees within an organization, it is a predestined construct to uncover performance differences between organizations.

Empirical evidence for the positive consequences of POE is accumulating. Based on in-depth qualitative and quantitative studies, Bruch and Ghoshal (2003, 2004) showed that POE enhances organizations' ability to deal with change and improves overall company functioning. Since then, several large-scale survey studies have been carried out whose results are presented in the following. In a sample of 119 departments of a multi-national organization, POE was positively related to employees' collective attitudes of goal commitment, organizational commitment, and job satisfaction above and beyond the related constructs of collective motivation, efficacy, cohesion, autonomy, and exhaustion (Cole et al., 2012a). Furthermore, using a dataset with 5'692 employees out of 92 companies, POE was positively related to overall company performance (Cole et al., 2012a). These findings were corroborated and extended by a study of Raes, Bruch, and De Jong (2013) testing their hypotheses in a dataset with 5'048 employees from 63 organizations. Thereby, POE was related to increased employees' job satisfaction and decreased turnover intentions. Additionally, a study of Menges, Walter, Vogel, and Bruch (2011) investigated the linkage between workforce performance and an organization's positive affective climate, i.e. the affective dimension of POE. Within a dataset of 158 independent organizations, an organization's positive affective climate was positively related to both employees' aggregate task performance behavior and aggregate organizational citizenship behavior.

In view of these consistently positive consequences of POE, it is worthwhile to reveal the factors which create and sustain POE. So far, empirical studies have demonstrated that transformational leaders and TFL climate respectively are positively associated with POE (Kunze & Bruch, 2010; Walter & Bruch, 2010). First, a study on the team level with 72 teams from a multinational organization showed that TFL was positively related with teams' productive energy (Kunze & Bruch, 2010). Specifically, TFL moderated the relationship between age-based faultlines and teams' productive energy. Second, Walter and Bruch (2010) found within a dataset of 125 organizations that there is a positive linkage between TFL climate and POE. They revealed that this relationship is diminished under conditions of high centralization and enhanced under conditions of high formalization. Besides TFL, there is empirical evidence that TMT behavioral integration is an important determinant of POE in organizations based on the symbolic impact of TMT's behavior on employees (Raes et al., 2013). Thus,

knowledge about antecedents of POE is accumulating for intra-organizational factors within organizations.

1.2.2.2 Energizing Influences of Customers on Individual Employees

Next, I summarize literature on the energizing influences of customers on individual employees combining research on POS with research on customer influences on employees. Scientific work on relational and prosocial job design provides first evidence on the individual level that beneficiaries energize the workforce (Grant, 2007; Grant, 2012; Grant et al., 2007; Grant & Hofmann, 2011). As beneficiaries are defined as individuals and social collectives both internal and external to the organization – including customers, clients, and patients (Grant et al., 2007) – research on relational and prosocial job design is of particular relevance for this chapter. The following overview on this overlap starts with conceptual work on the energizing influences of customers on individual employees and proceeds to empirical research on this topic (for a list of key studies, cf. Appendix 6.1.4).

Job design researchers have recently ‘reintegrated’ the social context of work and emphasize the importance of relational and prosocial job features and their positive effects on employees’ motivation (Grant, 2007; Grant & Parker, 2009; Humphrey et al., 2007). The relational job features reflect the structural properties of work that shape employees’ opportunities to connect and interact with other people, inter alia, customers (Grant, 2007; Grant & Parker, 2009). The prosocial job features imply the fact that a core value of most individuals across cultures is benevolence (Grant, 2007; Schwartz & Bardi, 2001). Accordingly, because individuals want to benefit others, employees get energized when they perceive the prosocial impact of their work (Grant, 2007). Combining the relational and prosocial job features, the central notion of the job impact framework is that contact with beneficiaries increases employees’ effort, persistence, and helping behavior. According to Grant (2007), the causal relationship between contact with beneficiaries and employees’ behavior follows several successive steps: A first step is that employees are able to perceive their impact on beneficiaries when jobs provide opportunities to affect the lives of beneficiaries or provide opportunities for contact with beneficiaries. In a second step, the perceived impact on beneficiaries motivates employees to make a positive difference in the lives of these beneficiaries. Then, as a third step, the motivation to make a prosocial difference is likely to increase effort, persistence and helping behavior. Although Grant (2007) does not explicitly mention individual energy as an outcome, employees’ increase of effort, i.e. how hard employee works, and persistence, i.e. how long

employee works, closely relate to agentic work behavior and hence to behavioral energy (as described in Chapter 1.2.2.1).

Besides the described conceptual work, empirical studies support the energizing influences of customers on individual employees. For instance, a longitudinal field experiment with 39 employees of a fundraising organization showed that employees who interacted ten minutes respectfully with an external beneficiary of their work spent significantly more time on the phone and raised significantly more money than employees who had no interpersonal contact with the beneficiary (Grant et al., 2007). Next, in a quasi-experimental study, employees' performance was increased by the positive interaction between a TFL intervention and a short contact with an internal customer, i.e. a beneficiary from another department supported by the employees' work (Grant, 2012). Additionally, a survey-based study demonstrated that the positive association between TFL and employees' performance was stronger when employees' job involves frequent interaction with beneficiaries whereby employees' perceptions of prosocial impact mediated this interactive relationship (Grant, 2012). It is noteworthy that mere contact of an employee with a beneficiary was not independently associated with higher performance whereas respectful contact with beneficiaries – as investigated in the longitudinal field experiment described above – had a direct positive influence on employees' performance (Grant, 2012; Grant et al., 2007). Further, a field quasi-experiment with fundraisers revealed that ideological messages from an external beneficiary increased employee performance while the ideological messages from two leaders did not (Grant & Hofmann, 2011). Thus, theoretical as well as empirical evidence is increasing in support of the idea that beneficiaries, inter alia customers, energize organizational members.

1.2.2.3 Customer Influences on Employees at the Organizational Level

Finally, I provide an overview about research on the overlap between organizational climate and customer influences on employees. Scientific work within this field is scarce; only three empirical studies have investigated customer influences on employees at the organizational level (Bell, Mengüç, & Stefani, 2004; Luo & Homburg, 2007; Ryan, Schmit, & Johnson, 1996). Nevertheless, there are some substantial rationales supporting the notion that customers influence the organizational climate that are discussed first before turning to the empirical investigations.

When reflecting on customer influences on the organizational climate, there are three main factors facilitating or preventing customer influences on the organizational

climate: Customers themselves, organizations and their practices, and employees. First, customers themselves constitute an essential factor referring to influences on the organizational climate. The role of customers has dramatically changed over the last years; customers are no longer a passive audience but instead they act as value co-creators of the organization (Fang, 2008; Prahalad & Ramaswamy, 2000). Hence, the overall power and influence of customers on organizations and their products or services have strongly increased (Urban, 2005). Some commonplace examples for customers' active role and influences are: Customers give feedback to the organization (Bettencourt, 1997), spread positive and negative word-of-mouth (Brown, Barry, Dacin, & Gunst, 2005; Singh, 1990), post statements related to organizations on virtual opinion platforms (Hennig-Thurau & Walsh, 2003) and via social media, e.g. Facebook (Kaplan & Haenlein, 2010), actively engage in product innovations (Lengnick-Hall, 1996), show voluntary behavior such as helping and informing other customers (Bagozzi & Dholakia, 2006), connect with others fans via real or virtual (fan) communities (Algesheimer, Borle, Dholakia, & Singh, 2010; Cova & Pace, 2006) and recruit other customers to join the community (Algesheimer, Dholakia, & Herrmann, 2005). All these activities represent a form of customer engagement behavior resulting from motivational drivers beyond purchase (van Doorn et al., 2010). Altogether, such customer engagement behaviors indicate that today's customers exert influence on organizations to a large degree. Thus, customers likely influence the organizational climate.

Second, organizations and their strategies and practices play a key role when considering the degree of customer influences on the organizational climate. Research showed that organizations are different in terms of customer-related practices and systems (e.g. Homburg & Fuerst, 2005; Morgan, Anderson, & Mittal, 2005). For instance, organizations differ in their reactions to consumer correspondence (Martin & Smart, 1988), in their use and sharing of customer satisfaction indices (Morgan et al., 2005; Morgan & Rego, 2006), in their management of customer complaints (Homburg, Fuerst, & Koschate, 2010; Homburg & Fürst, 2007), in their offer to customers to leave online feedback on products or services (Liu & Zhang, 2010), and whether they host commercial online communities (Wiertz & de Ruyter, 2007). Consequently, each organization provides its customers with distinct opportunities for their engagement. But not only customers are affected by such organizational strategies and practices, organizations also provide their employees with a specific and unique work environment. Dependent on this environment, employees may interact more or less with customers and hence, get influenced by customers more or less.

Third, another factor determining the influential role of customers on the organizational climate are the employees. In the following, three fundamental existing theories are discussed deducing how and why customer influences extend beyond the individual level to the organizational level. Table 1–1 provides an overview of the basic notion of these theories.

Table 1–1: Overview of Theories Contributing to Customer Influences on the Organizational Climate

Theory	Selected Authors	Description
Affective Events Theory	Weiss and Cropanzano (1996) Weiss and Beal (2005)	Members within an organization are exposed to similar work environments which make certain work events more likely. Work events influence organizational members' affect and attitudes which are in turn linked to their behaviors.
Emotional Contagion	Hatfield, Cacioppo, and Rapson (1994) Barsade (2002)	Individuals transfer emotions from one individual to another or to a group through interaction.
Organizational Sensemaking	Weick (1995) Maitlis (2005)	Organizational members interpret their environment in and through interactions with others while constructing shared cognitive meaning that allows them to understand cues from their environment and act collectively.

In line with research which has declared acts of employees with customers as affective work events (Basch & Fisher, 2000; Grandey et al., 2002), affective events theory proposed by Weiss and Cropanzano (1996) might serve as a framework to explain customer influences on the organizational climate. A basic postulation of affective events theory is that work events are proximal predictors of employees' affective reactions and subsequent behavior (Weiss & Cropanzano, 1996). Moreover, the proponents declare that “[w]ork environments are seen as having an indirect influence on affective experience by making certain events, real or imagined, more or less likely” (Weiss & Cropanzano, 1996, p. 12). As all employees within an organization are exposed to similar work environments they may experience similar work events, or more precisely, similar happenings in an organization that they consider relevant to the organizational environment and their role in it (Rentsch, 1990). In addition to intra-organizational work events, researchers have explicitly extended affective events

theory to affective events external to the organization such as stock market fluctuations or economic changes (Ashkanasy & Ashton-James, 2005; Ashton-James & Ashkanasy, 2005). Further, being exposed to similar work events, inter alia evoked by customers, organizational members may experience similar affective experiences which may result in similar work behavior. Constituting an essential part of affective events theory, the frequency of certain work events is a more decisive aspect of employees' emotions rather than the intensity of certain work events (Ashkanasy & Ashton-James, 2007). Accordingly, as work events evoked by customers might accumulate within organizations referring to their frequency, customer influences might extend beyond the individual level to the organizational level.

Next, prior research has occasionally argued that employees get emotionally influenced by customers through emotional contagion processes (Luo & Homburg, 2007; Tan et al., 2004; Zimmermann et al., 2011). Hence, emotional contagion processes may explain why and how customers influence the organizational climate through their employees. The central notion of emotional contagion is that individuals consciously or unconsciously transfer emotions from one individual to another or to a group through interaction (Hatfield et al., 1994). The unconscious or primitive emotional contagion implies that a person spontaneously imitates the facial expressions and other nonverbal cues of another person leading to a synchronization of movements. The second type of emotional contagion, the conscious emotional contagion, is based on a social comparison process. People compare their moods with those of others and then react according to what seems appropriate for the situation (Barsade, 2002; Hennig-Thurau, Groth, Paul, & Gremler, 2006). Thus, as organizational members catch each other's emotions and imitate them, customers' emotional influences on single employees' emotion – e.g. at the organization's boundaries – might spread within the organizations and consequently, impact the organizational climate. Additionally, scholars noted that the application of emotional contagion theory at the organizational level is often more implicitly assumed than explicitly stated (Ashkanasy & Ashton-James, 2007; Barsade, Ramarajan, & Westen, 2009), and that “[t]he contagion process may be more robust at the collective level than at the interpersonal level” (Saavedra, 2008, p. 436). Consequently, emotional contagion theory provides arguments how and why customer influences spread within the organization whereby affecting the organizational climate.

Finally, organizational sensemaking might explain customer influences on the organizational climate. The basic tenet of organizational sensemaking implies that organizational members interpret their environment in and through interactions with

others while constructing accounts that allow them to comprehend the world and act collectively (Maitlis, 2005). Employees exchange provisional understandings and try to agree on consensual interpretations (Weick, Sutcliffe, & Obstfeld, 2005). Research showed that various organizational stakeholders shape and influence the construction of meaning at work (Maitlis, 2005). Organizational leaders play thereby an important role having been described as meaning manager (e.g. Bruch, Shamir, & Eilam-Shamir, 2007b; Smircich & Morgan, 1982) and as climate engineers (Naumann & Bennett, 2000). Moreover, the study of Wrzesniewski, Dutton, and Debebe (2003) point out that “[m]ost every person engaged in work is interacting with other people, whether they are coworkers, supervisors, subordinates, clients, customers, or others in the organizational environment” (p. 94). Accordingly, the authors conclude that the interpersonal work context is crucial for employees’ perception and construction of their meaning at work. Hence, as employees interact with each other and with customers on a regular basis, customers might influence organizational members collectively due to organizational sensemaking processes. More precisely, employees interpersonally exchange, interpret, and elaborate on organizational topics and issues, inter alia on the organization’s customers in terms of customers’ affect, cognition, and behavior. Consequently, employees’ opinions and feelings about customers converge over time.

Building on these three theories, the rationale for customer influences on organizational climate and consequently on employees’ shared affect, cognition, and behavior is as follows: All members of an organization are exposed to similar environments and hence to similar customer-related events which are perceived, interpreted, and processed in similar ways resulting in similar affective, cognitive, and behavioral reactions which are shared, spread and intensified throughout the organization by mutual interaction.

There are three studies that focus specifically on customer influences on employees at the organizational level of analysis (cf. Appendix 6.1.5). However, all three investigations have some major restrictions which limit the transferability of knowledge about customer influences on the organizational climate. First, using data from 131 branches of a financial services organization in two consecutive years, Ryan, Schmit, and Johnson (1996) found that employees’ shared positive attitudes had no effect on customer satisfaction but customer satisfaction had a positive influence on shared employee attitudes, captured via three aggregated factors relating to supervision, job and company satisfaction, and teamwork. As the influence of customer satisfaction on employees’ shared attitudes was unexpected, the authors did

not provide any arguments in favor of how or why customer satisfaction may influence employees' shared attitudes besides adding delinquency as explanatory factor affecting customer satisfaction.

Second, Bell, Mengüç and Stefani (2004) carried out a survey study with 392 employees of 115 different stores within a national retail organization and revealed that customer complaints were negatively associated with employees' aggregate commitment to customer service. Moreover, customer complaints weakened the positive linkage between organizational support and employees' aggregated commitment to customer service but strengthened the linkage between supervisory support and employees' aggregated commitment to customer service. Although the store-level was used as unit of analysis including on average three employee responses, the consulted theory referred to the individual level. Accordingly, no theoretical arguments or mechanisms for the collective level have been provided. In addition, the sample was drawn from a single organization which limits the transferability to other organizations and industries. Furthermore, as noted by the authors, the result that customer complaints strengthened the relationship between supervisory support and employees' aggregate commitment to customer service might not be applicable for other organizations.

Third, more recently, Luo and Homburg (2007) found in a study using secondary data from 139 organizations in two consecutive years that customer satisfaction had a positive effect on organizations' human capital performance which is defined as an organization's excellence in terms of employee talent and managerial superiority compared with its leading rival organizations in the industry. They argue that customer satisfaction signals good prospects of the organization to current and future employees and hence, retains and attracts them. Further, drawing from emotional contagion theory, the authors claim that employees dealing with highly satisfied customers develop a higher level of future job satisfaction so that organizations build superior human capital. Although this study was the only one hypothesizing about positive customer influences on the organizational climate, employees were not asked about their attitudes and behaviors because this study relied on secondary data without providing information on the organizational climate. Hence, to date, there appears to be no scientific work that reliably assesses customer influences on the organizational climate. Thus, although there are significant theoretical arguments supporting the idea that customers influence the organizational climate, we have very little knowledge on whether this linkage is also empirically supported.

1.2.3 Research Gap, Research Questions, and Research Purpose

The literature review provided an introduction of the three central research streams of this dissertation and a concentrated overview of the so far conducted research on POE, the energizing influences of customers on individual employees, and customer influences on employees at the organizational level. As no research so far has bridged all three research streams, a major research gap results therefrom. In essence, bridging these three streams, there is a gap in the literature concerning customer influences on POE.

First, although knowledge about antecedents of POE is accumulating for intra-organizational factors, we know very little about external factors influencing POE. However, consistent with research on contingency theory focusing on organizations' embeddedness in the environment (Burns & Stalker, 1961), it is expedient to broaden research on POE and its linkage to organizational performance by considering also external factors as potential influencing factors. When looking at this need from the stakeholder view of the firm, potential variables for further investigation are communities, political groups, investors, governments, suppliers, trade associations, or customers (Donaldson & Preston, 1995). As customers' power has drastically increased over the last years (Urban, 2005), and as particularly the service sector is now experiencing long-term growth which promotes the role of customers (Cascio, 2003), this dissertation focuses on studying customers as external factors influencing POE.

Second, relating to the energizing influences of customers on employees, theoretical as well as empirical evidence is accumulating in support of the idea that beneficiaries, *inter alia* customers, energize organizational members. However, these theoretical considerations and empirical investigations refer solely to the individual level. As scholars have emphasized the need to study energy at work at a collective level (Bruch & Ghoshal, 2003; Jansen, 2004), and as scholars caution against the assumption that relationships found on the individual level can be transferred one to one to the organizational level (Glick, 1985; Klein & Kozlowski, 2000), this dissertation focuses on whether there are also linkages between energizing influences of customers on employees at the organizational level and how such linkages look like.

Third, relating to customer influences on employees at the organizational level, there are significant theoretical reasons supporting the idea that customer influences affect the organizational climate (*cf.* Chapter 1.2.2.3). However, there is little empirical research which examines customer influences on the organizational climate. As

research within POS aims at counterbalancing the prevalence of research studying extensively negative phenomena (Cameron & Caza, 2004; Gable & Haidt, 2005), this dissertation puts a special emphasis on positive phenomena, states, and outcomes while not ignoring the negative site.

Along with the outlined focus of this dissertation, three research questions have been developed in order to address this gap. They are depicted in Table 1–2 and have motivated the three dissertation’s studies.

Table 1–2: The Three Research Questions of the Dissertation

Research Question 1: *Can customers energize whole organizations?*

Research Question 2: *How do customers energize whole organizations?*

Research Question 3: *When do customers energize whole organizations?*

Based on previous research which has shown that customers energize individual employees (e.g. Grant, 2012; Grant et al., 2007), the first research question of this dissertation is: *Can customers energize whole organizations?* According to the emphasis of POS on positive phenomena, this question addresses whether customers are able to exert an energizing influence on the organizational climate. However, Cameron and Caza (2004) accentuate that “POS [...] is concerned with understanding the integration of positive and negative conditions, not merely with an absence of the negative” (p. 732). Hence, taking into account the possibility that customer influences on the organizational climate could also be negative, the derived study will include both positive and negative customer influences. Building upon the notion that customers can energize whole organizations, the second research question of this dissertation is: *How do customers energize whole organizations?* This question addresses the mechanisms of positive customer influences on the organizational climate. It intends to open up the black box of how customers exert influences on the organizational climate in order to reveal factors which amplify the energizing influences of customers. Furthermore, scholars have recommended to identify the boundaries and limitations of established relationships between constructs and existing theories (Boyd, Takacs Haynes, Hitt, Bergh, & Ketchen, 2012; Edwards, 2010). Accordingly, the third research question of this dissertation is: *When do customers energize whole organizations?* This question refers to contingencies which hinder organizations to benefit from positive customer influences on the organizational climate and on organizational performance.

Having stated the three research questions of this dissertation, I briefly summarize the overall research purpose. First and foremost, this dissertation aims at investigating the role that customers play in respect of energizing whole organizations. In particular, I aim at investigating whether, how, and when positive customer influences relate to POE, or in other words, the linkages, mechanisms, and contingencies between customers and their influences on POE. Beyond that goal, I also seek to examine the linkages of customer influences on organizational performance or performance-related outcomes in order to gain further knowledge of POE as a competitive advantage for organizations.

1.3 Methodological Approach

This chapter outlines how I approached the posited research questions methodologically in order to fulfill the posited research purpose. Correspondingly, the underlying research paradigm and the study design are presented in the following while I discuss their appropriateness.

An overarching criterion for high-quality research is the methodological fit which is defined as the internal consistency among elements of a research project, namely research question, prior work, research design, and theoretical contribution (Edmondson & McManus, 2007). McGrath (1981) pointed out that “*all* research strategies and methods are *seriously* flawed [...] [and that] *it is not possible, in principle, to do “good”* (that is methodologically sound) *research*” [emphasis in the original] (p. 179). In spite of that, or exactly because of that, researchers should carefully decide on the research methods. Methodological choices greatly influence the type of conclusions that can be drawn from the results (Scandura & Williams, 2000) and hence, they have far-reaching consequences. In order to guide and assess the methodological fit, researchers may base their decisions on criteria such as the type of research question posed (open-ended inquiry vs. testing hypothesized relationships; Brewerton & Millward, 2001) or the developmental stages of the theory (nascent vs. mature; Edmondson & McManus, 2007). Importantly, the underlying research paradigm has to be chosen.

1.3.1 Research Paradigm

The present dissertation is based on empirical research or, to be more precise, on a positivist research paradigm in the pursuit of explaining and predicting things by general theories (Easterby-Smith, Thorpe, & Lowe, 2002). The positivist research

paradigm implies that hypotheses are theoretically derived and tested which is called deductive theory-testing. In an article about trends in theory-building and theory-testing, the authors state that “theory testing is particularly important in management because some of the most intuitive theories introduced in the literature wind up being unsupported by empirical research” (Colquitt & Zapata-Phelan, 2007, p. 1282). Therewith, since it is not possible to confirm any posited hypothesis, classical testing procedures intend for falsifying the null hypotheses of the posited hypotheses (Popper, 1959).

McGrath (1981) describes research strategy as a three horned dilemma consisting of a horn for generalizability, one for precision, and one for realism. He emphasizes that every research strategy maximizes on one or two horns but unavoidably neglects at least one of the three horns. Thereby, sample surveys maximize generalizability, experiments maximize precision, and field studies maximize realism. Furthermore, these three horns are placed quite different at the two orthogonal axes: obtrusive versus unobtrusive research operations and universal versus particular behavior systems. For example, sample surveys are unobtrusive and universal, laboratory experiments are obtrusive and universal, and field studies are unobtrusive and particular.

Since all research questions of this dissertation address the organizational level and aim at detecting differences between organizations, research in real settings, i.e. in the present case in organizations, would be desirable. To enhance organizations’ willingness to cooperate, researchers may avoid unwanted organizational interruptions and irritations. For such purpose, relying on unobtrusive research operations is advisable. When striving for maximal generalizability and minimal obtrusiveness at the same time, a survey study appears to be least flawed (McGrath, 1981). As presented above, such a decision goes along with a lack of precision. Having made the underlying research paradigm explicit, I show how that substantiates in the study design.

1.3.2 Study Design

Due to the different foci of the three research questions, and in order to increase the robustness of the linkages between customer influences and POE, three distinct survey studies were carried out capturing customer influences via the following three constructs: positive and negative customer feedback, customer recognition, and customer passion.

The first research question and Study 1 respectively address positive customer influences on the organizational climate while not excluding the possibility of also negative customer influences on the organizational climate. Hence, this study requires from the construct which captures customer influences that it is capable of being positive or negative. I capture customer influences via positive and negative customer feedback in Study 1 as feedback meets this requirement (Herold & Greller, 1977) and as customer feedback occurs frequently within organizations (Markey, Reichheld, & Dullweber, 2009; Sampson, 1999). Furthermore, the construct for organizational climate is positive affective climate representing the affective energy dimension of POE and thus, allowing assumptions about customers (de)energizing influences. Additionally, organizational well-being, i.e. overall employee productivity, employee retention, and overall emotional exhaustion among employees, is included within the study in order to examine performance-related consequences of customer influences.

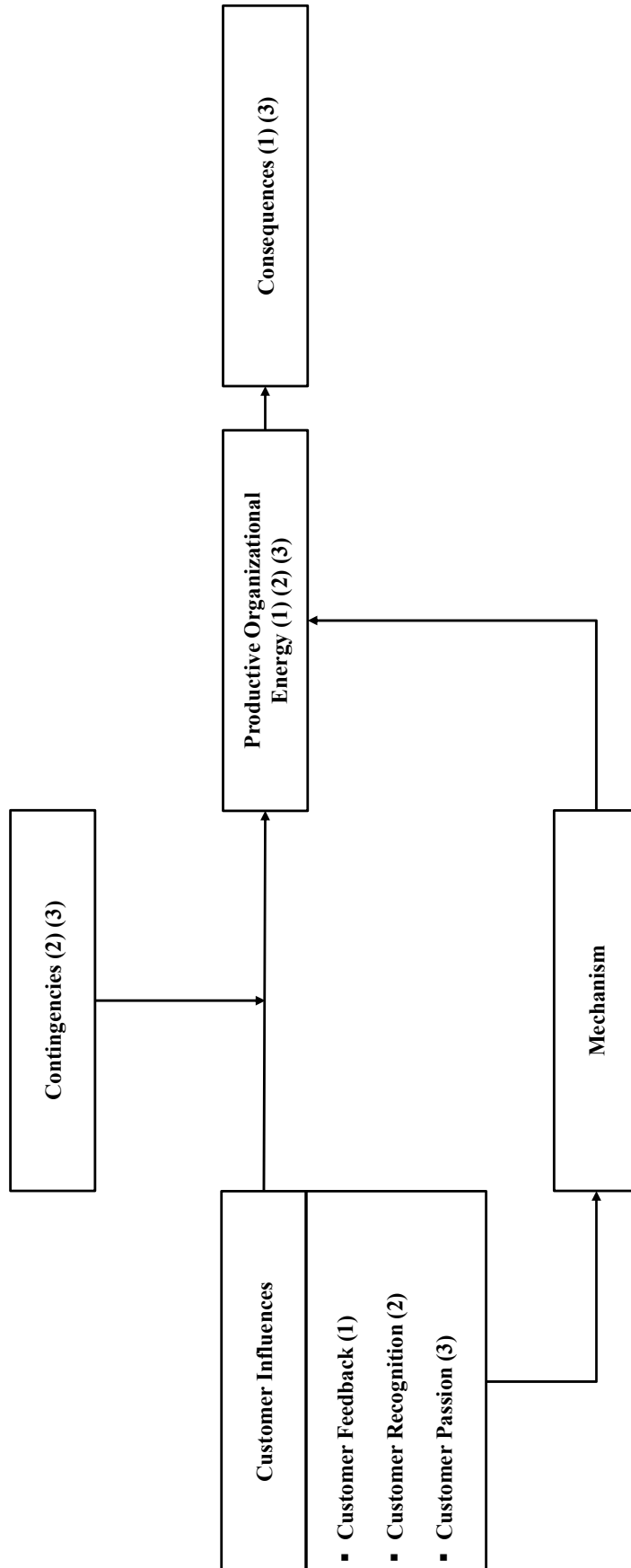
The second research question and Study 2 respectively investigate customer influences exclusively from a positive perspective. So, measuring customer influences requires a construct that has a clear positive sign. As customer contact has led to mixed findings including positive effects (Grant et al., 2007), no direct effect (Grant, 2012), and negative effects (George et al., 1993) but respectful contact and customer appreciation had clearly positive effects (Grant et al., 2007; Schepers et al., 2011), this time, customer influences is captured via customer recognition. As this study aims at revealing the mechanisms and contingencies on how customers energize organizations, the constructs TFL climate, prosocial impact climate, and POE are included.

Finally, the third research question and Study 3 respectively explore the linkages and boundary conditions between positive customer influences, organizational climate, and organizational performance. So, it would be advisable to capture strong positive customer influences within organizations. As customer influences might be utmost unambiguous in a positive manner if customers are very passionate about an organization's products and services, I capture positive customer influences via customer passion in Study 3. The goal of this study is to uncover the contingencies and performance implications of positive customer influences. Hence, besides customer passion, POE, TMT's customer orientation, and organizational performance are central to this study.

Even though the three studies as depicted in Figure 1–2 are distinct, they have some substantial points in common. First, all three studies refer to the organizational level and examine whether customer influences have an impact on the organizational climate and particularly on the climate of productive energy, i.e. POE. Second, all

research studies aim at deepening our knowledge of positive customer influences on employees by building upon each other. Whereas the first study addresses both positive and negative influences of customers on organizational climate and outcomes, the second and third one focuses exclusively at the positive consequences of customer influences. Third, they all investigate customer influences on employees. The first study deals with positive and negative customer feedback, the second study captures customer influences via customer recognition, and the third study investigates customer influences via customer passion. Thus, customer influences serve as main independent variable for all three studies. Fourth, all three studies build on existing research and are thus best answered by a theory-testing approach as described in Chapter 1.3.1.

Figure 1–2: Integrative Perspective on the Three Designed Studies



- (1) Study 1: Customer Feedback, Positive Affective Climate, and Organizational Well-Being
- (2) Study 2: Customer Recognition, Prosocial Impact Climate, and Productive Organizational Energy
- (3) Study 3: Customer Passion, Productive Organizational Energy, and Organizational Performance

1.4 Outline of the Dissertation

1.4.1 Overall Design

This dissertation aims at providing a deeper understanding of the complex phenomenon of energizing organizations through customers. I strive to reveal ‘whether’, ‘how’, and ‘when’ customer influences positively impact POE and ultimately organizational performance.

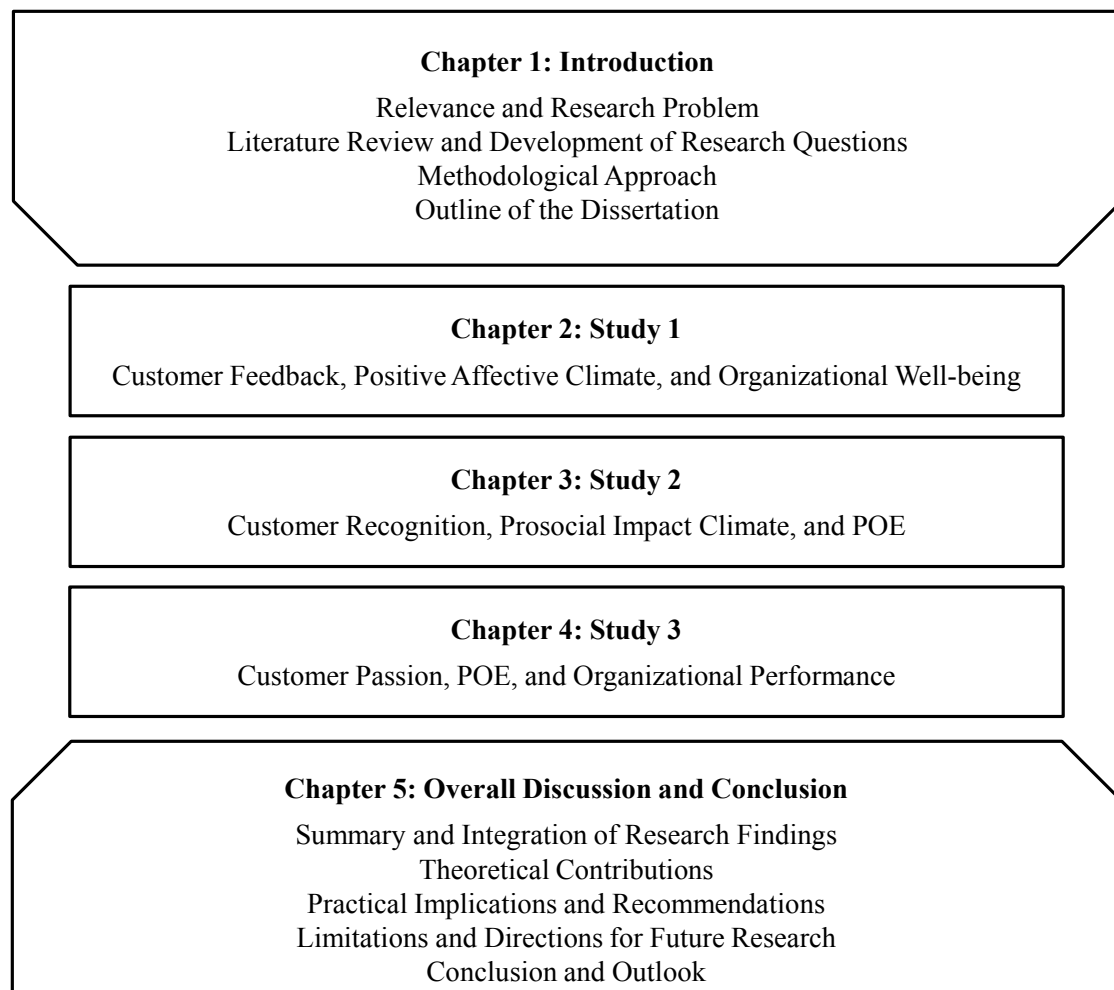
In order to lay the theoretical foundation for this dissertation, I started with an extensive literature review on POS, organizational climate, and customer influences on employees as well as on research having bridged those streams. Based on this existent knowledge, I identified the research gap at the cross-section of the three main research streams and derived three distinct research questions which build upon one another. Specifically, research question 1 emphasizes positive influences of customers on the organizational climate. Research question 2 explores how customers exert an energizing influence on organizations. Finally, research question 3 examines boundary conditions of positive customer influences on the organization.

In order to answer these research questions, I carried out three separate studies. Conducting a multi-study dissertation provides the opportunity to investigate a phenomenon from different angles and layers. The underlying goal is to gain a holistic understanding of energizing organizations through customers.

By integrating the findings of the three studies, I provide practical implications and guidance how practitioners might use the created knowledge about the energizing effects of customers on organizations. Overall, this dissertation is designed to apply existing theories, extend and test them, and ultimately, to gain new knowledge on how to create and sustain POE in the pursuit of corporate success.

1.4.2 Chapter Structure

This dissertation is structured in five main chapters, as shown in Figure 1–3. The following brief sections give an overview of each chapter.

Figure 1–3: Overview of Chapter Structure

- *Chapter 1: Introduction*

The first chapter introduced the topic and the research problem. Herein, I introduced the three research streams central to this dissertation: POS, organizational climate, and customer influences on employees. Subsequently, I reviewed literature having bridged those streams. In doing so, conceptual and empirical research on POE, on the energizing influences of customers on individual employees, and on customer influences on employees at the organizational level was presented. The research gap at the cross-section of the three central research streams was identified and three major research questions were derived. Subsequently, this chapter described the methodological approach and presented an integrative perspective on the three designed studies. It closes with the overall design and structure of the dissertation.

- *Chapter 2: Study 1 – Customer Feedback, Positive Affective Climate, and Organizational Well-Being*

Study 1 explores how customer feedback influences organizational well-being, i.e. overall employee productivity, employee retention, and overall emotional exhaustion among employees. Based on affective events theory, I suggest that the relationship between positive and negative customer feedback and organizational well-being is mediated by positive affective climate. I tested the model in a dataset consisting of 80 independent organizations with 178 board members assessing overall employee productivity and employee retention, and with 10'953 employees having been sampled in three subgroups to provide answers on customer feedback, positive affective climate, and emotional exhaustion. The findings indicate that customer feedback influences positive affective climate and that positive affective climate is related to organizational well-being. Specifically, study results revealed that positive customer feedback increases organizational well-being through the increase of positive affective climate whereas negative customer feedback decreases organizational well-being through the decrease of positive affective climate. By providing first insights into consequences of both positive and negative customer feedback on the organizational climate and organizational well-being, this study opens a new avenue for scientific inquiry of customer influences on employees at the organizational level.

- *Chapter 3: Study 2 – Customer Recognition, Prosocial Impact Climate, and Productive Organizational Energy*

Study 2 explores how POE is influenced by customer recognition. I propose that customer recognition is positively linked to prosocial impact climate which, in turn, is positively linked to POE. Furthermore, I suggest that TFL climate positively moderates this mediation. Thereby, I integrate literature on human energy in organizations with research on positive customer influences on employees and develop hypotheses for such a relationship at the organizational level. I test the hypotheses in a dataset containing 11'421 employees from 93 organizations. The results support the proposed hypotheses. Thus, this study provides a fresh perspective for research and practice on how to energize organizations through customers.

- *Chapter 4: Study 3 – Customer Passion, Productive Organizational Energy, and Organizational Performance*

Study 3 inspects when POE and organizational performance are increased through customer passion, i.e. perceived customers' affective commitment and customers' positive word-of-mouth behavior. I bridge literature on POE with research on customer influences on individual employees and develop hypotheses for such a relationship at the organizational level. I test the hypotheses in a dataset containing 495 board members and 8'299 employees of 152 organizations. The results show that customer passion is positively related to POE which, in turn, is positively related to organizational performance. Furthermore, the findings indicate that the effect of customer passion on organizational performance through POE depends on TMT's customer orientation. By providing first insights into the linkages and contingencies of customer passion, POE, and organizational performance, this study puts forth a more holistic understanding of the energizing impact of customers on organizations.

- *Chapter 5: Overall Discussion and Conclusion*

The fifth chapter consolidates the key findings of the three studies and presents the theoretical contributions of the present dissertation. Additionally, starting from the study results, practical implications and recommendations are provided on how to enable, stimulate, and amplify positive customer influences in the pursuit of organizational success. Afterwards, I critically reflect on the limitations of the studies and provide directions for future research. Finally, this dissertation ends with an overall conclusion and outlook.

2 Study 1 – Customer Feedback, Positive Affective Climate, and Organizational Well-Being

Study 1 was guided by the first research question of this dissertation: *Can customers energize whole organizations?* As the influence of customers on the organizational climate and organizational well-being might be positive or negative, this research investigates the relationships between positive and negative customer feedback, positive affective climate, and organizational well-being.

2.1 Introduction

Awareness about the importance of organizational well-being and sustainable performance is increasing along with the mounting emphasis on promoting positive employee behavior such as employee engagement or thriving and reducing negative psychological states such as burnout (Maslach & Leiter, 2008; Pfeffer, 2010; Spreitzer & Porath, 2012). Organizational well-being describes the overall health of an organization which is comprised of many constructs including organizational climate, employee well-being, employee productivity, turnover, and absenteeism (Grandey, 2000; Wells, 2000; Wilson, Dejoy, Vandenberg, Richardson, & McGrath, 2004). Importantly, as such, organizational well-being represents an organization's human capital by which organizations are likely to gain competitive advantage in the long term (Cameron, Bright, & Caza, 2004; Ployhart & Moliterno, 2011; Ployhart, Weekley, & Ramsey, 2009; Wright & McMahan, 2011). Thus, researchers and practitioners have an increased interest to investigate the factors which create, sustain, and protect organizational well-being.

So far, research has acknowledged the huge impact of customers affecting employees' well-being, motivation, and behavior but knowledge has become fragmented (Grandey & Diamond, 2010). Whereas job design researchers mainly see customers as a source of motivation and energy (e.g. Grant, 2007; Humphrey et al., 2007), emotional labor scholars understand customers as a source of stress detrimental for employees' well-being (e.g. Dormann & Zapf, 2004; Grandey, 2000). However, within an organization, all employees might experience both positive as well as negative customer influences more or less direct and frequent. Hence, customers might also exert an energizing and de-energizing influence on the organizational climate and well-being. In line with scholars' recommendation to move beyond the individual level to the collective level when studying organizational phenomena (Morgeson & Hofmann, 1999; Spreitzer &

Sonenshein, 2004), the present study concentrates on positive as well as negative customer influences on the organizational climate and on organizational well-being. As “clients have as much power to hurt staff with their comments as they do to reward them” (Maslach, 1978, p. 120), customer influences are investigated in terms of positive and negative customer feedback. Studies revealed that customer complaints, i.e. negative customer feedback, are negatively related to employees’ commitment to customer service both on the individual and organizational level (Bell et al., 2004; Bell & Luddington, 2006). Additionally, research provided evidence that positive feedback stimulates receiver’s positive affect whereas negative feedback stimulates receiver’s negative affect (Kluger & DeNisi, 1996). Although some companies already use customer feedback management systems (Markey et al., 2009; Sampson, 1999) and hence, employees may receive positive and negative customer feedback frequently, little is known how customer feedback influences the affective climate of organizations and organizational well-being.

Hence, I aim at establishing the link between positive and negative customer feedback and organizational well-being by introducing positive affective climate as an important mediating mechanism to reveal whether customer influences extend to the organizational level. As research on the organizational level of analysis is more mature concerning positive affect rather than negative affect (e.g. Menges et al., 2011), employees’ collective reactions to customer feedback are considered in terms of an organization’s positive affective climate. Based on affective events theory (Weiss & Cropanzano, 1996), I developed a conceptual model to explore the effects and mechanisms of customer feedback on organizational well-being and tested the proposed relationships with 258 board members and 10’953 employees in 80 organizations. Specifically, I operationalized organizational well-being with overall employee productivity, employee retention, and overall emotional exhaustion and expect that positive customer feedback increases organizational well-being through its positive effect on positive affective climate, i.e. the shared experience of positive affect within an organization (Menges et al., 2011). Further, I assume that negative customer feedback decreases organizational well-being through its negative effect on positive affective climate.

This study intends to contribute to several research streams. First, this study bridges job design and emotional labor research by assessing the influence of both positive and negative customer feedback on employees simultaneously (Grandey & Diamond, 2010). While job design researchers consider customers as a source of motivation (e.g. Grant, 2007; Humphrey et al., 2007), emotional labor researchers consider customers

as a source of stress (e.g. Dormann & Zapf, 2004; Grandey, 2000). Hence, as this study incorporates both positive and negative customer feedback it might put forth a more holistic understanding of the effects of customer feedback on employees emphasizing that the sign of feedback matters. Therewith, I might also contribute to a relatively new line of inquiry investigating the effects of customers on employees' attitudes and behaviors (van Jaarsveld et al., 2010).

Second, this piece of research is intended to add to research on organizational climate, particularly on a climate of productive energy as the investigated positive affective climate represents the affective dimension of POE (Bruch & Ghoshal, 2003; Cole et al., 2012a; Raes et al., 2013; Walter & Bruch, 2010). So far, scholars have focused on intra-organizational determinants of POE (Kunze & Bruch, 2010; Raes et al., 2013; Walter & Bruch, 2010) while the present study is among the first to consider external factors of POE, namely positive and negative customer feedback.

Third, as the linkage between positive affective climate and organizational well-being will be studied, I also aim at corroborating and extending prior research on the consequences of POE (Cole et al., 2012a; Raes et al., 2013) and especially positive affective climate (Menges et al., 2011). In this context, the present investigation also strives for contributing to research on organizational sustainability and sustainable performance by focusing on the human factor (Pfeffer, 2010; Spreitzer & Porath, 2012).

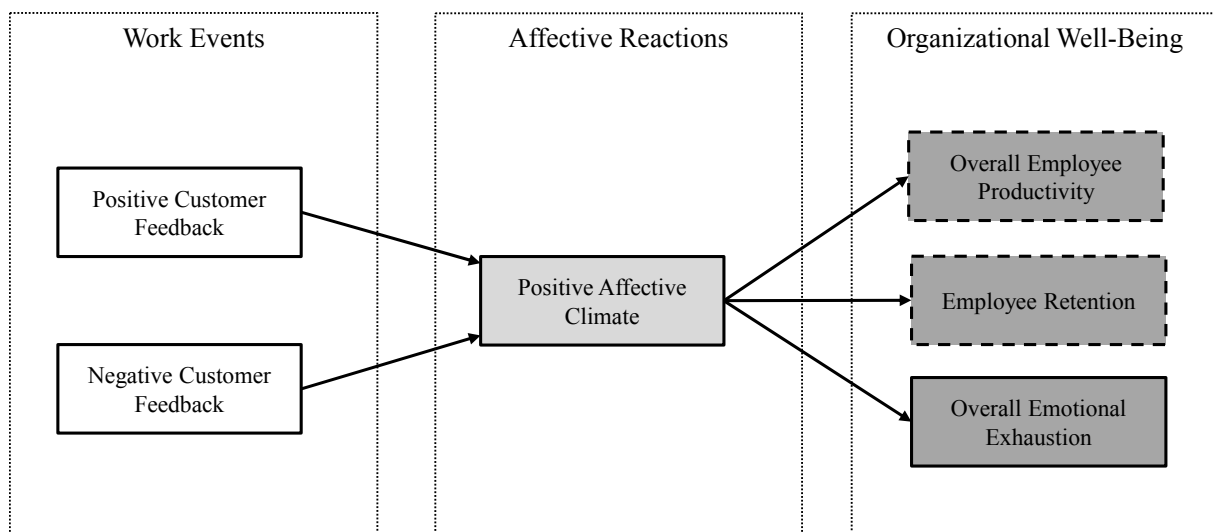
Fourth, I also aim at contributing to research on customer feedback management (Bell et al., 2004; Homburg et al., 2010). This study examines the so far neglected affective consequences of customer feedback for employees. While doing so, new insights for research on the usage and dissemination of customer satisfaction indices (Morgan et al., 2005; Morgan & Rego, 2006) and customer complaints (Homburg et al., 2010; Homburg & Fürst, 2007) might be gained. Additionally, alongside with this affective perspective, the present study questions the dominant assumption in research on strategic intelligence and organizational learning claiming that complaints are a firm's best friends (Johnston & Mehra, 2002; Larivet & Brouard, 2010).

2.2 Theoretical Background and Hypotheses Development

“Intense customer experiences have the power to serve as so-called affective events, that is, incidents that naturally generate strong emotions and energy” (Bruch & Vogel, 2011, p. 201). As indicated by that quote, employees' emotions are influenced by work events evoked by customers. A prominent theory emphasizing the influential role of

work events is affective events theory depicting how emotionally laden events at work elicit emotional reactions and how those reactions influence work attitudes and behavior (Weiss & Cropanzano, 1996). Based on that theory, research has shown that ten percent out of employees' total positive emotions at work were caused by interactions or acts with customers and seven percent out of employees' total negative emotions at work were caused by acts with customers (Basch & Fisher, 2000). Further, a diary-based study showed that the most frequent cause of anger at work was interpersonal mistreatment from customers and that such mistreatment resulted in employees' faking expressions about 50 percent of the time (Grandey et al., 2002). Thus, there is empirical evidence that customers serve as affective events at work. In line with prior research having treated failure feedback from supervisors as affective events for followers (Gaddis, Connelly, & Mumford, 2004), the present conceptual model treats positive and negative customer feedback as affective work events. Raising the basic relationships of affective events theory to the organizational level, positive affective climate is introduced as the affective reaction to positive and negative customer feedback at the organizational level. The affect-driven organizational outcomes are captured by organizational well-being, i.e. overall employee productivity, employee retention, and overall emotional exhaustion. Figure 2–1 displays the conceptual model hypothesized in this study.

Figure 2–1: Conceptual Model



Data Sources:

Employee Group 1
 Employee Group 2
 Employee Group 3
 Board Members

2.2.1 Customer Feedback and Positive Affective Climate

I propose that positive customer feedback is positively related with positive affective climate. In contrast, I propose that negative customer feedback is negatively related with positive affective climate. Feedback is defined as information conveyed from a sender to a recipient (Ilgen, Fisher, & Taylor, 1979). According to Ilgen et al. (1979), important dimensions of the feedback stimulus are sign and frequency. Feedback sign reflects whether the feedback is positive or negative, and frequency refers to the aspect how often feedback is received (Steelman, Levy, & Snell, 2004). The present study investigates customer feedback at the organizational level of analysis and does not assume that employees across the organization agree on the amount and type of customer feedback. Consequently, positive customer feedback refers to employees' received aggregate positive customer feedback across the organization including customer compliments, praise, expressions of joy, gratitude, or satisfaction. Likewise, negative customer feedback refers to employees' received aggregate negative customer feedback across the organization including customer complaints, expressions of anger, frustration, or dissatisfaction. Importantly, there is empirical evidence that positive and negative feedback need to be considered as separate constructs because individuals perceive, recognize, and disseminate positive and negative customer feedback differently because of motivational reasons and esteem-enhancing versus esteem-threatening consequences, or due to their fear of restrictions (Herold & Parsons, 1985; Homburg & Fürst, 2007; Kraft & Martin, 2001). Accordingly, this study treats positive customer feedback and negative customer feedback as two different constructs.

Customers give positive as well as negative feedback orally or written, face-to-face or virtual, direct or indirect, specific or unspecific, and employee-, management-, or organization-related (Liu & Zhang, 2010; van Doorn et al., 2010; Voss, Roth, Rosenzweig, Blackmon, & Chase, 2004). Typical recipients of customer feedback are organizations and herein, its management and employees but also other customers (Homburg & Fuerst, 2005). Consequently, positive and negative customer feedback may reach employees directly or indirectly through the following channels: First, a large number of employees, especially salespersons and service employees, deal with customers on a regular basis (Katz & Kahn, 1978). Second, customer satisfaction indices are regularly shared within organizations (Morgan et al., 2005). Third, many organizations print customer testimonials in their advertisement (Sampson, 1999). Fourth, employees may receive customer complaints and their negative feedback through complaint management systems (Homburg & Fuerst, 2005). Fifth, through

“viral marketing”, i.e. customers spreading their positive word-of-mouth electronically (Leskovec, Adamic, & Huberman, 2007). For instance, customers post both positive and negative statements about the organization on virtual opinion platforms (Hennig-Thurau & Walsh, 2003) and via social media, e.g. Facebook (Kaplan & Haenlein, 2010). Thus, employees across all organizational units receive more or less frequent positive as well as negative customer feedback directly and indirectly.

The impact of positive feedback on positive affect and emotions such as joy, pride, and pleasure has been emphasized by several researchers (Kluger & DeNisi, 1996; Kluger, Lewinsohn, & Aiello, 1994; Locke & Latham, 1990). Typically, feedback interventions with a positive sign elicit positive moods, and feedback interventions with a negative sign elicit negative moods (Kluger & DeNisi, 1996). Piercy (1995), for example, suggested that employees can be ‘disappointed’ by complaining customers.

Based on affective events theory, the nature and type of affective experience following a work event depends on how the event is appraised in a two-stage process (Lazarus, 1991; Smith & Ellsworth, 1985; Weiss & Cropanzano, 1996). Weiss and Cropanzano (1996) declare: “This process begins with an event which is initially evaluated for relevance to well being in simple positive or negative terms” (p. 31). Accordingly, employees may primarily interpret positive customer feedback as a positive rather than a negative event. In the secondary appraisal, positive customer feedback may evoke more specific emotions such as joy, pleasure, and enthusiasm among employees. Constituting an essential part of this theory, the frequency with which hassles or uplifts occur determines employees’ emotions rather than the intensity of events (Ashkanasy & Ashton-James, 2007). So, as positive customer feedback may accumulate not only within individuals but also within organizations, it might influence the positive affective climate. “Work environments are seen as having an indirect influence on affective experience by making certain events, real or imagined, more or less likely” (Weiss & Cropanzano, 1996, p. 12). Hence, as members within an organization share the same organizational environment, I argue that positive customer feedback serving as positive work events and adding up within organizations positively influence the positive affective climate.

In contrast, I assume that negative customer feedback relates negatively to positive affective climate. Negative customer feedback is very likely to be processed by employees as a negative event during the first appraisal stage. In the secondary appraisal stage, it is very likely that it evokes concrete negative emotions such as frustration, anger, or furiousness. Thus, akin to the line of reasoning for the positive customer feedback, negative customer feedback may add up within organizations

based on many negative affective events. While doing so, it is very likely that an organization's positive affective climate decreases as negative affect is the counterpart of positive affect.

To summarize, as I have argued that positive affective climate should be positively influenced by positive events such as positive customer feedback, and that positive affective climate should be negatively influenced by negative events such as negative customer feedback, I hypothesize the following:

Hypothesis 1a: Positive customer feedback will be positively associated with positive affective climate.

Hypothesis 1b: Negative customer feedback will be negatively associated with positive affective climate.

2.2.2 Positive Affective Climate and Organizational Well-Being

As noted earlier, organizational well-being reflects the overall health of an organization which is comprised of many constructs including organizational climate, employee well-being, employee productivity, turnover, and absenteeism (Grandey, 2000; Wells, 2000; Wilson et al., 2004). Grandey (2000) described individual well-being in terms of job satisfaction and burnout, while organizational well-being was specified with employee performance and withdrawal behavior. Based on these conceptualizations, I consider organizational well-being in terms of overall employee productivity, employee retention, and overall emotional exhaustion. This enables me to reflect on important positive organizational outcomes, such as employee productivity and employee retention, and critical negative outcomes such as emotional exhaustion among employees at the same time, as theoretically specified by Grandey (2000). In the following, I define overall employee productivity, employee retention, and overall emotional exhaustion as collective constructs and show the constructs' relevance for organizations before I elaborate on their linkages with positive affective climate.

First, overall employee productivity reflects the degree to which employees create output both efficiently and effectively (Guthrie, 2001; Pritchard, Jones, Roth, Stuebing, & Ekeberg, 1988). As such, it is considered as highly relevant for organizations, and research provides evidence that employee productivity is the most popular outcome variable in scientific work on human resource management (Boselie, Dietz, & Boon, 2006). Social learning theory and social comparison theory propose that individuals observe the behaviors of others to determine their own behaviors

(Bandura & McClelland, 1977; Kruglanski & Maysseles, 1990). Empirical studies have confirmed this position showing that the time employees spend at work is influenced by the hours colleagues spend at work (Brett & Stroh, 2003; Eastman, 1998), that group members' tardiness has an impact on the probability for individual tardiness (Eder & Eisenberger, 2008), and that group level absence is related to individual absence (Mathieu & Kohler, 1990). Consequently, in line with prior research (e.g. Menges et al., 2011), I consider overall employee productivity as an organizational level construct.

Second, employee retention is per se an organizational level construct reflecting the opposite of an organization's turnover rate at the operational level while employee retention at the conceptual level refers to organizational practices which aim at maintaining the continued employment of, in particular, valued employees (Coldwell, Billsberry, Van Meurs, & Marsh, 2008). As employee turnover can be costly and disruptive to organizations (Barak, Nissly, & Levin, 2001; Holtom, Mitchell, Lee, & Eberly, 2008), employee retention is seen as basis for developing competitive advantage in many industries and countries (Pfeffer, 1996). At the operational level, a poor retention rate means a high turnover rate. However, at the conceptual level, it has been found that turnover and retention are not simply two sides of the same construct (e.g. Holtom et al., 2008; Mitchell, Holtom, Lee, & Graske, 2001a). Specifically, factors that might make an employee to leave a job are different from factors that make an employee stay at the current job (Mitchell, Holtom, Lee, Sablynski, & Erez, 2001b). Hence, there is an increased interest to focus on reasons why employees stay and not why they leave (Holtom et al., 2008). Additionally, recent research focuses on turnover as a collective phenomenon (Bartunek, Huang, & Walsh, 2008; Felps et al., 2009; Hausknecht & Trevor, 2011; Nyberg & Ployhart, 2013; Raes et al., 2013). Thus, this study elaborates on employee retention at the organizational level.

Third, overall emotional exhaustion refers to organizational members' aggregate feelings of being emotionally overextended and exhausted by their work (Maslach & Jackson, 1981; Wright & Cropanzano, 1998). Emotional exhaustion manifests by both physical fatigue and a sense of feeling psychologically and emotionally 'drained'. Studies have shown that emotional exhaustion is often the first phase of burnout and that emotional exhaustion is the most important aspect of burnout (for a review, see Cordes & Dougherty, 1993). Further, emotional exhaustion has important implications both for the quality of work life and also for optimal organizational functioning (for reviews see Cole, Walter, Bedeian, & O'Boyle, 2012b; Cordes & Dougherty, 1993; Maslach, Schaufeli, & Leiter, 2001). More recent studies have demonstrated that

burnout affects not only single organizational members but also spreads within organizations through conscious and unconscious emotional contagion processes (Bakker, Schaufeli, Sixma, & Bosveld, 2001; Bakker, van Emmerik, & Euwema, 2006; Bruch & Menges, 2010). In order to take such accumulation in organizations into account, I treat emotional exhaustion as an organizational level construct, indicating aggregate emotional exhaustion among employees.

I propose that an organization's positive affective climate is positively associated with employee productivity. In line with affective events theory, individuals might develop positive work attitudes due to positive affective reactions to work events (Weiss & Beal, 2005; Weiss & Cropanzano, 1996). As a positive affective climate is likely to evoke shared positive work-related attitudes, employees should jointly work more efficiently and effectively. Additionally, in line with broaden-and-build theory (Fredrickson, 1998; Fredrickson, 2001), positive affective climate might inspire employees and should enhance employee productivity at the organizational level as employees' habitual modes of thinking are broadened and task-relevant resources are gained. Hence, an organization's positive affective climate should increase overall employee productivity.

Further, I propose that an organization's positive affective climate is positively associated with employee retention. Research on retention has found that people are more likely to stay at the organization if they are well embedded and connected to the 'social web' of the organization (Mitchell et al., 2001b). According to the assumptions of job embeddedness, employees are more likely to remain in the organization if they have more connections with other people at work and if they would lose these connections when they leave the organization (Richards & Schat, 2011). Likewise, Dutton (2003) stated: "High-quality connections strengthen employees' attachments to their organizations. It should come as no surprise that where employees enjoy positive connections at work, their intention to stay at the organizations strengthens" (p. 14). Additionally, organizational efforts to maximize retention are consistent with a concern for employees and a desire to make the organizational environment as 'sticky' as possible in order to keep employees (Cardy & Lengnick-Hall, 2011). Positive affective climate could serve as such 'sticky' organizational environment as employees might enjoy the collective experience of inspiration, excitement, and enthusiasm at work. Hence, positive affective climate should increase employee retention.

Moreover, I propose that an organization's positive affective climate is negatively associated with overall emotional exhaustion of employees. Research on the individual level found that individuals who held a positive disposition towards life and work were

significantly less likely to experience emotional exhaustion (Deery, Iverson, & Walsh, 2002). Furthermore, there is ample support that job satisfaction is negatively related to emotional exhaustion (Lee & Ashforth, 1993; Penn, Romano, & Foat, 1988). Locke's (1976) widely cited review defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1300). Obviously, the definitions of job satisfaction and positive affective climate are closely related to each other. Raising the individual level findings to the organizational level, I assume that if there is a high positive affective climate within organizations, it is likely that all employees experience less emotional exhaustion. Employees being embedded in an organization's positive affective climate should benefit from this organizational resource which protects them collectively from emotional exhaustion. Hence, positive affective climate should decrease overall emotional exhaustion within organizations.

In sum, as organizational well-being entails overall employee productivity, employee retention, and overall emotional exhaustion, and as all of these three facets of organizational well-being should be influenced by positive affective climate, I expect the following:

Hypothesis 2: Positive affective climate will be positively associated with organizational well-being. Specifically, positive affective climate will be (a) positively associated with overall employee productivity, (b) positively associated with employee retention, and (c) negatively associated with overall emotional exhaustion.

2.2.3 The Mediating Role of Positive Affective Climate

Finally, I propose that positive affective climate mediates the relationship between customer feedback and organizational well-being. One of the main predictions of affective events theory is that affective reactions mediate the relationships between work events and outcomes (Weiss & Beal, 2005). Hence, as the theoretical framework of this study is grounded on affective events theory, I considered work events as proximal causes of affective experiences in the first step. In the second step, I provided reasons for the linkages of affective reactions to organizational outcomes. Specifically, I predicted that the affective reaction to positive customer feedback is positively associated with positive affective climate, and that the affective reaction to negative customer feedback is negatively associated with positive affective climate (hypotheses 1a and 1b). Second, hypotheses 2a, 2b, and 2c predicted that positive affective climate influences organizational well-being. Together, these hypotheses specify a model in

which positive affective climate as the affective reaction to customer feedback mediates the connection between customer feedback and organizational well-being. Whereas positive customer feedback might indirectly increase organizational well-being by strengthening positive affective climate, negative customer feedback might indirectly decrease organizational well-being by reducing positive affective climate. Accordingly, I anticipate positive affective climate to mediate the impact of both positive and negative customer feedback on organizational well-being and posit the following:

Hypothesis 3: Positive affective climate will mediate the relationship between positive customer feedback and organizational well-being. Specifically, positive affective climate will mediate the relationship between positive customer feedback and (a) overall employee productivity, (b) employee retention, and (c) overall emotional exhaustion.

Hypothesis 4: Positive affective climate will mediate the relationship between negative customer feedback and organizational well-being. Specifically, positive affective climate will mediate the relationship between negative customer feedback and (a) overall employee productivity, (b) employee retention, and (c) overall emotional exhaustion.

2.3 Methods

2.3.1 Data Collection and Sampling

As part of a larger study, I gathered data in 96 small and medium sized German companies via questionnaires. Each company received a detailed benchmark report in return for its participation. In line with the recommendations of Podsakoff, MacKenzie, Lee, and Podsakoff (2003) on reducing the risk for common source biases, research variables were collected from five different groups of respondents, using the following standardized procedures across all organizations. All members of the participating organizations received an email with an invitation to participate in the study with a link to the questionnaire. Upon entering the online questionnaire, employees were randomly distributed via an algorithm programmed in the questionnaire to separate employee questionnaires. Positive and negative customer feedback were measured in the first employee questionnaire; positive affective climate was measured in the second employee questionnaire; emotional exhaustion was measured in the third employee questionnaire; overall employee productivity,

employee retention, and environmental dynamism were measured in the board members' questionnaire. In addition, human resource (HR) representatives served as key informants and provided information on general characteristics of the organization, such as the number of employees, organization's affiliation to an industry, organization's position in terms of market leadership, and the organizational setting referring to either a business-to-consumer or business-to-business context. Thus, I used five sources to gather the data: three groups of employees, board members, and HR representatives.

Given the theory and research design, I could only use organizations from which I had data from employees, board members, and key informants. 16 organizations failed to meet all these inclusion criteria because of missing data in board members' questionnaires. Thus, the final data sample consisted of 80 organizations, containing the responses of 10'953 employees. The algorithm had equally distributed the 10'953 employees among the first questionnaire measuring positive and negative customer feedback ($n = 3'620$), the second one measuring positive affective climate ($n = 3'711$), and the third one measuring organizational emotional exhaustion ($n = 3'622$). Additionally, a total of 178 board members and 80 HR representatives participated in the survey. Of the 80 organizations, 44 organizations (55%) operated in the service industry, 22 (28%) in the manufacturing industry, 9 (11%) in the trade industry, and 5 (6%) in the finance industry. The average organizational size in the final sample was 336.75 employees (s.d. = 550.98), ranging from 17 to 3'897 employees, and the average employee response rate per organization was 63%.

2.3.2 Measures²

All questionnaires were administered in German. I used a double-blind back-translation procedure to ensure content similarity with the original English scales (Schaffer & Riordan, 2003). For the hypotheses tests, the level of analysis was a single organizational level model. Hence, I performed for all focal variables an analysis of variance (ANOVA) to test for significant variance between organizations. Moreover, I calculated intra-class correlation coefficients (ICC[1] and ICC[2]; Bliese, 2000) and the average deviation index as an inter-rater agreement ratio ($AD_{M(J)}$; Burke, Finkelstein, & Dusig, 1999). ICC₁ values that are based on a significant one-way ANOVA are generally acceptable. ICC₂ values of more than 0.60 are usually considered sufficient (Bliese, 2000; Chen, Mathieu, & Bliese, 2004; Kenny & La

² The detailed wording and translations of all items for the focal variables are provided in Appendix 6.2.

Voie, 1985). As cutoff criteria for the $AD_{M(J)}$, I followed the $c/6$ rule (the number of response options for an item divided by 6) proposed by Burke and Dunlap (2002). Hence, for a five-point response scale the value should be below 0.71, and for a seven-point response scale the value should be below 1.17.

2.3.2.1 Customer Feedback

I assessed customer feedback in the first employee questionnaire by two separate items based on the single-item indicators of Kinicki, Prussia, Wu, and McKee-Rya (2004). The two items are: (1) “I frequently receive positive feedback from our customers”, and (2) “I frequently receive negative feedback from our customers.” Employees indicated their received customer feedback on a seven-point response scale from 1 (strongly disagree) to 7 (strongly agree). As scholars recommended to assess positive and negative feedback independently (e.g., Herold & Parsons, 1985), I did not average positive and negative customer feedback to a single measurement and hence, treated positive and negative customer feedback as separate measures. As I do not expect that employees across the organization agree on the amount and type of customer feedback, the measurement of customer feedback referring to the organizational level followed an additive composition model, i.e. the aggregation to the organizational level does not depend on within-group agreement (Chan, 1998). As done in prior research at the organizational level of analysis based on an additive composition of responses (e.g. Raes et al., 2013), I performed an ANOVA in order to test for the existence of sufficient variance between the organizations. As the ANOVA showed significant between-organization variance ($F_{(79,3161)} = 8.04, p < .01$ for positive customer feedback; $F_{(79,3224)} = 2.35, p < .01$ for negative customer feedback), employees’ responses for positive customer feedback were averaged to obtain employees’ received positive customer feedback across the organization and employees’ responses for negative customer feedback were averaged to obtain employees’ received negative customer feedback across the organization.

2.3.2.2 Positive Affective Climate

Positive affective climate was captured in the second employee questionnaire by the 5-item scale of Cole, Bruch, and Vogel (2012a). Responses were given on a five-point frequency scale (1 = never; 5 = extremely often / always). Cronbach’s alpha for positive affective climate was .96. In line with prior research (Menges et al., 2011), I employed a referent-shift consensus model (Chan, 1998). A sample item is

“Employees feel excited in their job.” I obtained support for aggregating this variable to the organizational level ($ICC_1 = .12$, $ICC_2 = .87$, $F_{(79,3631)} = 7.52$, $p < .01$). The $AD_{M(J)}$ value was .53.

2.3.2.3 Organizational Well-Being

As done in prior research (e.g. Kunze, Boehm, & Bruch, 2013; Menges et al., 2011), I captured *overall employee productivity* and *employee retention* in the board members’ questionnaire, asking board members for an overall assessment of employee productivity and employee retention within their organization, as compared with other organizations in the same industry, on a 7-point scale from 1 (weak) to 7 (strong) (Wall et al., 2004). ANOVA showed significant variances between organizations ($F_{(79,178)} = 1.65$, $p < .01$ for overall employee productivity; $F_{(79,178)} = 2.81$, $p < .01$ for employee retention). Further, in the third employee questionnaire, I captured *overall emotional exhaustion* with five items from the emotional exhaustion subscale of the Maslach Burnout Inventory (Maslach & Jackson, 1981). The emotional exhaustion subscale includes items such as “I feel burned out from my work.” Employees provided their answers on a seven-point response scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach’s alpha for emotional exhaustion was .96. I obtained support for aggregating this variable to the organizational level ($ICC_1 = 0.06$, $ICC_2 = 0.74$, $F_{(79,3605)} = 3.90$, $p < .01$). $AD_{M(J)}$ value was 1.11.

2.3.2.4 Control Variables

In addition to the aforementioned variables, I included several control variables in the analyses. First, because *organizational size* may influence employee attitudes and behaviors (Pierce & Gardner, 2004; Ragins, Cotton, & Miller, 2000), I included organizational size as control variable in the analyses. Organizational size was measured by asking the HR representative for the total number of employees in the organizations (converted to full-time equivalents). In order to reduce skewness, I log-transformed this variable as done in prior research (e.g. Schminke, Cropanzano, & Rupp, 2002). Second, I also controlled for *organizations’ affiliation with one of the four broad classes of industries*: Services, manufacturing, trade, and finance. (Dickson, Resick, & Hanges, 2006; Sine, Mitsuhashi, & Kirsch, 2006). Participant organizations were assigned four dummy-coded variables indicating their affiliation with each of the industry categories. Third, in line with prior research, control variables for the organizational setting referring to *business-to-consumers* and

business-to-business organizations were included (Homburg & Fuerst, 2005). Fourth, as research has shown relationships between customer feedback and customer satisfaction (Söderlund, 1998) as well as between customer satisfaction and market share (Rust & Zahorik, 1993), I controlled for *market leadership*. On the one hand, if a company is market leader, employees might receive more positive customer feedback due to increased customer satisfaction (Buzzell & Wiersema, 1981). On the other hand, a study demonstrated that an increase in market share is not positively associated with customer satisfaction because companies may overextend their service capabilities as the number of customers grows (Anderson, Fornell, & Lehmann, 1994). Sixth, I also controlled for *environmental dynamism* because organizations and their members are influenced by environmental changes (Hitt, Keats, & DeMarie, 1998).

2.3.3 Analytical Procedures

I applied structural equation modeling (SEM) with maximum likelihood estimation to test the hypothesized mediation model using the statistical software package AMOS 17. SEM has several advantages compared to standard regression procedures. First, one can control for the measurement error when analyzing potential relationships; an issue that is neglected in regression analyses (Busemeyer & Jones, 1983). Second, an advantage of SEM is that it offers a simultaneous test of an entire system of variables in a hypothesized model and thus, enables assessment of the extent to which the model is consistent with the data (Byrne, 2001). Specifically, as organizations receive both positive and negative customer feedback, testing the proposed relationships simultaneously in one model is needed. Finally, as SEM provides a statistical test for the overall fit of the model to the data, it also allows direct testing of competitive model solutions against one another (Edwards & Bagozzi, 2000). I followed Anderson and Gerbing's (1988) comprehensive two-step analytical procedure to test the hypothesized model. In the first step, I executed a simultaneous CFA of all variables in order to establish a measurement model. In the second step, I tested the structural model to evaluate the relationships among the constructs. To account for the mediation effects, I followed recommendations by Cheung and Lau (2008) and James, Mulaik, and Brett (2006) and carried out bootstrapping procedures to test for the significance of the indirect effects.

To gauge the model fit, chi-square (χ^2) values are reported as the index of absolute fit which assesses the extent to which the covariances estimated in the model match the covariances of the measured variables. Following the recommendation of Hu and Bentler (1999) for sample sizes smaller than 200, I calculated an absolute fit measure,

namely the Standardized Root Mean Square Residual (SRMR) in combination with two incremental fit indices – the Comparative Fit Index (CFI: Bentler, 1990) and the Incremental Fit Index (IFI: Bollen, 1989). Common cutoff values for these indices are .08 for the SRMR and .90 for the CFI and IFI (Hu & Bentler, 1999).

2.4 Results

2.4.1 Descriptive Statistics

Table 2–1 presents means, standard deviations, and bivariate correlations of all study variables. As expected, positive customer feedback related positively to positive affective climate ($r = .53, p < .01$) whereas negative customer feedback related negatively to positive affective climate ($r = -.51, p < .01$). Further, positive affective climate related positively to overall employee productivity ($r = .38, p < .01$) and employee retention ($r = .36, p < .01$). As expected, positive affective climate related negatively to overall emotional exhaustion ($r = -.60, p < .01$). Regarding the control variables, organizational size related positively to negative customer feedback ($r = .36, p < .01$) and overall emotional exhaustion ($r = .36, p < .01$) whereas negatively to positive customer feedback ($r = -.25, p < .05$), positive affective climate ($r = -.28, p < .05$), and employee retention ($r = -.33, p < .01$). Service industry related positively to positive customer feedback ($r = .48, p < .01$) and positive affective climate ($r = .27, p < .01$) and manufacturing industry related negatively to positive customer feedback ($r = -.58, p < .01$). A business-to-consumers setting related positively to negative customer feedback ($r = .26, p < .05$) and negatively to employee retention ($r = -.23, p < .05$). A business-to-business setting related negatively to negative customer feedback ($r = -.33, p < .01$) and positively to positive affective climate ($r = .22, p < .05$). Finally, market leadership related positively to positive customer feedback ($r = .30, p < .01$) and positive affective climate ($r = .28, p < .05$) whereas negatively to negative customer feedback ($r = -.28, p < .05$). The control variables trade industry, finance industry, and environmental dynamism had no influence on the endogenous variables under observation.

Table 2–1: Means, Standard Deviations, and Correlations of Study Variables

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Positive Customer Feedback	4.28	0.80														
2. Negative Customer Feedback	1.92	0.35	-.43**													
3. Positive Affective Climate	3.30	0.38	.53**	-.51**												
4. Overall Employee Productivity	5.23	0.82	.17	-.15	.38**											
5. Employee Retention	5.30	1.06	.14	-.26*	.36**	.28*										
6. Overall Emotional Exhaustion	2.98	0.56	-.35**	.49**	-.60**	-.26*	-.29**									
7. Organizational Size (log)	5.16	1.24	-.25*	.36**	-.28*	-.13	-.33**	.36**								
8. Service Industry	0.55	0.50	.48**	-.06	.27*	-.06	-.06	.02	-.08							
9. Trade Industry	0.11	0.32	.09	-.02	-.09	.11	-.02	-.13	.09	-.39**						
10. Manufacturing Industry	0.28	0.45	-.58**	.11	-.18	.02	.03	.04	.03	-.63**	-.22					
11. Finance Industry	0.06	0.24	-.05	-.09	.01	.03	.05	-.01	.05	-.29*	-.09	-.16				
12. Business-to-Consumers	0.16	0.37	.03	.26*	-.12	-.09	-.23*	.06	.36**	-.01	.17	-.27*	.08			
13. Business-to-Business	0.71	0.46	.06	-.33**	.22*	-.03	.20	-.12	-.29*	.20	-.30*	.08	-.18	-.70**		
14. Market Leader	1.76	1.13	.30**	-.28*	.28*	.08	.06	-.10	-.17	.20	-.17	-.11	.10	-.11	.15	
15. Environmental Dynamism	5.22	0.88	-.16	-.08	-.10	-.04	-.02	-.15	.09	-.17	.14	.04	.16	.14	-.21	-.15

Notes. ** $p < .01$; * $p < .05$ (two-tailed tests). Variables positive customer feedback, negative customer feedback, overall employee productivity, employee retention, overall emotional exhaustion, and environmental dynamism were assessed on a 7-point scale; positive affective climate was assessed on a 5-point scale. log = common logarithm. Variable market leadership was assessed in three categories with 3 = world market leader, 2 = national market leader, 1 = no market leader. Variables relating to industry were dummy-coded with 1 = belongs to the respective industry, 0 = does not belong to the respective industry. Variables relating to business-to-consumers and business-to-business were dummy-coded with 1 = belongs to the respective setting, 0 = does not belong to the respective setting.

2.4.2 Measurement Model

The hypothesized measurement model consisted of two latent constructs – namely, positive affective climate and overall emotional exhaustion – and four observed constructs – namely, positive customer feedback, negative customer feedback, employee productivity, and employee retention. The results indicated a good fit to the data ($\chi^2_{[66]} = 112.87$, $p < .01$; CFI = .96; IFI = .96; SRMR = .03). As shown in Table 2–2, I also compared the measurement model to two alternative models.

Table 2–2: Measurement Model Comparison

Model	χ^2	df	χ^2/df	$\Delta\chi^2$	Δdf	CFI	IFI	SRMR
Hypothesized Model: Six-Factor Model	112.87	66	1.71			.96	.96	.03
Alternative Model 1: Five-Factor Model	460.61	71	6.49	347.74**	5	.66	.66	.14
Alternative Model 2: One-Factor Model	467.21	77	6.07	354.34**	11	.66	.66	.14

Note: All models are compared to the hypothesized model. df = degree of freedom; CFI = comparative fit index; IFI = incremental fit index; SRMR = standardized root mean square residual. ** $p < .01$, * $p < .05$.

First, a five-factor model in which positive affective climate and overall emotional exhaustion items loaded on one common factor (*alternative model 1*) had a significantly worse fit ($\Delta\chi^2 = 347.74$; $p < .01$). Second, a one-factor model (*alternative model 4*) with all items loading on one common factor was worse fitting ($\Delta\chi^2 = 354.34$; $p < .01$). Together, these results provide evidence that examination of the hypothesized structural model based on the hypothesized measurement model was appropriate.

2.4.3 Structural Model

After having established the validity of the measurement model, I proceeded to examining the structural paths of the hypothesized model. Specifically, I specified indirect paths from positive customer feedback to overall employee productivity, employee retention, and overall emotional exhaustion through positive affective climate. Following recommendations to assess and test the effects of positive and negative customer feedback separately (e.g., Herold & Parsons, 1985), I specified also indirect paths from negative customer feedback to employee productivity, employee retention, and overall emotional exhaustion through positive affective climate. I also

included the paths from the control variables to the mediator and to the dependent variables in the structural model.

Concerning the hypothesized structural model, the results indicate that the standardized path estimates of the direct effects were significant and in the expected direction, as depicted in Table 2–3. Specifically, the path between positive customer feedback and positive affective climate was significant and positive ($\beta = .46, p < .01$). Likewise, the path between negative customer feedback and positive affective climate was significant and negative ($\beta = -.33, p < .01$). Further, the path between positive affective climate and overall employee productivity was significant and positive ($\beta = .42, p < .01$), the path between positive affective climate and employee retention was significant and positive ($\beta = .31, p < .01$), and the path between positive affective climate and overall emotional exhaustion was significant and negative ($\beta = -.59, p < .01$).

Table 2–3: Direct Effects of the Structural Model

Direct Effect	Estimate	SE	LL 95% CI	UL 95% CI	Significance Level
Positive Customer Feedback → Positive Affective Climate	.46	.05	.16	.71	$p < .01$
Negative Customer Feedback → Positive Affective Climate	-.33	.09	-.49	-.10	$p < .01$
Positive Affective Climate → Overall Employee Productivity	.42	.35	.24	.57	$p < .01$
Positive Affective Climate → Employee Retention	.31	.28	.12	.49	$p < .01$
Positive Affective Climate → Overall Emotional Exhaustion	-.59	.19	-.74	-.38	$p < .01$

Notes. Bootstrap sample size = 1,000. SE = standard error, LL = lower limit, UL = upper limit, CI = confidence interval.

Besides the Sobel test, I used bootstrapping procedures in AMOS (with 1000 samples) as a further test for the indirect effects as recommended by Preacher and Kelley (2011). Results of these analyses are depicted in Table 2–4. In detail, I found an indirect positive effect of positive customer feedback on overall employee productivity ($\beta = .19$; 95% [bias corrected] CI = .07 to .35), an indirect positive effect of positive customer feedback on employee retention ($\beta = .14, p < .01$; 95% [bias corrected] CI = .05 to .27), and an indirect negative linkage between positive customer feedback and

overall emotional exhaustion ($\beta = -.27$; 95% [bias corrected] CI = $-.48$ to $-.09$). Together, these results support the predictions that positive customer feedback is positively associated with overall employee productivity and employee retention through positive affective climate whereas positive customer feedback is negatively associated with overall emotional exhaustion through positive affective climate.

Table 2–4: Indirect Effects of Customer Feedback on Organizational Well-Being

Indirect Effect	Estimate	SE	LL 95% CI	UL 95% CI	z	Significance Level
Positive Customer Feedback on Overall Employee Productivity						
Sobel Test	.19	.07			2.80	$p < .01$
Bootstrapping	.19	.07	.07	.35		
Positive Customer Feedback on Employee Retention						
Sobel Test	.14	.06			2.35	$p < .05$
Bootstrapping	.14	.07	.05	.27		
Positive Customer Feedback on Overall Emotional Exhaustion						
Sobel Test	-.27	.09			-3.01	$p < .05$
Bootstrapping	-.27	.09	-.48	-.09		
Negative Customer Feedback on Overall Employee Productivity						
Sobel Test	-.14	.05			-2.72	$p < .05$
Bootstrapping	-.14	.05	-.24	-.04		
Negative Customer Feedback on Employee Retention						
Sobel Test	-.10	.04			-2.35	$p < .05$
Bootstrapping	-.10	.05	-.21	-.02		
Negative Customer Feedback on Overall Emotional Exhaustion						
Sobel Test	.19	.06			3.00	$p < .01$
Bootstrapping	.19	.07	.06	.33		

Notes. Bootstrap sample size = 1,000. SE = standard error, LL = lower limit, UL = upper limit, CI = confidence interval.

Furthermore, results indicated an indirect negative effect of negative customer feedback on overall employee productivity ($\beta = -.14$; 95% [bias corrected] CI = $-.24$ to $-.04$), an indirect negative effect of negative customer feedback on employee retention ($\beta = -.10$; 95% [bias corrected] CI = $-.21$ to $-.02$), and an indirect positive linkage between negative customer feedback and overall emotional exhaustion ($\beta = .19$; 95% [bias corrected] CI = $.06$ to $.33$). In sum, these results support the predictions that negative customer feedback is negatively associated with overall employee

productivity and employee retention through positive affective climate whereas negative customer feedback is positively associated with overall emotional exhaustion through positive affective climate.

Following Anderson and Gerbing's (1988) suggestions, I also examined four alternative models in order to check the robustness of the hypothesized model. I used the Satorra-Bentler scaled chi-square statistic for the calculations in order to obtain the appropriate chi-square difference test statistics (Satorra and Bentler, 2001).

The results of the full mediation model indicate a good fit ($\chi^2 = 260.39$, $df = 175$; CFI = .94, IFI = .95, SRMR = .05). As shown in Table 2–5, none of the four alternative models had a superior fit compared to the full mediation model. First, a direct-effects model (*alternative model 1*) which only allowed for a direct relationship between customer feedback and organizational well-being had a worse fit ($\Delta\chi^2 = 33.35$; $p < .01$). Second, a partial mediation model (*alternative model 2*) that was based on the hypothesized model and included the direct effects from both positive customer feedback and negative customer feedback to organizational well-being had a worse fit ($\Delta\chi^2 = 4.74$; n.s.). Notably, the direct path from negative customer feedback to overall emotional exhaustion was marginally significant ($\beta = .18$, $p < .10$). Still, the indirect effect of negative customer feedback on overall emotional exhaustion through positive affective climate ($\beta = .16$, $p < .05$; 95% [bias corrected] CI = .05 to .30) accounted for 47 percent of the total effect of negative customer feedback on overall emotional exhaustion in this model. Third, a no-controls model (*alternative model 3*) that included all hypothesized structural relations of the mediation model while the paths to the control variables were set to zero showed worse global fit properties ($\Delta\chi^2 = 22.38$; $p < .01$). Finally, a reversed causality model (*alternative model 4*) that reversed the direction of influence for the customer feedback / positive affective climate and the positive affective climate / organizational well-being relationship did not show a superior fit ($\Delta\chi^2 = 18.24$; $p < .01$).

Table 2–5: Structural Model Comparison

Model	χ^2	df	χ^2/df	$\Delta\chi^2$	Δdf	CFI	IFI	SRMR
Hypothesized Model: Full Mediation	260.39	175	1.49			.94	.95	.05
Alternative Model 1: Only Direct Effects	293.74	171	1.72	33.35**	4	.92	.92	.12
Alternative Model 2: Partial Mediation	255.65	169	1.51	4.74 +	6	.94	.95	.05
Alternative Model 3: No Controls	282.77	182	1.55	22.38**	7	.93	.94	.07
Alternative Model 4: Reversed Causality	278.63	176	1.58	18.24**	1	.93	.94	.08

Note: All models are compared to the hypothesized model. df = degree of freedom; CFI = comparative fit index; IFI = incremental fit index; SRMR = standardized root mean square residual. ** $p < .01$, * $p < .05$. + indicates that the hypothesized model was more parsimonious.

2.5 Discussion

2.5.1 Summary of Findings and Theoretical Contributions

This study examined the influence of positive and negative customer feedback on organizational climate and organizational well-being. I developed a conceptual model that proposed that the relationship between customer feedback and organizational well-being is mediated by positive affective climate. Study results support the hypothesized mediation model demonstrating that positive customer feedback increases organizational well-being through positive affective climate and that negative customer feedback decreases organizational well-being through positive affective climate. In addition, I found a direct effect of negative customer feedback on overall emotional exhaustion. This may be due to the general effect that ‘bad is stronger than good’ which researchers have found across a broad range of psychological phenomena (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001). According to Taylor’s mobilization-minimization hypothesis (1991), on the one hand, negative events mobilize individuals stronger in terms of physiological, affective, cognitive, and behavioral activity than positive events, putting a greater strain on individual resources than positive or neutral events. On the other hand, individuals attempt to minimize the impact of negative events socially which also demands individual resources. Both employees’ mobilization and minimization reactions to negative customer feedback may directly contribute to an increase of overall emotional

exhaustion. Overall, these findings indicate how positive and negative customer feedback independently influences organizational well-being.

The present results contribute to the literature by corroborating and extending prior research in several ways. First, I bridged relational job design and emotional labor research by assessing the influence of both positive and negative customer feedback on well-being simultaneously (e.g. Dormann & Zapf, 2004; Grant, 2007; Humphrey et al., 2007). Therewith, this study adds to a relatively new line of inquiry examining the effects of customers on employees' attitudes and behaviors (Grandey & Diamond, 2010; van Jaarsveld et al., 2010). Based on affective events theory, I have developed and tested a conceptual model integrating both positive and negative influences of customers on employees at the organizational level. As the central tenet of affective events theory, namely that affective reactions mediate the linkage between work events and outcomes was empirically supported, the present investigation provides evidence that affective events theory is not only applicable at the individual level but also at the organizational level.

Second, this study also adds to research on organizational climate, particularly on a climate of productive energy (Bruch & Ghoshal, 2003; Cole et al., 2012a; Raes et al., 2013; Walter & Bruch, 2010). Whereas scholars have focused on intra-organizational determinants of POE so far (Kunze & Bruch, 2010; Raes et al., 2013; Walter & Bruch, 2010), the present study is among the first to consider external factors of POE, namely positive and negative customer feedback. The findings demonstrate that customers energize as well as de-energize employees collectively depending on their feedback. While doing so, customer influences have beneficial and detrimental effects on the organizational climate and organizational well-being.

Third, the present study corroborates and extends prior research on the consequences of POE (Cole et al., 2012a; Raes et al., 2013) and particularly, on the consequences of a positive affective climate (Menges et al., 2011). Results showed that positive affective climate is positively linked to overall employee productivity and employee retention whereas it is negatively linked to overall emotional exhaustion. Hence, the positive consequences of an energetic positive organizational climate on the well-being of employees and the organization were confirmed. Accordingly, this investigation makes also a contribution to research on organizational sustainability and sustainable performance by focusing on the consequences of customer influences on employees, i.e. the human factor (Pfeffer, 2010; Spreitzer & Porath, 2012).

Fourth, I also add to research on customer feedback management (Bell et al., 2004; Homburg et al., 2010; Morgan et al., 2005; Sampson, 1999). As positive customer feedback increased organizational well-being, this study highlights the positive influences of customer compliments on the organization. This is a rather new and important finding considering that positive customer feedback is mainly neglected in most customer feedback management processes (Homburg et al., 2010; Larivet & Brouard, 2010; Wirtz & Tomlin, 2000). Additionally, based on the results that negative customer feedback influences positive affective climate as well as organizational well-being negatively, I challenge the dominant assumption that complaints are a firm's best friends (Larivet & Brouard, 2010). According to the present results, I would restate this point of view into 'compliments are a firm's best friends'.

2.5.2 Practical Implications

I draw the following practical implications from this study. Managers should be aware that customers can energize as well as de-energize employees collectively through their feedback. While doing so, customers exert influence on the organizational well-being in both positive and negative directions depending on the feedback content; they exert influence on overall employee productivity, on employee retention, as well as on overall emotional exhaustion. Consequently, practitioners might consider the affective consequences of customer feedback on the organizational climate and well-being when disseminating customer feedback. Most customer complaint systems do not explicitly take the negative affective reactions of employees into account when receiving and handling negative customer feedback (Homburg et al., 2010; Larivet & Brouard, 2010). As the present findings indicate that negative customer feedback is detrimental for the organizational climate and well-being, organizations might strive to stop spreading of negative customer feedback within the organization by all means. On the other hand, I recommend to managers providing access to positive customer feedback to as many employees as possible and stimulating actively the dissemination of positive customer feedback. For instance, a customer compliment database may help to save and spread positive customer feedback. Finally, based on the study results managers might ask employees actively how frequent they receive positive and negative customer feedback, e.g. via surveys. As I found a direct relationship of negative customer feedback on overall emotional exhaustion, managers who are aware that organizational members receive negative customer feedback on a regular basis could take appropriate intervening measures early. While doing so, managers might be

able to diminish overall emotional exhaustion in organizations and hence, contribute to sustaining organizational health in the long term.

2.5.3 Limitations

There are some limitations to the present study that call for attention in interpreting the results. First, the generalizability of the results is limited as all participant organizations were located in Germany. The demonstrated linkages might follow different patterns if tested in other cultures as cultural factors shape customers' feedback behavior and employees' reaction to it (Dahling, Chau, & O'Malley, 2012; Voss et al., 2004). Although the present investigation included organizations across industries and across different organizational settings in terms of business-to-consumers and business-to-business organizations, all studied companies had less than 4'000 employees. Hence, researchers could strive to obtain study samples that also comprise larger organizations and various cultures to further generalize the present findings. Second, the data were cross-sectional which makes it impossible to unambiguously interpret the results as indicating causality. However, based on the theoretical arguments outlined before, the directions of causality in this study are likely. Future research might try to replicate the suggested causal relationships via longitudinal or (quasi-) experimental study design (Antonakis, Bendahan, Jacquart, & Lalive, 2010; Grant & Wall, 2009; Ployhart & Vandenberg, 2010). Third, because of the lack of a comprehensive customer feedback scale, I measured positive customer feedback and negative customer feedback using single-item scales. However, studies have demonstrated good reliability of single-item measurements at the individual level and at the group level (Wanous & Hudy, 2001; Wanous, Reichers, & Hudy, 1997). Still, very little theoretical and empirical work has been carried out investigating the breadth of the customer feedback construct. Future research adopting the construct of positive and negative customer feedback should elaborate on the findings by developing and employing a more extensive measure of customer feedback to ensure adequate domain coverage, e.g. considering direct versus indirect feedback from customers.

2.5.4 Directions for Future Research

Beyond addressing study limitations, this investigation suggests several other directions for future research. Future studies might investigate the dynamics of positive and negative customer feedback in organizations. Network analyses (Baker,

Cross, & Wooten, 2003; Sparrowe, Liden, Wayne, & Kraimer, 2001), for example, could take the patterns of dissemination, attenuation, or amplification of customer feedback across organizational units into account and capture more precisely how customer feedback influences the positive affective climate and well-being within units and organizations. Further, a recent study on work engagement showed that employees are engaged most if negative affect is followed by positive affect (Bledow, Schmitt, Frese, & Kühnel, 2011). Hence, I suggest examining whether employee productivity is highest if negative customer feedback is disseminated in organizations followed each time by positive customer feedback. Importantly, future research might investigate contingencies of the linkages between customer feedback and organizational well-being and reveal intervention strategies for organizations. As transformational leaders arouse the emotions of their followers positively (Ashkanasy, Härtel, & Daus, 2002; Menges et al., 2011), scholars might examine whether transformational leaders are able to transform negative customer feedback in such way that the positive affective climate within an organization is not diminished but instead remains equal. Likewise, research may explore interactive effects resulting from several employee reactions and multiple organizational practices related to customer feedback. For example, the concept of Vos et al. (2008) embedded organizational learning into complaint management systems. Studying these underlying and co-existing experiences at work together could deepen the understanding of the multiple individual and organizational reactions to customer feedback.

This research offered empirical support for applying affective events theory as the predominant theoretical lens when studying customer influences on employees at the organizational level. While doing so, this study has bridged research on organizational climate, emotional labor, job design, and customer feedback. The present study expanded on these streams of research by suggesting the need to consider both sides of customer influences, namely, positive customer feedback and negative customer feedback, to better understand customers' impact on organizational climate and organizational well-being. I hope the current study will stimulate future research endeavors to advance the understanding of the multiple consequences of customers on the organizational climate.

3 Study 2 – Customer Recognition, Prosocial Impact Climate, and Productive Organizational Energy

Study 2 was inspired by the second research question of this dissertation: *How do customers energize whole organizations?* As employees get energized when they receive positive customer feedback which has been shown by the first study of this dissertation, the following study investigates the relationships between customer recognition, prosocial impact climate, and POE.

3.1 Introduction

Interest in human energy at work has increased along with the mounting emphasis on promoting positive employee behavior and positive psychological states (e.g. Atwater & Carmeli, 2009; Cole et al., 2012a; Fritz et al., 2011; Quinn et al., 2012; Schippers & Hogenes, 2011). As employees' individual energy at work is not independent from each other, scholars have stressed the need to study energy at work at a collective level (Bruch & Ghoshal, 2003; Jansen, 2004). Productive organizational energy (POE) refers to the shared experience and demonstration of positive affect, cognitive arousal, and agentic behavior among employees in their joint pursuit of organizationally salient objectives (Cole et al., 2012a). Importantly, high levels of POE are linked to critical organizational outcomes. Scholars found positive relationships between POE and internal effectiveness such as goal commitment and organizational commitment (Cole et al., 2012a), employees' well-being in terms of job satisfaction and turnover intentions (Raes et al., 2013), overall company functioning (Bruch & Ghoshal, 2003, 2004), as well as company performance (Cole et al., 2012a). Thus, researchers and practitioners have an increased interest to investigate internal and external factors which create and sustain POE.

So far, empirical studies have revealed that transformational leaders and TFL climate respectively positively influence the productive energy of teams and organizations (Kunze & Bruch, 2010; Walter & Bruch, 2010). Furthermore, the study of Raes, Bruch, and De Jong (2012) provides empirical evidence that TMT behavioral integration is an important determinant of POE. Although scholars noted that POE is also affected by factors outside the organization (Bruch & Vogel, 2011), external factors like customers and their influence on POE have not yet been investigated. Concerning customers and their positive influence on employees, research has shown that contact with customers has an energizing effect on employees (Grant, 2012; Grant

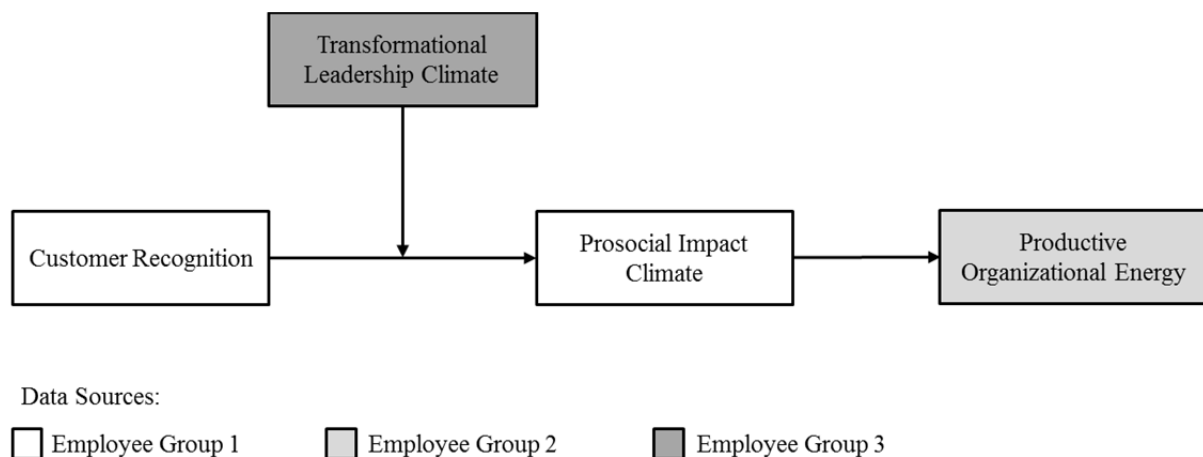
et al., 2007; Grant & Hofmann, 2011). Notably, only respectful contact had a direct positive effect on employees' task performance and the positive linkage of customer contact was transmitted by increased levels of prosocial impact (Grant, 2012; Grant et al., 2007). On the team level, Schepers, de Jong, de Ruyter, and Wetzels (2011) found that customer appreciation of virtual team technology was positively related to perceived virtual team efficacy and service performance beyond internal factors such as supervisor and peer encouragement. Thus, knowledge about the energizing effects of customers on employees is accumulating providing first insights into the explanatory mechanisms. However, no study so far has examined how POE, i.e. the productive energy of whole organizations, can be positively influenced by customers.

Hence, this study takes the promising findings on the individual level and on the team level a step further by theoretically arguing that customer recognition increases POE due to organizational sensemaking processes (Maitlis, 2005). As customer recognition makes employees feel the prosocial impact of their work and as organizational members shape each other's perception and meaning, a prosocial impact climate might emerge. Additionally, as leaders have been described as meaning managers (e.g. Bruch et al., 2007b; Smircich & Morgan, 1982) and as climate engineers (Naumann & Bennett, 2000), I suggest TFL climate as an intervening factor strengthening the relationship between customer recognition, prosocial impact climate, and POE.

The present study is intended to contribute to several research streams. First, this study aims at contributing to research on POE theoretically and empirically (Bruch & Ghoshal, 2003; Cole et al., 2012a; Raes et al., 2013; Walter & Bruch, 2010). To my best knowledge, this study is the first investigation considering external factors, namely customer recognition, as antecedent of POE and revealing mechanisms for such linkage at the organizational level. By gaining insights into the linkages between positive customer influences and POE, I aim at discovering strategies for organizations to reinforce this relationship. Second, the present study strives for an extension of research on prosocial impact (Grant, 2007; Grant, 2012; Grant & Sonnentag, 2010). Based on organizational sensemaking processes (Maitlis, 2005), employees' perceptions of benefiting others through their work, i.e. the prosocial impact, are raised to the organizational level. As making sense of one's work and one's impact is heavily shaped by others, this study introduces an organization's prosocial impact climate conceptually and empirically. Third, this study aims at contributing to research on the role of transformational leaders managing the meaning of their employees and engineering the organizational climate by suggesting TFL climate as a factor reinforcing the relationship between customer recognition, prosocial impact climate,

and POE. In doing so, I extend prior research on TFL and sensemaking (e.g. Bruch et al., 2007b; Smircich & Morgan, 1982) by testing the linkage of TFL climate and prosocial impact climate empirically at the organizational level. Finally, beyond theoretical contributions, this research intends to offer also significant practical implications by providing companies with new suggestions on how to create and sustain POE. Figure 3–1 depicts the conceptual model of this study.

Figure 3–1: Conceptual Model



3.2 Theoretical Background and Hypotheses Development

3.2.1 Customer Recognition and Prosocial Impact Climate

I propose that customer recognition will be positively related with prosocial impact climate. Customer recognition is the degree to which employees feel that their work is valued by the organization's customers (Grant, 2008). Customer recognition belongs to the category of symbolic reward (Mickel & Barron, 2008) and represents a form of social recognition, i.e. a rather informal acknowledgment, praise, approval, or genuine appreciation for work well done from one individual or group to another (Haynes, Pine, & Fitch, 1982; Luthans & Stajkovic, 2000).

Customer recognition may reach employees directly or indirectly through the following channels: First, a large number of employees, especially sales and service employees, deal with customers on a regular basis (Katz & Kahn, 1978). Second, customer satisfaction indices are regularly shared within organizations (c.f. Luo &

Homburg, 2007; Morgan et al., 2005). Third, many organizations print customer testimonials in their advertisement (Sampson, 1999). Fourth, through “viral marketing”, i.e. customers spreading their positive word-of-mouth electronically (Leskovec et al., 2007). For instance, customers post statements related to organizations on virtual opinion platforms (Hennig-Thurau & Walsh, 2003) and via social media, e.g. Facebook (Kaplan & Haenlein, 2010). Thus, employees across all organizational units experience more or less direct and more or less intense customer recognition.

Customer recognition carries with it the potential to trigger employees’ awareness of their prosocial impact. This line of reasoning is based on relational and prosocial job design theory which suggests that contact with beneficiaries enables employees to perceive how their work makes a positive difference in the lives of others (Grant, 2007; Grant & Parker, 2009). Empirical studies have revealed that employees’ perceived prosocial impact was higher when they had respectful contact with beneficiaries compared to employees’ perceived prosocial impact without contact with beneficiaries (Grant et al., 2007). Lifting these findings to the organizational level, I expect that customer recognition might be positively associated with an organization’s prosocial impact climate.

Prosocial impact indicates the extent to which organizational members evaluate their work as significant and purposeful through its connection to the welfare of others and feel that their work makes a positive difference in the lives of others (Grant, 2007). In contrast to customer recognition which employees receive for their work, prosocial impact reflects what they are able to give to the common wealth through their work. In line with research on organizational climate (James, 1982; James et al., 2008), I treat prosocial impact climate as a shared property of an organization that is essentially defined in the same manner as prosocial impact on the individual level, except that prosocial impact climate refers to collective perceptions throughout the organization (cf. Chan, 1998).

While prosocial impact climate originates from the individual level of analysis, it manifests at the organizational level through various mechanisms that contribute to the similarity of individuals’ perception and experience of prosocial impact within organizations and to the variability of such perceptions between organizations (Klein, Dansereau, & Hall, 1994; Kozlowski & Klein, 2000). First, employees perceive the prosocial impact of their work through the mission of the organization at which they are employed. Applicable for many organizations, the prosocial impact of an organization is already included by an organization’s mission statement which

represents the basic goals, the values, and the purpose of an organization (Thompson & Bunderson, 2003). Such missions are distinct concepts characterizing organizations which are shared by all organizational members. Being tight together within the organization, they all serve the same purpose. Additionally, Grant (2012) stated: “For some jobs, organizations, and occupations, the work may be so deeply imbued with ideological significance that its prosocial impact is vivid and chronically salient to employees” (p. 472). Hence, an organization’s affiliation to a certain industry and to a certain type of work also contributes to a more comprehensive perception of prosocial impact within organizations rather than between organizations. Furthermore, different types of individuals get attracted, selected, and retained through an organization’s mission statement (Pandey, Wright, & Moynihan, 2008; Turban & Greening, 1997). Over time, these attraction-selection-attrition cycles may contribute to perceptual similarity of the prosocial impact of one’s work within organizations and to differences between organizations (Schneider, 1987). Thus, given that organizations have unique missions and purposes which are quite stable over time and given that their missions attract, select, and retain different types of individuals, I expect that prosocial impact is very likely to be more similar within an organization and more different between organizations yielding an organizational climate (cf. Klein et al., 1994).

Prosocial impact climate might be positively influenced by the degree of experienced customer recognition throughout the organization. Although employees across all organizational units experience more or less direct and more or less intense customer recognition, the individual experiences of customer recognition might add up to the organizational level. Further, according to organizational sensemaking processes (Maitlis, 2005), an organization’s overall customer recognition might influence the collective perception of prosocial impact. The way individuals see their work and the value they attach to their work is closely connected to the way of how others – in the present case, customers and colleagues – make them feel about it (Maitlis, 2005; Wrzesniewski et al., 2003). Employees may interpersonally exchange, articulate, elaborate, and agree to what degree their work has a prosocial impact stimulated by the felt customer recognition (Stigliani & Ravasi, 2012). Because of customer recognition adding up within an organization carrying social cues of employees’ beneficial impact on others and because of employees’ reciprocal cognitive influences on their perception of prosocial impact due to organizational sensemaking, customer recognition may positively influence the prosocial impact climate of an organization.

Consequently, I posit:

Hypothesis 1: Customer recognition will be positively associated with prosocial impact climate.

3.2.2 Prosocial Impact Climate and Productive Organizational Energy

Further, I suggest that prosocial impact climate will be positively related with POE. Prosocial impact climate transforms an abstract, intellectual awareness of opportunities into a concrete, emotionally driven understanding that organizational members' actions can make a positive difference (Small & Loewenstein, 2003). According to prosocial motivation theory, people get and stay motivated through the experience that their work matters for others (Grant, 2007; Grant & Berg, 2011). Hence, an organization's prosocial impact climate might stimulate and enhance the affective, cognitive, and behavioral energy in organizations.

Regarding affective energy in organizations, I expect that organizational members are very likely to jointly experience and share positive feelings when they know that they benefit and help others through their work. Social psychologists have shown that engaging in the act of helping brings about feelings of joy and happiness (Batson, 1990; Lyubomirsky, King, & Diener, 2005; Williamson & Clark, 1989). Furthermore, research suggests that the experience of helping others plays an important buffering role in protecting against negative affective experiences (Grant & Sonnentag, 2010). As prosocial impact climate might also reduce negative affect within organizations in favor of positive affect, I argue that prosocial impact climate might enhance the positive affective energy in organizations.

Referring to cognitive energy in organizations, I expect that prosocial impact climate might also enhance the cognitive dimension of POE. On the one hand, a prosocial impact climate may increase employees' creativity, i.e. employees develop ideas that are useful as well as novel. Research has shown that prosocially motivated employees were more creative (Grant & Berry, 2011). On the other hand, scholars found that employees' perception of their prosocial impact was positively related to their use of performance information (Moynihan, Pandey, & Wright, 2012). This study revealed that employees pursued to use data to shape strategic decisions, set priorities, innovate, and solve problems when they perceived their prosocial impact as high. It seems that a prosocial impact climate releases employees' cognitive energy so that they are more creative, cognitively flexible, and mentally alert serving significant others through

their work. Thus, prosocial impact climate should enhance the cognitive energy in organizations.

Moreover, concerning behavioral energy in organizations, research shows that employees are more motivated to expend effort when they recognize that their actions can benefit others (Karau & Williams, 1993). A prosocial impact climate signals to employees that their work serves a personally meaningful, socially significant purpose indicating that they can express and fulfill their values and motives directed towards making a difference (Perry, 2000; Shamir, 1991). In accordance with classic expectancy and planned behavior theories of motivation, employees are more likely to direct their efforts towards achieving an outcome when they are aware that their actions have the potential to bring about a personally valued outcome (Ajzen, 1991; Van Eerde & Thierry, 1996; Vroom, 1964). As benefitting others is one of the most important values across cultures (Schwartz & Bardi, 2001), employees might work harder and more in order to achieve and maintain a prosocial impact through their work. Hence, prosocial impact climate might enhance the behavioral energy in organizations.

Overall, prosocial impact climate might increase the affective, cognitive, and behavioral energy in organizations. Consequently, I hypothesize the following:

Hypothesis 2: Prosocial impact climate will be positively associated with POE.

3.2.3 The Mediating Role of Prosocial Impact Climate

Hypothesis 1 predicts a positive relationship between customer recognition and prosocial impact climate, and hypothesis 2 predicts a positive relationship between prosocial impact climate and POE. Together, these hypotheses specify a model in which customer recognition indirectly enhances POE by contributing to an organization's prosocial impact climate. This line is in notion with relational and prosocial job design and organizational sensemaking theory (Grant, 2007; Maitlis, 2005); that is, customer recognition elicit employees' feelings and awareness of benefitting others through their work, with this prosocial impact climate, in turn, stimulating and enhancing POE. Accordingly, I posit:

Hypothesis 3: Prosocial impact climate will mediate the relationship between customer recognition and POE.

3.2.4 The Moderating Role of Transformational Leadership Climate

As individuals process information selectively (Salancik & Pfeffer, 1978) and hence, may not notice customer recognition deliberately (Kraft & Martin, 2001), uncovering factors which might foster the linkage between customer recognition and prosocial impact climate would be beneficial for organizations. For this purpose, I propose TFL climate as moderator which strengthens the relationship between customer recognition and prosocial impact climate. An organization's TFL climate reflects the shared perception of followers throughout the organization that their direct leaders engage in TFL behaviors (e.g. Cole, Bedeian, & Bruch, 2011; Menges et al., 2011). Such leadership behaviors include that leaders articulate a captivating vision for the future, act as charismatic role models, foster the acceptance of common goals, set high performance expectations, provide individualized support, and stimulate their followers intellectually (Bass, 1985; Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

Leaders and especially transformational leaders play a critical role in managing the meaning that followers make of their work (e.g. Shamir, House, & Arthur, 1993; Smircich & Morgan, 1982) and hence, have also been labeled as “climate engineers” (Naumann & Bennett, 2000, p. 883). As research has proposed that various stakeholders are involved in organizational sensemaking processes (Maitlis, 2005), a prosocial impact climate might not only be shaped by employees but particularly be influenced by TFL climate. According to Maitlis' (2005) conceptualization of four forms of organizational sensemaking processes, an organization's TFL climate might be described as guided organizational sensemaking, i.e. that the sensemaking processes of employees are highly controlled and highly animated by leaders' sensegiving. Consequently, TFL climate which has an idealizing, controlled, and animated influence on employees' perception and understanding of information may enable followers to make customer recognition more valuable, more visible, and more conscious. Thereby, TFL climate might foster employees' sensitivity and awareness of customer recognition which would increase employees' perception of benefiting others through their work so that the prosocial impact climate might increase. Accordingly, I posit:

Hypothesis 4a: The relationship between customer recognition and prosocial impact climate will be stronger for organizations high on TFL climate than for organizations low on TFL climate.

Assuming TFL climate moderates the association between customer recognition and prosocial impact climate, it is also likely that TFL climate will conditionally influence the strength of the indirect relationship between customer recognition and POE; thereby, demonstrating a pattern of moderated mediation between the study variables. Consequently, I expect the following:

Hypothesis 4b: TFL climate will moderate the positive and indirect effect of customer recognition on POE (through prosocial impact climate). Specifically, prosocial impact climate will have a stronger indirect effect on POE when TFL climate is high.

3.3 Methods

3.3.1 Data Collection and Sampling

As part of a larger survey study, I gathered data from employees and managers of 96 small and medium sized German companies that had between 17 and 3'897 employees. Each company received a detailed benchmark report in return for their participation.

To reduce common source bias, I measured variables from different groups of respondents (see Podsakoff et al., 2003), using the following procedure. All members of the participating organizations received an email with an invitation to participate in the study with a link to the questionnaire. Upon entering the online questionnaire, employees were randomly distributed via an algorithm programmed in the questionnaire to separate employee questionnaires. Customer recognition and prosocial impact climate were measured in a first questionnaire; POE was measured in a second questionnaire; TFL climate was measured in a third questionnaire. In addition, members of the TMT or HR representatives served as key informants and provided information on general characteristics of the organization such as the number of employees, the organization's affiliation to an industry, and the number of hierarchical levels. Thus, I used four sources to gather the data: three groups of employees and members of the TMT or HR representatives (see Podsakoff et al., 2003).

As three organizations failed to provide sufficient data, the final data sample consisted of 93 organizations, containing the responses of 11'421 employees. The algorithm had equally distributed the 11'421 employees among the first questionnaire measuring customer recognition and prosocial impact climate (n = 3638), the second one

measuring POE ($n = 3956$), and the third one measuring TFL climate ($n = 3827$). Of the 93 organizations, 53 organizations (57 %) operated in the service sector, 23 (25 %) in the production sector, 11 (12 %) in the trade sector, and 6 (6 %) in the finance sector. The average organizational size in the final sample was 336.75 employees (s.d. = 550.98), and the average employee response rate per organization was 67 %.

3.3.2 Measures³

All questionnaires were administered in German. I used a double-blind back-translation procedure to ensure content similarity with the original English scales (Schaffer & Riordan, 2003). For the hypotheses tests, the level of analysis was a single organizational level model. To empirically justify the aggregation and to support the assumptions of the consensus and referent-shift composition models (Chan, 1998), I calculated intra-class correlation coefficients (ICC[1] and ICC[2]; Bliese, 2000) and the average deviation index as an inter-rater agreement ratio ($AD_{M(J)}$; Burke et al., 1999). For the ICC₁, values that are based on a significant one-way ANOVA are generally acceptable. For the ICC₂, values of more than 0.60, are usually considered sufficient (Bliese, 2000; Chen et al., 2004; Kenny & La Voie, 1985). The $AD_{M(J)}$ has several advantages over the r_{wg} inter-rater agreement index (rwg; James, Demaree, & Wolf, 1984). First, no modeling of a random null response distribution is required; only an a priori specification of a null response range of inter-rater agreement is preconditioned. Second, estimates in the metric of the original scale are provided, which allows for a more direct conceptualization and assessment of inter-rater agreement (Burke et al., 1999). As cutoff criteria for the $AD_{M(J)}$, I followed the $c/6$ rule (the number of response options for an item divided by 6) proposed by Burke and Dunlap (2002). Thus, the value should be below 0.71 for five-point response scales and below 1.17 for seven-point response scales.

3.3.2.1 Customer Recognition

I assessed customer recognition based on Grant's (2008) scale of social worth. I shifted the referent from 'other people' to 'our customers' in order to substantiate 'other people' following my focus on customers. The three items are: (1) "I feel that our customers appreciate my work", (2) "I feel that our customers value my contributions at work", and (3) "I feel that our customers respect me for my work." Employees indicated their perceived customer recognition on a seven-point response

³ The detailed wording and translations of all items for the focal variables are provided in Appendix 6.3.

scale from 1 (strongly disagree) to 7 (strongly agree). I obtained support for aggregating this variable to the organizational level ($ICC_1 = .14$, $ICC_2 = .86$, $F_{(92,3426)} = 7.03$, $p < .01$). The $AD_{M(j)}$ value was 1.01.

3.3.2.2 Prosocial Impact Climate

Prosocial impact was assessed by the 3-item scale of Grant (2008) on a seven-point response scale from 1 (strongly disagree) to 7 (strongly agree). The items were (1) “I am very conscious of the positive impact that my work has on others”, (2) “I am very aware of the ways in which my work is benefiting others”, and (3) “I feel that I can have a positive impact on others through my work.” I obtained support for aggregating this variable to the organizational level ($ICC_1 = .04$, $ICC_2 = .64$, $F_{(92,3545)} = 2.80$, $p < .01$). The $AD_{M(j)}$ value was 1.02.

3.3.2.3 Productive Organizational Energy

POE was assessed by the 14-item productive energy scale of Cole and colleagues (2012a) which has demonstrated good psychometric qualities in prior studies (e.g. Kunze & Bruch, 2010; Walter & Bruch, 2010). As POE consists of an affective, a cognitive, and a behavioral dimension, the items reflected this structure. Responses to the five items of the affective dimension were given on a five-point frequency scale (1 = never; 5 = extremely often / always). A sample item is “Employees feel excited in their job.” The other two dimensions, the cognitive (five items) and the behavioral (four items) one, were answered on a five-point agreement continuum (1 = strongly disagree; 5 = strongly agree). An exemplary item for the cognitive dimension is “Employees really care about the fate of this company” and for the behavioral dimension “Employees are working at a very fast pace.” To form the overall index of POE, I averaged the three distinct dimensions as done in prior research (e.g., Walter & Bruch, 2010). Aggregation statistics showed sufficient results ($ICC_1 = 0.11$, $ICC_2 = 0.84$, $F_{(92,3863)} = 6.3$, $p < .01$). The $AD_{M(j)}$ value was .44.

3.3.2.4 Transformational Leadership Climate

I used the TFL behavior inventory of Podsakoff et al. (1990) and Podsakoff, MacKenzie and Bommer (1996) to assess the TFL climate as the psychometric soundness of this inventory has been empirically proven (Bommer, Rubin, & Baldwin, 2004; Podsakoff et al., 1996). The instrument consists of 22 items capturing the following six dimensions of TFL: providing intellectual stimulation, articulating a

vision, communicating high performance expectations, fostering the acceptance of common goals, acting as a role model, and providing individualized support. In line with previous research (Menges et al., 2011; Walter & Bruch, 2010), I adopted a direct consensus model to capture the TFL climate of an organization and asked employees how frequent their direct leaders exhibit TFL behaviors on a five-point frequency scale (1 = never; 5 = extremely often / always). As aggregation statistics showed sufficient results ($ICC_1 = 0.10$, $ICC_2 = 0.81$, $F_{(92,3734)} = 5.36$, $p < .01$), individual level TFL ratings were aggregated into a single organizational level measure of TFL climate. The $AD_{M(J)}$ value was .53.

3.3.2.5 Control Variables

In addition to the aforementioned variables, I included several control variables in the analyses. First, I included organizational size as control variable in the analyses because *organizational size* may influence employee attitudes and behaviors (Pierce & Gardner, 2004; Ragins et al., 2000). Organizational size was measured by asking a key informant (member of the TMT or a HR representative) for the total number of employees in the organizations (converted to full-time equivalents). In order to reduce skewness, I log-transformed this variable as done in prior research (e.g. Schminke et al., 2002). Second, I also controlled for *organizations' affiliation with one of the four broad classes of industries* – services, manufacturing, trade, and finance – because an organization's industry affiliation might influence employees' perceptions of their prosocial impact (Grant, 2012). Participant organizations were assigned four dummy-coded variables indicating their affiliation with each of the industry categories. Third, I controlled for the absolute *number of hierarchical levels* within an organization including the highest and lowest hierarchical level provided by the key informants of the organizations. The number of hierarchical level might influence employees' ratings of the focal study variables in such way that organizations with flat hierarchical structures may be closer to customers and thus, employees might perceive higher levels of customer recognition and prosocial impact (Grant, 2007).

3.3.3 Convergent and Discriminant Validity

I assessed the convergent and discriminant validity of the constructs by testing whether the hypothesized measurement model adequately fitted to the data. I used CFA to do so and computed parameter estimates using the maximum likelihood method contained within the AMOS 18 computer package. Following the recommendation of Hu and

Bentler (1999) for sample sizes smaller than 200, I calculated an absolute fit measure, namely the Standardized Root Mean Square Residual (SRMR) in combination with two incremental fit indices – the comparative fit index (CFI: Bentler, 1990) and the incremental fit index (IFI: Bollen, 1989). Common cutoff values for these indices are .08 for the SRMR and .90 for the CFI and IFI (see Hu & Bentler, 1999). In order to keep the ratio between parameters and cases acceptable, I used a partial disaggregation technique (e.g. Williams & O'Boyle, 2008) and first created the three dimensions of the POE measure by averaging the items for their respective dimensions. I did the same for the six dimensions of TFL climate. Hence, the hypothesized measurement consisted of four latent constructs – namely, customer recognition, prosocial impact climate, POE and TFL climate – with 15 items in total. This model fitted well to the data ($\chi^2_{[84]} = 208.19, p < .01$; CFI = .93; IFI = .93; SRMR = .06). As depicted in Table 3–1, I compared the hypothesized measurement model to three alternative models.

Table 3–1: Measurement Model Comparison

Model	χ^2	df	χ^2/df	$\Delta\chi^2$	Δdf	CFI	IFI	SRMR
Hypothesized Model: Four-Factor Model	208.19	84	2.48			.93	.93	.06
Alternative Model 1: Three-Factor Model	455.34	87	5.23	247.15**	3	.80	.80	.13
Alternative Model 2: Two-Factor Model	737.32	89	8.29	592.13**	5	.64	.65	.15
Alternative Model 3: One-Factor Model	1032.27	90	11.47	824.08**	6	.48	.49	.17

Note: All models are compared to the hypothesized model. df = degree of freedom; CFI = comparative fit index; IFI = incremental fit index; SRMR = standardized root mean square residual. ** $p < .01$, * $p < .05$.

First, a three-factor model in which customer recognition and prosocial impact climate items loaded on one common factor (*alternative model 1*) had a significantly worse fit ($\Delta\chi^2 = 247.15$; $p < .01$). Second, a two-factor model with customer recognition, prosocial impact climate, and POE items loading on the same factor (*alternative model 2*) was worse fitting ($\Delta\chi^2 = 592.13$; $p < .01$). Finally, a one-factor model (*alternative model 3*), with all items loading on one common factor was worse fitting ($\Delta\chi^2 = 824.08$; $p < .01$). Accordingly, the hypothesized measurement model fitted the data best which indicates adequate convergent and discriminant validity.

3.3.4 Analytical Procedures

I tested the study hypotheses in two interlinked steps. First, I examined a simple mediation model (hypotheses 1, 2 and 3). Second, I integrated the proposed moderator variable into the model (hypotheses 4a and 4b).

Collectively, hypotheses 1, 2, and 3 suggest an indirect effects model, whereby the relationship between customer recognition and POE is transmitted by prosocial impact climate. I tested the mediation hypotheses using hierarchical regression analyses and an application provided by Hayes (2012). Briefly, Hayes developed a SPSS based application that facilitates estimation of the indirect effect, both with a normal theory approach (i.e., the Sobel test) and with a bootstrap approach to obtain confidence intervals (CI).

Concerning hypotheses 4a, I predicted that TFL climate would moderate the relationship between customer recognition and prosocial impact climate. Further, assuming this moderation hypothesis receives support, it is plausible that the strength of the hypothesized indirect effect is conditional on the value of the moderator (TFL climate) yielding a moderated mediation model (Preacher, Rucker, & Hayes, 2007). In case of a prototypic moderated mediation, the strength of the moderator acts as a boundary condition, i.e. no mediating effect at certain values of the moderator. Muller and colleagues (2005) described moderated mediation in a broader sense, namely “whenever the mediating indirect effect is moderated” (p. 860). Because I do not expect that TFL climate acts as a boundary condition but rather as a reinforcing mechanism, I refer back to the broader understanding of moderated mediation, i.e. the conditional indirect effect should be different from zero for all values of the moderator. To test hypotheses 4a and 4b, I again utilized the SPSS tool designed by Hayes (2012). This macro facilitates the implementation of the recommended bootstrapping methods and provides a method for probing the significance of conditional indirect effects at different values of the moderator variable.

Table 3–2: Means, Standard Deviations, and Correlations of Study Variables

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9
1. Customer Recognition	4.90	0.70									
2. Prosocial Impact Climate	5.00	0.50	.60**								
3. Transformational Leadership Climate	3.58	0.30	.49**	.53**							
4. Productive Organizational Energy	3.63	0.29	.45**	.52**	.62**						
5. Organizational Size (log)	5.02	1.24	-.32**	-.32**	-.37**	-.28**					
6. Service Industry	0.57	0.50	.41**	.13	.15	.23*	-.14				
7. Trade Industry	0.12	0.33	-.01	-.02	-.05	-.09	.12	-.42**			
8. Manufacturing Industry	0.25	0.43	-.47**	-.19	-.13	-.12	-.07	-.61**	-.21*		
9. Finance Industry	0.07	0.25	-.07	.07	.01	-.02	.06	-.30**	-.10	-.15	
10. Number of Hierarchical Levels	3.73	0.94	-.18	-.11	-.16	-.05	.60**	.02	.02	-.05	.01

** $p < 0.01$, * $p < 0.05$ (2-tailed). log = common logarithm. Variables customer recognition and prosocial impact climate were assessed on a 7-point scale, TFL climate and POE were assessed on a 5-point scale. All variables relating to industry were dummy-coded with 1 = belongs to the respective industry, 0 = does not belong to the respective industry. The absolute number of hierarchical levels in organizations includes also the highest and lowest hierarchical level of the organization.

3.4 Results

3.4.1 Descriptive Statistics

Table 3–2 presents means, standard deviations, and correlations of all study variables. As expected, customer recognition related positively to prosocial impact climate ($r = .60, p < .01$) and POE ($r = .45, p < .01$). Prosocial impact climate related positively to POE ($r = .52, p < .01$). Further, TFL climate related positively to customer recognition ($r = .49, p < .01$), prosocial impact climate ($r = .53, p < .01$), and POE ($r = .62, p < .01$). Regarding the control variables, organizational size related negatively to all focal study variables whereas number of hierarchical levels did not significantly relate to any of the focal variables. Out of the industry controls, service related positively to customer recognition ($r = .41, p < .01$) and POE ($r = .23, p < .05$) while manufacturing related negatively to customer recognition ($r = -.47, p < .01$).

Table 3–3: Causal Steps Mediation Results

Variables entered	Prosocial Impact Climate		Productive Organizational Energy		
	Step 1	Step 2	Step 1	Step 2	Step 3
Organization Size (log)	-.40**	-.23*	-.35*	-.24†	-.15
Service Industry	.16	-.17	.21†	.01	.07
Trade Industry	.11	-.05	.05	-.06	-.04
Finance Industry	.15	.06	.06	.01	-.02
Number of Hierarchical Levels	.13	.15	.15	.17	.11
Customer Recognition		.63**		.40**	.16
Prosocial Impact Climate					.38**
ΔR^2		.28**		.11**	.08**
R^2 (adjusted R^2)	.14*(.10)	.42**(.38)	.13*(.08)	.24**(.19)	.33**(.27)

Notes. Standardized regression weights are shown. ** $p < 0.01$, * $p < 0.05$, † $p < .10$ level (2-tailed).
log = common logarithm

3.4.2 Tests of Mediation

Supporting hypothesis 1, customer recognition was positively associated with prosocial impact climate, as indicated by a significant standardized regression coefficient ($\beta = .63, p < .01$) which is displayed in Table 3–3. Further, in support of

hypothesis 2, the relationship between prosocial impact climate and POE, controlling for customer recognition, was supported ($\beta = .38, p < .01$).

Furthermore, as shown in Table 3–4, customer recognition was found to have an indirect positive effect (.12) on POE, as I hypothesized (hypothesis 3). The formal two-tailed significance test (assuming a normal distribution) demonstrated that the indirect effect was significant (Sobel $z = 2.97, p < .01$). Bootstrap results confirmed the Sobel test with a bootstrapped 95% CI around the indirect effect not containing zero (.04, .21). Thus, hypotheses 1, 2, and 3 received support. As the direct effect from customer recognition to POE is not significant when mediated through prosocial impact climate, the present model is a full mediation model.

Table 3–4: Indirect Effect of Customer Recognition on POE

	Estimate	SE	LL 95% CI	UL 95% CI	<i>z</i>	Significance Level
Sobel Test	.12	.04			2.97	$p < .01$
Bootstrapping	.12	.04	.04	.21		

Notes. Bootstrap sample size = 1,000. SE = standard error, LL = lower limit, UL = upper limit, CI = confidence interval.

3.4.3 Tests of Moderated Mediation

Table 3–5 presents the results for hypothesis 4a. With regard to hypothesis 4a, I predicted that the relationship between customer recognition and prosocial impact climate would be stronger for organizations high on TFL climate than for organizations low on TFL climate. Results indicated that the cross-product term of customer recognition and TFL climate on prosocial impact climate is significant ($\beta = .25, p < .05$).

To fully support hypothesis 4a, the form of this interaction should conform to the hypothesized pattern. As recommended by Aiken and West (1991), I conducted a simple slope test and plotted the interaction results graphically. The results of the simple slope test are displayed by Table 3–6, examining the conditional effect of customer recognition on prosocial impact climate at three different values of TFL climate. As expected, all three CIs were positive and did not contain zero.

Table 3–5: Moderated Hierarchical Regression Analysis on Prosocial Impact Climate

Variables entered	Prosocial Impact Climate		
	Step 1	Step 2	Step 3
Organization size (log)	-.40**	-.15	-.19†
Service Industry	.16	-.15	-.11
Trade Industry	.11	-.04	-.10
Finance Industry	.15	.06	.10
Number of Hierarchical Levels	.13	.12	.17†
Customer Recognition		.50**	.52**
TFL Climate		.27**	.16†
Customer Recognition × TFL Climate			.25*
ΔR^2		.32**	.05*
R^2 (adjusted R^2)	.14*(.10)	.46**(.42)	.51**(.47)

Notes. Standardized regression weights are shown. ** $p < 0.01$, * $p < 0.05$, † $p < .10$ level (2-tailed).
log = common logarithm.

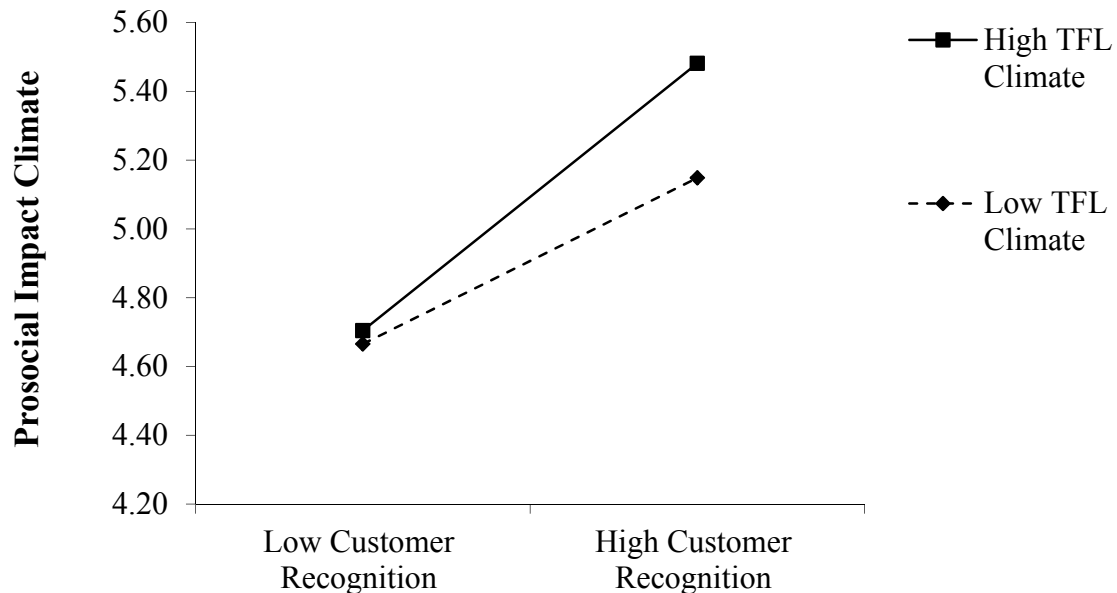
Table 3–6: Conditional Effect of Customer Recognition on Prosocial Impact Climate

TFL Climate	Effect	SE	LL 95% CI	UL 95% CI
- 1 Standard Deviation	.29	.08	.12	.45
Mean	.44	.07	.30	.58
+ 1 Standard Deviation	.59	.09	.42	.77

Notes. Bootstrap sample size = 1,000. LL = lower limit, UL = upper limit, CI = confidence interval.

Additionally, I applied conventional procedures for plotting simple slopes (see Figure 3–2) at one standard deviation above and below the mean of the TFL climate measure. Consistent with my expectations (and supporting hypothesis 4a), the slope of the relationship between customer recognition and prosocial impact climate was more steep for organizations high on TFL climate than for organizations low on TFL climate.

Figure 3–2: Interactive Effect of Customer Recognition and TFL Climate on Prosocial Impact Climate



Notes. Low moderator variable refers to one standard deviation below the mean of the moderator; high moderator variable refers to one standard deviation above the mean of the moderator.

Finally, in order to test the hypothesized moderated mediation model as depicted in Figure 3–1 (i.e., hypothesis 4b), I examined the conditional indirect effect of customer recognition on POE (through prosocial impact climate) at three values of TFL climate: the mean (0), one standard deviation above the mean (1), and one standard deviation below the mean (-1). The results for the Bootstrap CIs of the conditional indirect effects are shown in Table 3–7. As these three indirect effects were all positive and significantly different from zero, hypothesis 4b received support. As predicted, the conditional indirect association of customer recognition with POE (through prosocial impact climate) remained significant even at relatively low values of TFL climate which shows that TFL climate acts as a reinforcing mechanism strengthening the link between customer recognition and POE.

Table 3–7: Conditional Indirect Effect of Customer Recognition on POE

TFL Climate	Boot	SE	LL 95% CI	UL 95% CI
- 1 Standard Deviation	.07	.03	.02	.14
Mean	.10	.04	.03	.19
+ 1 Standard Deviation	.13	.05	.04	.25

Notes. Bootstrap sample size = 1,000. LL = lower limit, UL = upper limit, CI = confidence interval.

3.5 Discussion

3.5.1 Summary of Findings and Theoretical Contributions

This study examined the influence of customer recognition on POE. I developed a conceptual model that proposed that the relationship between customer recognition and POE is mediated by prosocial impact climate and moderated by TFL climate. Study results support the hypothesized moderated mediation model, demonstrating that the magnitude of customer recognition on POE depends on TFL climate. These findings point out the mechanisms of how customer recognition increases POE.

The present results contribute to the literature by corroborating and extending prior research in several ways. First, this study contributes to research on POE (Bruch & Ghoshal, 2003; Cole et al., 2012a; Raes et al., 2013; Walter & Bruch, 2010) by showing that its determinants extends beyond intra-organizational antecedents and that external factors matter. Providing first empirical evidence for the energizing effects of customers at the organizational level, the present study lays the foundation for investigating external factors influencing POE. As creating and sustaining POE is linked to critical organizational outcomes (e.g. Cole et al., 2012a; Raes et al., 2013), and as human energy at work may be scarce (cf. Quinn et al., 2012), the findings emphasize that external factors and the conscious perception and handling of such resources deserves closer attention.

Second, I also add to research on prosocial impact (Grant, 2007; Grant, 2012; Grant & Sonnentag, 2010). Drawing from organizational sensemaking (Maitlis, 2005), employees' perceptions of benefiting others through their work, i.e. the prosocial impact, were raised to the organizational level. By doing so, this study elaborated on an organization's prosocial impact climate and tested its characteristics empirically. Thus, the present research provides a starting point from which prosocial impact

climate and organizational sensemaking processes at work might be investigated further (e.g. Grant, 2012; Maitlis, 2005; Wrzesniewski et al., 2003).

Third, this study adds to research on the role of transformational leaders managing the meaning of their employees and engineering the organizational climate (e.g. Bruch et al., 2007b; Smircich & Morgan, 1982). TFL climate was revealed as a factor reinforcing the relationship between customer recognition, prosocial impact climate, and POE. As a consequence, I extended prior research on TFL and sensemaking having providing empirical evidence for the influence of transformational leaders on employees' sensemaking processes related to prosocial impact at the organizational level.

3.5.2 Practical Implications

Moreover, the present investigation has also some implications for practice. As this study has shown that customer recognition positively influences POE, practitioners might consider and implement strategies of how to enable the perception and experience of customer recognition to most or all employees. More explicitly, employees and leaders could be trained in order to perceive and process customer recognition deliberately. Customer compliments are largely a matter of definition and perception (Kraft & Martin, 2001). Trainings may facilitate an active exchange and a common understanding of what customer recognition and compliments are as well as how and where customer recognition might appear, *inter alia*, through social media. Hence, employees' capability of perceiving customer recognition might be increased so that in turn the prosocial impact climate of an organization is leveraged.

Further, customer recognition and its impact on prosocial impact climate and POE were reinforced by TFL climate. Accordingly, organizations should strive for TFL behaviors of all leaders across the organization. Transformational leaders might consciously absorb stories, facts, and figures which relate to customer recognition, and spread those purposefully as such procedure might further strengthen the positive effects on employees' perception of their prosocial impact and lastly, enhance POE.

Additionally, a customer compliment database may help to save customer recognition and their compliments towards the organization in an organization's 'memory'. For instance, employees of a call center register customer feedback which praises frontline employees by name in such database (Markey et al., 2009). Based on that database, employees get personally recognized by managers at celebration rituals so that the praise of customers is reinforced and made visible to other employees. Providing all

employees with access to such database may serve as important signal because it puts attention on customer recognition. While doing so, employees' capability of recognizing and feeling customer recognition consciously is trained. Especially employees without direct customer contact may sense that they are also expected to get in touch with customers actively. Such organizational access to the voice of customers should foster POE.

3.5.3 Limitations

As in almost every kind of empirical research, the present study has some limitations. A first restriction is that the data were cross-sectional which makes it impossible to unambiguously interpret the results as indicating causality. However, the directions of causality in this study are likely based on the theoretical arguments outlined before. Future research might try to replicate the suggested causal relationships via longitudinal or (quasi-) experimental study designs (Antonakis et al., 2010; Grant & Wall, 2009; Ployhart & Vandenberg, 2010).

Second, although the sample was drawn from diverse industries, the sample is quite homogenous in terms of cultural factors and organizational size as all participant organizations were located in Germany and had less than 4'000 employees. The relationships found in this study might follow different patterns when measured in other countries or larger organizations. For instance, employees embedded in another cultural context might be less driven by the perception of their prosocial impact due to cultural variations of values (Schwartz, 1992; Schwartz & Bardi, 2001). Furthermore, research has shown that TFL behavior and its effects on followers' perception of the unit's climate is influenced by leaders' distance to followers (Cole, Bruch, & Shamir, 2009). As larger organizations might have more hierarchical levels, the influence of TFL climate on prosocial impact climate might be different in larger organizations. Consequently, researchers might investigate the suggested relationships in other cultural contexts and larger organizations.

Third, all data were gathered via questionnaires based on self-reports which is prone to a common method bias (Podsakoff et al., 2003). Although data for the study variables were gathered from different large employee groups, applying surveys as the only method may have exerted a systematic measurement error on the variables and relationships of interest. Consequently, future studies on these linkages might consider ethnographic methods such as interviews or participatory observation (Schensul, Schensul, & Le Compte, 1999).

3.5.4 Directions for Future Research

Beyond addressing study limitations, this investigation suggests several other directions for future research. First, future studies may elaborate on the situational strength of prosocial impact climate, TFL climate, and POE. Research on organizational climate takes also dispersion-based constructs labeled as climate strength into account besides the absolute (i.e. average) levels of climate (Schneider, Salvaggio, & Subirats, 2002). For instance, a study demonstrated that the joint effects of both TFL behavior and employees' consensus about TFL were found to have an indirect effect on team performance through team empowerment (Cole et al., 2011). Hence, it deserves further scientific investigation whether and how the strength of an organization's prosocial impact climate and TFL climate affects POE. Second, prospective studies may investigate the positive influence of customers on POE via other constructs than customer recognition. For instance, it would be worthwhile to explore whether fan communities and their passion towards the organization also have an impact on POE, as the number of real and virtual fan communities has increased during the last years (Hellekson & Busse, 2006). Third, future research could investigate external factors influencing human energy in organizations other than customers, such as competitors, suppliers, or society. For example, the study of Schepers et al. (2011) demonstrated that competitors' use of virtual team technology positively influenced collective team efficacy and that this external factor – besides customer appreciation – was more important than internal factors such as supervisor or peer encouragement. Fourth, the indication that customer recognition and POE were significantly higher within service organizations could enrich research in the field of emotional labor which focuses mainly on negative customer emotions and behaviors influencing employees (e.g. Brotheridge & Grandey, 2002; Grandey & Diamond, 2010; Harris, 2013). Studies have shown that particularly in service organizations employee mistreatment through customers is high (Harris & Ogbonna, 2006) and that, for example, customer phone rage towards employees in service is increasing (c.f. Harris, 2013). Hence, scholars might explore whether customer recognition could occur simultaneously with customer aggression, rage, or mistreatment towards employees in organizations and how these forms of customer 'feed-back', emotions and behaviors influence each other. So, quite a lot of exciting avenues of research open up in the future.

In sum, this study showed that customers energize organizations as they nurture employees' collective perception of their prosocial impact. Additionally, transformational leaders reinforce the energizing influences of customers on the

organizational climate through their influences on organizational sensemaking processes. I conclude that the so far mostly neglected positive ‘feed-backing’ of customer recognition towards organizations could be a natural, sustainable source of POE and thus, for organizational performance and corporate success in the long term.

4 Study 3 – Customer Passion, Productive Organizational Energy, and Organizational Performance

Study 3 was motivated by the third research question of this dissertation: *When do customers energize whole organizations?* Accordingly, this study intends to reveal the contingencies and performance implications of positive customer influences. Thus, the following research investigates the linkages and contingencies between customer passion, POE, and organizational performance.

4.1 Introduction

An energetic workforce is imperative for corporate success. Accordingly, over the last years, interest in human energy at work has increased along with the mounting emphasis on promoting positive behavior and positive psychological states (e.g. Atwater & Carmeli, 2009; Cole et al., 2012a; Fritz et al., 2011; Quinn et al., 2012). Productive organizational energy – the most established construct of collective energy at work – refers to the shared experience and demonstration of positive affect, cognitive arousal, and agentic behavior among members in their joint pursuit of organizationally salient objectives (Cole et al., 2012a). As companies with high POE are more efficient, more productive, and perform better compared to companies with low energy (Bruch & Vogel, 2011) and hence, gain a competitive advantage through POE, an intriguing question for practitioners and scientists is how to create and sustain POE.

Research has shown that POE leads to several positive organizational outcomes. Scholars found positive relationships between POE and internal effectiveness such as goal commitment and organizational commitment (Cole et al., 2012a), employees' well-being in terms of job satisfaction and turnover intentions (Raes et al., 2013), overall company functioning (Bruch & Ghoshal, 2003, 2004), as well as company performance (Cole et al., 2012a). Considering these consequences of POE as critical for corporate success in the long term, researchers and practitioners have an increased interest in investigating its antecedents. So far, empirical studies have revealed that transformational leaders and TFL climate respectively influences the productive energy of teams and organizations (Kunze & Bruch, 2010; Walter & Bruch, 2010). Furthermore, the study of Raes, Bruch, and De Jong (2012) provides empirical evidence that TMT behavioral integration is an important determinant of POE. Thus, knowledge about antecedents of POE is accumulating for intra-organizational factors.

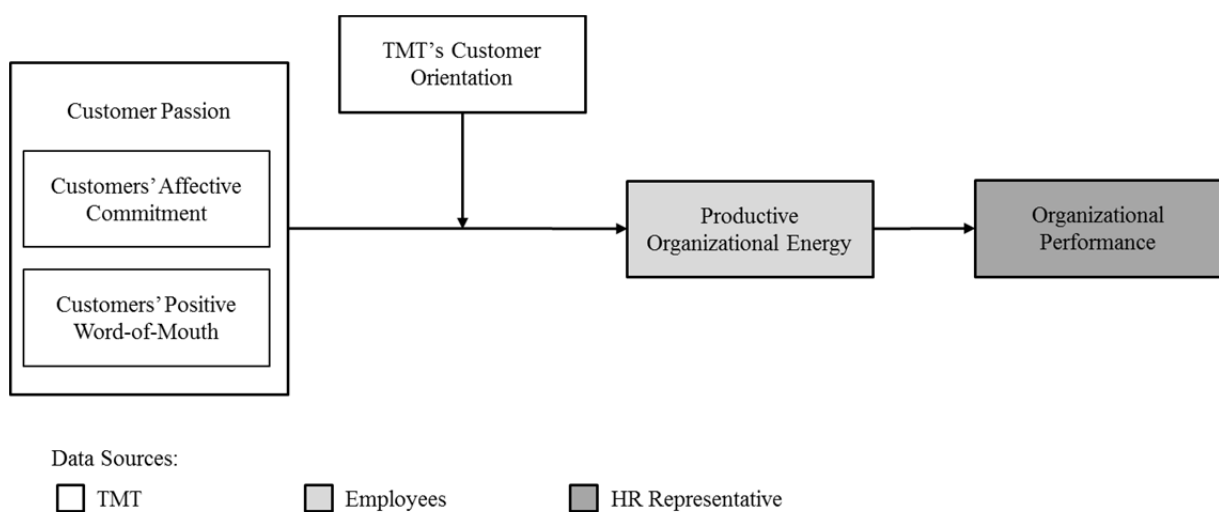
However, there is little work on external factors like customers and their influence on POE. Although scholars in this field have described positive and stimulating effects of customers and customer passion on employees and on organizations (Bruch & Vogel, 2011; Grant, 2007), to the best of my knowledge, POE has not been linked to customer passion so far. Research on the individual level has shown that “end users can energize your workforce” (Grant, 2011, p. 97). This statement is based on research supporting the idea that contact with customers increases employees’ work persistence (Grant, 2012; Grant et al., 2007). Additionally, research has provided evidence for the affective spillover of customers’ positive emotions on employees’ positive emotions (Zimmermann et al., 2011). On the organizational level, two studies relate to the research gap. The first one is an empirical study linking customer satisfaction ‘back’ to an organization’s excellence in human capital such as employee talent and manager superiority (Luo & Homburg, 2007). The second one is a longitudinal study showing that employee satisfaction surprisingly did not lead to customer satisfaction over time but the other way round, i.e. that customer satisfaction influenced employee satisfaction positively (Ryan et al., 1996). Based on the promising findings on the individual level and taking the first organizational level indications a step further, this study is the first to uncover the linkages and contingencies between customer passion, POE, and organizational performance.

Hence, the present research intends to reveal whether and under which condition customers energize organizations. For this purpose, the linkages between customer passion, POE, and organizational performance will be tested. As passion is a strong positive, contagious emotion (Cardon, 2008), this study builds upon emotional contagion processes (Barsade, 2002; Hatfield et al., 1994). I expect that customer passion is transferred to employees and spreads within the organization in such way that POE and organizational performance increase. Referring to potential contingencies, I investigate the effects of TMT’s customer orientation on these linkages because TMTs exert influence on employees’ collective perceptions due to their strategic as well as symbolic role (Hambrick, Cannella, & Pettigrew, 2001; Raes et al., 2013; Zott & Huy, 2007).

While doing so, I intend to contribute to several research streams. First, this study aims at contributing to research on POE (Bruch & Ghoshal, 2003; Cole et al., 2012a; Raes et al., 2013; Walter & Bruch, 2010). To my best knowledge, this study is the first investigation of external factors, namely customer passion, as antecedent of POE. Moreover, I aim at corroborating scientific results on the outcomes of POE (Cole et al., 2012a; Raes et al., 2013). Second, due to the focus of customer passion as positive

customer influences on employees, this study strives for adding to research on customer influences on employees (Grandey & Diamond, 2010; van Jaarsveld et al., 2010), and particularly to research on the energizing influences of customers on individuals (Grant, 2007; Grant, 2012; Zimmermann et al., 2011). This piece of research takes the individual level findings on the influences of customers on employees a level further and bridges it with research on organizational climate, particularly with a climate of productive energy. Third, the present investigation also aims at contributing to TMT's strategic and symbolic role (Hambrick et al., 2001; Raes et al., 2013; Zott & Huy, 2007) by introducing TMT's customer orientation as a boundary condition of the linkages between customer passion, POE, and organizational performance. I assume that only if TMTs are customer oriented, the energizing potential of customer passion unfolds. Fourth, I additionally intend to contribute to research on organizational usage and spreading of customer satisfaction indices (Morgan et al., 2005; Morgan & Rego, 2006). My study might add to this line of inquiry because sharing of information related to customer satisfaction and passion has not yet been considered in view of positive affective consequences among employees. Finally, beyond theoretical contributions, this research intends to offer also significant practical implications by providing companies with new suggestions on how to create and sustain POE in the pursuit of gaining competitive advantage. Figure 4–1 depicts the conceptual model of the present study.

Figure 4–1: Conceptual Model



4.2 Theoretical Background and Hypotheses Development

4.2.1 Customer Passion and its Presence in Organizations

In the following, I elaborate on customer passion and show how and in which forms customer passion is present in organizations. As there is no mature concept of customer passion in the literature appropriate for the focus of the present study⁴, this study refers to two widely researched concepts in the context of customers and their passion, namely customers' affective commitment (Gustafsson, Johnson, & Roos, 2005; Raggio & Folse, 2009) and customers' positive word-of-mouth (Brown et al., 2005; de Matos & Rossi, 2008). As I will show in the following, these two constructs conjointly represent customer passion. First, passion is a strong emotion directed towards something (Cardon, Wincent, Singh, & Drnovsek, 2009; Drnovsek, Cardon, & Murnieks, 2009; Philippe, Vallerand, Houliort, & Donahue, 2010). Accordingly, passion entails an affective-relational component. Concerning customers, this affective-relational aspect of passion reflects the degree of customers' strong affective ties and their enthusiastic devotion to the organization, its brand, and its services and products (Yim, Tse, & Chan, 2008), i.e. customers' affective commitment to the organization (Gustafsson et al., 2005; Raggio & Folse, 2009). Second, passion encompasses a mobilizing, energizing effect (Belk, Ger, & Askegaard, 2003; Cardon et al., 2009). Consequently, passion entails also a behavioral component. This behavioral aspect entails that passionate, highly committed customers engage proactively in favor of the organization, e.g. by recommending an organization's products or services to friends (Bettencourt, 1997), i.e. customers' positive word-of-mouth (Brown et al., 2005; de Matos & Rossi, 2008).

Customer passion is present in organizations and hence, perceptible by employees. Three main channels have been identified which might transfer customer passion into organizations and hence, explain why employees know and experience whether an organization's customers are passionate, highly devoted to the organization, and promote the organization's products or services. First, fans of an organization express their strong commitment to the organization proactively and spread their enthusiasm. Passionate customers are likely to show voluntary behavior such as helping and informing other customers (Bagozzi & Dholakia, 2006), giving feedback to the organization (Bettencourt, 1997), recommending the organization to friends (Libai et

⁴ Marketing research on customer passion focuses mainly on antecedents and consequences of customer passion related to customers but not to employees; hence, concepts such as consumer passion referring to consumers' desire for consumption are not transferable to the present study (e.g. Belk, Ger, Askegaard, 2003).

al., 2010), posting positive statements about the organization on virtual opinion platforms (Hennig-Thurau & Walsh, 2003), actively engaging in product innovations (Lengnick-Hall, 1996), connecting with others fans via real or virtual (fan) communities (Algesheimer et al., 2010; Cova & Pace, 2006), and recruiting other customers to join the community (Algesheimer et al., 2005). Furthermore, research has shown that customers can get enthusiastic and become passionate even for retailers and companies which produce convenience products (Cova & Pace, 2006; Kim, Jolly, & Fairhurst, 2008). Thus, employees having access to an organization's virtual customer platforms, being members of the social media world, or joining an organization's fan communities, might recognize and experience customer passion.

Second, as mentioned earlier, customer passion can be seen as the intensified and extended state of customer satisfaction (Oliver, 1996). Nowadays, customer satisfaction measures are very common, widespread circulated and popularized in the business press (cf. Luo & Homburg, 2007; Morgan et al., 2005; Morgan & Rego, 2006). Especially, the net-promoter score is quite popular and widely used in business (Keiningham, Coil, Andreassen, & Aksoy, 2007; Morgan et al., 2005). The net-promoter score represents the percentage of customers who are promoters of a company minus the percentage who are detractors (Reichheld, 2003) and hence, is quite similar to customers' overall positive word-of-mouth behavior. Accordingly, employees might be well informed about the overall customer passion.

Third, within the service industry, most of the employees deal with customers on a regular basis (Katz & Kahn, 1978). Furthermore, regardless of an organization's affiliation to industry, employees working at sales, service, or marketing units have regular contact with customers. Consequently, employees with direct customer contact might experience customer passion firsthand. Altogether, customer passion reaches employees directly and indirectly so that the degree of customer passion is present and palpable within the organization.

4.2.2 Customer Passion and Productive Organizational Energy

I propose that customer passion will be positively related with POE. POE describes the shared experience and demonstration of positive affect, cognitive arousal, and agentic behavior among employees in their joint pursuit of organizationally salient objectives (Bruch & Ghoshal, 2003; Cole et al., 2012a; Walter & Bruch, 2010). Prior research on the individual level has demonstrated that employees get emotionally influenced by customers through emotional contagion processes (Tan et al., 2004; Zimmermann et

al., 2011). Hence, emotional contagion processes (Barsade, 2002; Hatfield et al., 1994; Vijayalakshmi & Bhattacharyya, 2012) serve as the theoretical foundation of this study which may explain why and how customers influence the organizational climate, or more precisely the climate of productive energy (i.e. POE). The central notion of emotional contagion is that individuals consciously or unconsciously transfer emotions from one individual to another or to a group through interaction (Barsade, 2002; Hatfield et al., 1994). Accordingly, as customer passion entails a strong positive emotion and as organizational members catch customer passion, I assume that the collective affective, cognitive, and behavioral energy of organizations is increased.

First, I expect that customer passion increases the collective affective energy. When customers' emotions are positive and strong, as is the case with customer passion, positive emotions such as enthusiasm, excitement, and inspiration among employees should be created. As passion is a contagious emotion (Cardon, 2008), customer passion infects employees directly or indirectly by the aforementioned channels based on emotional contagion processes (Barsade, 2002). As soon as customer passion has entered the organization, customer passion might spread within the organization. Employees catch and imitate each other's emotions and might reinforce and amplify the experienced customer passion due to a positive group affect spiral (Walter & Bruch, 2008). Hence, within the organization, a shared experience of positive feelings and affective arousal might occur, both of which enhance POE (Cole et al., 2012a). Accordingly, customer passion should enhance the collective affective energy.

Second, customer passion might also positively relate to collective cognitive energy. According to broaden-and-build theory, positive emotions broaden individual's scope of attention and thought-action repertoires (Fredrickson, 2001; Fredrickson & Branigan, 2005). As customer passion is a positive emotion which spreads through emotional contagion in the organization, employees' collective cognitive capacities and resources might be enlarged (Fredrickson, 2003). Hence, employees have more cognitive resources for developing solutions for organizational problems, staying concentrated and mentally alert. Consequently, customer passion should increase the collective cognitive energy.

Third, I assume that customer passion also increases the collective behavioral energy. Studies have shown that employees showed greater task persistence and higher productivity when they experienced lively that their work is important and significant to others (Grant, 2012; Grant et al., 2007). Accordingly, I expect that customer passion as a strong proof of the collective work significance increases employees' volume, intensity, and pace of their efforts focusing them on doing a good job while benefiting

the organization's customers. Moreover, as employees are likely to maintain their work efforts expecting further prosocial impact in the future, they might work even longer and harder (Ajzen, 1991; Van Eerde & Thierry, 1996; Vroom, 1964). As a consequence, customer passion should increase the behavioral energy of an organization.

Consequently, as passion is a strong positive, contagious emotion entailing a motivating and stimulating force (Cardon, 2008; Drnovsek et al., 2009; Philippe et al., 2010), customer passion relates to all dimensions of POE. Based on emotional contagion processes from customers to employees and between employees (Barsade, 2002; Hatfield et al., 1994; Vijayalakshmi & Bhattacharyya, 2012), customer passion might evoke an organization-wide experience of positive emotions, enhance the collective cognitive capacity for thinking constructively, and increase the intensity, pace, and volume of collective behavior. My first hypothesis is therefore:

Hypothesis 1: Customer passion will be positively associated with POE.

4.2.3 Productive Organizational Energy and Organizational Performance

I propose that POE will be positively related with organizational performance. Until now, research has shown that POE leads to several positive organizational outcomes. Based on in-depth qualitative and quantitative studies, Bruch and Ghoshal (2003, 2004) showed that POE enhances organizations' ability to deal with change and improves overall company functioning. Additionally, large-scale survey studies showed positive linkages between POE and internal effectiveness such as goal commitment and organizational commitment (Cole et al., 2012a), employees' well-being in terms of job satisfaction and turnover intentions (Raes et al., 2013), as well as firm performance compared to rivals in the same industry (Cole et al., 2012a). In order to corroborate and extend these results, particularly the link between POE and overall organizational performance, I will capture organizational performance broadly, e.g. by process efficiency and return on investment, as recommended by Combs, Crook and Shook (2005).

An organization with high POE, or in other words, with a climate of productive energy is more likely to increase organizational performance than an organization with low POE. Research showed that a climate of positive affective energy in organizations is positively related to aggregate employee task performance (Menges et al., 2011). As positive employee work outcomes such as increased task performance behavior are considered as important factors and signals for organizational performance (Huselid,

1995; Ryan et al., 1996), POE should improve organizational performance. Further, as organizational members are productively energized and collectively strive to achieve the organizational goals, they should contribute to increased organizational goal attainment and hence, benefit the organization.

In sum, the shared experience and demonstration of positive emotions, cognitive activation, and productive behavior of employees in pursuit of common goals should lead to an increase of organizational performance. Consequently, I posit the following hypothesis:

Hypothesis 2: POE will be positively associated with organizational performance.

4.2.4 The Mediating Role of Productive Organizational Energy

Based on the reasoning thus far, I assume that POE mediates the relationship between customer passion and organizational performance. Hypothesis 1 predicted a positive relationship between customer passion and POE, and hypothesis 2 predicted a positive relationship between POE and organizational performance. Together, these hypotheses specify a model in which customer passion indirectly enhances organizational performance by contributing to POE. Based on the study of Luo and Homburg (2007) which provided empirical evidence for the positive effect from customer satisfaction on employee attraction and retention and based on emotional contagion theory (Barsade, 2002; Hatfield et al., 1994; Vijayalakshmi & Bhattacharyya, 2012), I propose that customer passion enhances POE, and thereby the organizational performance. Accordingly, I posit:

Hypothesis 3: POE will mediate the relationship between customer passion and organizational performance.

4.2.5 The Moderating Role of Top Management Team's Customer Orientation

I propose TMT's customer orientation as a factor which strengthens the relationship between customer passion and POE when it is high but limits it when it is low. TMTs have both direction-setting and operational management responsibilities in organizations and play a significant role in the creation, translation, and implementation of the organization's strategies (Eisenhardt, Kahwajy, & Bourgeois, 1997; Hambrick & Mason, 1984). Research has shown that a customer-oriented TMT is in a good position to promote customer orientation among employees (Liao &

Subramony, 2008). If TMTs have a high customer orientation, it is more likely that organizations are driven by an overall customer centric strategy. Employees of customer centric organizations might experience customer passion even more intense and positive. Based on goal-setting and social-cognitive theory (Bandura, 1997; Ilies & Judge, 2005; Locke, 1997), I argue that the combination of TMT's customer orientation and customer passion might positively influence POE because employees' goals are better aligned, interdependent, clearly directed, and through the positive 'feed-backing' of customer passion positively reinforced.

Besides the strategic impact of the TMT, TMTs also have a symbolic impact on employees (Hambrick et al., 2001; Zott & Huy, 2007). TMTs serve as role models for employees because their attitudes and behaviors signalize what is important in the organization, what will be valued and rewarded, and what will happen (Gibson & Schroeder, 2003; Shamir, 2007). As Raes et al. (2013) recently showed that TMT's behavior influence POE, I argue that a high customer orientation of the TMT will help employees appreciate the importance of customer orientation and customer satisfaction and hence, employees' attention will be directed towards customer passion. Drawing on TMT's role modeling and on the fact that employees use the attitudes and behaviors of TMTs as a referent for collective attribution and sensemaking processes (Bartunek et al., 2008; Kim, Bateman, Gilbreath, & Andersson, 2009), the resulting appreciation might be even higher and more motivating for employees so that POE increases. On the opposite site, a low customer orientation of the TMT will form the opinion among employees that customer passion is neither important for the organization nor that it deserves closer attention. In this case, I would expect that POE is not leveraged in organizations.

In sum, TMT's customer orientation is closely related to employees' perceptions and reactions to customer passion based on its strategic and symbolic impact on employees. As customer passion might be of great importance and appreciation in organizations with TMTs high in customer orientation, customer passion might increase the affective, cognitive, and behavioral energy among employees. Hence, I posit:

Hypothesis 4a: TMT's customer orientation strengthens the relationship between customer passion and POE when TMT's customer orientation is high but limits it when TMT's customer orientation is low.

Assuming the association between customer passion and POE is contingent upon the level of TMT's customer orientation, it is also likely that TMT's customer orientation

will conditionally influence the strength of the indirect relationship between customer passion and organizational performance; thereby, demonstrating a pattern of moderated mediation between the study variables, as depicted in Figure 4–1. More specifically, I predict a strong relationship between customer passion and organizational performance when TMT’s customer orientation is high but not when it is low. Accordingly, I expect the following:

Hypothesis 4b: TMT’s customer orientation will moderate the positive and indirect effect of customer passion on organizational performance (through POE). Specifically, POE will mediate the indirect effect when TMT’s customer orientation is high but not when it is low.

4.3 Methods Section

4.3.1 Data Collection and Sampling

As part of a larger study, I gathered data in 152 German small and medium sized companies in two successive years via questionnaires. Each company received a detailed benchmark report in return for its participation. As recommended by Podsakoff et al. (2003) concerning common source bias, I collected data from several groups of respondents according to the following procedure. All members of the participating organizations received an email with an invitation to participate in the study with a link to the questionnaire. Upon entering the online questionnaire, participants indicated to which organizational group they belonged: members of the TMT, HR representatives or employees. Based on that information, participants were directed to separate questionnaires. Customer passion and TMT’s customer orientation was measured in the TMT questionnaire, POE was measured in the employee questionnaire, and information on organizational performance, organizational size, and industry affiliation was measured in the key informant questionnaire answered by the HR representative. Thus, I used three sources to gather the data: TMT members, a group of employees, and HR representatives.

In 2010, a total of 77 companies participated and in 2011, a total of 99 companies participated. Out of these 176 organizations, 24 organizations failed to provide sufficient data on all the variables of interest for this study. Hence, the final sample including both survey rounds consists of 152 companies, resulting in an organizational level response rate of 86% and entailing data from 8’946 participants. The distribution of the companies’ industry affiliation (coded in four major industries) is: 52% service,

23% production, 15% trade, 10% finance and insurance. The average organizational size in the final sample was 432.55 employees (s.d. = 721.81).

4.3.2 Measures⁵

All scales originally published in English were translated to German following a double-blind back-translation procedure (Schaffer & Riordan, 2003). Respondents were assured full anonymity. For the hypotheses tests, the level of analysis was a single organizational level model. I examined the statistical adequacy of aggregating individual members' to the organizational level by relying on the widely used r_{wg} index (James et al., 1984). Values of r_{wg} index greater than .70 indicate sufficient within-group agreement. Moreover, I tested for sufficient between-organization variance via ANOVA.

4.3.2.1 Customer Passion

Customer passion was captured via customers' affective commitment and customers' positive word-of-mouth on the TMT level asking members about their perception of the organization's customer passion. On average, three TMT members answered the items about customer passion, ranging from 1 to 14 members. For both scales, the referent of the scales were 'our customers' in order to capture the organizational perspective on customer passion (Chan, 1998).

Customers' affective commitment was measured with four items. Two of them were taken from the scale of Allen and Meyer (1990) on affective commitment. Additionally, two new items were added which intended to take the strong positive attachment of customers and their enthusiasm explicitly into account according to the focus of this study. The four items are: (1) "Our customers feel emotionally attached to our organization", (2) "Our customers are proud to tell others that they are our customers", (3) "Our customers are fans of our organization", and (4) "Our customers can get enthusiastic about the products / services of our organization." Responses were given on a seven-point scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was .90. The median r_{wg} value using a uniform expected variance distribution was .89 showing high agreement between TMT members' responses. The ANOVA was significant indicating sufficient between-organization variance

⁵ The detailed wording and translations of all items for the focal variables are provided in Appendix 6.4.

($F_{(151,322)} = 2.52, p < .01$). Thus, I averaged the answers of TMT's members to form the index for the organization's perspective on customers' affective commitment.

Customers' positive word-of-mouth behavior was captured via the 3-item scale of Arnett, German, and Shelby (2003). The items were (1) "Our customers speak favorably about our products / services to people they know", (2) "Our customers bring up our products / services in a positive way in conversations they have with friends and acquaintances", and (3) "Our customers recommend our products / services." Responses were given on a seven-point scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was .92. The median r_{wg} value using a uniform expected variance distribution was .94. The ANOVA was significant indicating sufficient between-organization variance ($F_{(151,322)} = 1.43, p < .01$). Consequently, I averaged the answers of TMT's members to form the index for the organization's perspective on customers' positive word-of-mouth behavior.

Table 4–1: Measurement of Customer Passion

Model	χ^2	df	χ^2/df	$\Delta\chi^2$	Δdf	CFI	IFI	SRMR
<i>Hypothesized Model:</i> Second-Order Two-Factor Model	50.32	32	1.57			.99	.99	.05
<i>Alternative Model 1:</i> First-Order One-Factor Model	125.86	34	3.70	75.54**	2	.93	.93	.05
<i>Alternative Model 2:</i> First-Order Two-Factor Model	187.30	33	5.68	136.98**	1	.87	.87	.31

Note: All models are compared to the hypothesized model. df = degree of freedom; CFI = comparative fit index; IFI = incremental fit index; SRMR = standardized root mean square residual. POE was used as a dependent variable to identify the model (MacKenzie, Podsakoff, & Jarvis, 2005). ** $p < .01$, * $p < .05$.

Both customers' affective commitment and customers' positive word-of-mouth uniquely represent customer passion. However, they also tend to correlate and represent different facets of a common notion of customer passion. I therefore used CFA to estimate a reflective second-order factor model that represents these relationships (MacKenzie et al., 2005). Customers' affective commitment and customers' positive word-of-mouth represent the first-order factors while customer passion is the second-order factor. Compared to other specifications displayed in Table 4–1, the two-factor second-order model fitted the data best ($\chi^2[32] = 50.32, p < .01$; CFI = .99; IFI = .99; SRMR = .05). The correlations between the first-order factors

were significant ($p < .01$), and each first-order factor showed a high factor loading on the second-order factor.

In order to test the robustness of customer passion as a second-order construct, I tested the following two alternatives: First, a first-order one-factor model with all survey items loading on one factor (*alternative model 1*) had a significantly worse fit ($\Delta\chi^2 = 75.54$; $p < .01$). Second, a first-order two-factor model in which each item loaded on the respective independent factor, namely customers' affective commitment and customers' positive word-of-mouth, with no second-order common factor (*alternative model 2*) was worse fitting ($\Delta\chi^2 = 136.98$; $p < .01$). Overall, these results confirmed that customer passion is a second-order construct. Consequently, I used item parcels of the first-order constructs in order to form the overall customer passion index (Bagozzi & Edwards, 1998; Jarvis, MacKenzie, & Podsakoff, 2003).

4.3.2.2 *Productive Organizational Energy*

POE was assessed by the 14-item productive energy scale of Cole et al. (2012a) which has demonstrated good psychometric qualities in prior studies (e.g. Kunze & Bruch, 2010; Walter & Bruch, 2010). As POE consists of an affective, a cognitive, and a behavioral dimension, the items reflected this structure. Responses to the five items of the affective dimension were given on a five-point frequency scale (1 = never; 5 = extremely often / always). A sample item is "Employees feel excited in their job." The other two dimensions, the cognitive (five items) and the behavioral (four items) one, were answered on a five-point agreement continuum (1 = strongly disagree; 5 = strongly agree). An exemplary item for the cognitive dimension is "Employees really care about the fate of this company", and for the behavioral dimension "Employees are working at a very fast pace." Cronbach's alpha was .97. I averaged the three distinct dimensions to form the overall index of POE as done and validated in prior research (e.g., Cole et al., 2012a; Walter & Bruch, 2010). Aggregation statistics showed sufficient results ($ICC_1 = .11$, $ICC_2 = .85$, $F_{(151,7106)} = 6.75$, $p < .01$; $r_{wg} = .82$).

4.3.2.3 *Organizational Performance*

In line with Combs et al. (2005) recommendation, I measured organizational performance with various performance items referring to both operational and organizational performance dimensions. Similar to prior research (e.g. Kunze et al., 2013), operational performance was captured by two items relating to process efficiency and employee retention while organizational performance was assessed by

three items referring to return on investment, financial performance, and organizational growth. As expected, exploratory factor analyses yielded a one factor solution. Like in previous studies (e.g. Delaney & Huselid, 1996), the performance of other firms in the same industry served as reference point for key informants' assessment of organizational performance (1 = far below average; 7 = far above average). Cronbach's alpha was .74.

4.3.2.4 *Top Management Team's Customer Orientation*

TMT's customer orientation was assessed by the 5-item scale of Liao and Subramony (2008) on a seven-point response scale from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was .82. The median r_{wg} value using a uniform expected variance distribution was .98 indicating agreement between TMT members. Furthermore the ANOVA showed that there was sufficient between-organization variance ($F_{(151,322)} = 1.43, p < .01$).

4.3.2.5 *Control Variables*

In addition to the aforementioned variables, I included several control variables in the analyses. First, because *organizational size* may influence employee attitudes and behaviors (Pierce & Gardner, 2004; Ragins et al., 2000), I included organizational size as control variable in the analyses. Organizational size was measured by asking the HR representative for the total number of employees in the organizations (converted to full-time equivalents). In order to reduce skewness, I log-transformed this variable as done in prior research (e.g. Schminke et al., 2002). Second, I also controlled for *companies' affiliation with one of the four broad classes of industries* (i.e., services, manufacturing, trade, and finance; as reported in the key informant survey) (e.g., Dickson et al., 2006). Participant organizations were assigned four dummy-coded variables indicating their affiliation with each of the industry categories. Third, I included *environmental dynamism* as control variable because organizations and their members are influenced by environmental changes (Hitt et al., 1998). Further, environmental dynamism is also an important factor which affects companies' usage of customer satisfaction indices (Morgan et al., 2005). Fourth, to alleviate a bias related to the *year of participation*, I included year of participation as a control variable.

4.3.3 Convergent and Discriminant Validity

I assessed convergent and discriminant validity of the constructs by testing whether the hypothesized measurement model adequately fitted to the data. I used CFA to do so and computed parameter estimates using the maximum likelihood method contained within the AMOS 18 computer package. Following the recommendation of Hu and Bentler (1999) for sample sizes smaller than 200, I calculated an absolute fit measure, namely the Standardized Root Mean Square Residual (SRMR) in combination with two incremental fit indices – the comparative fit index (CFI: Bentler, 1990) and the incremental fit index (IFI: Bollen, 1989). Common cutoff values for these indices are .08 for the SRMR and .90 for the CFI and IFI (see Hu & Bentler, 1999). In order to keep the ratio between parameters and cases acceptable, I used a partial disaggregation technique (e.g. Williams & O'Boyle, 2008) and first created the three dimensions of the POE measure and the two dimensions of the customer passion measure by averaging the items for their respective dimensions. Hence, the hypothesized measurement consisted of four latent constructs – customer passion, POE, organizational performance, and TMT's customer orientation – with 15 items in total. This model fitted well to the data ($\chi^2_{[84]} = 124.75, p < .01$; CFI = .96; IFI = .96; SRMR = .06). As shown in Table 4–2, I compared the measurement model to three alternative models.

Table 4–2: Measurement Model Comparison

Model	χ^2	df	χ^2/df	$\Delta\chi^2$	Δdf	CFI	IFI	SRMR
Hypothesized Model: Four-Factor Model	124.75	84	1.49			.96	.96	.06
Alternative Model 1: Three-Factor Model	234.79	87	2.70	110.01**	3	.85	.85	.11
Alternative Model 2: Two-Factor Model	349.98	89	3.93	225.23**	5	.73	.73	.13
Alternative Model 3: One-Factor Model	591.20	90	6.57	466.45**	6	.48	.49	.15

Notes. All models are compared to the hypothesized model. df = degree of freedom; CFI = comparative fit index; IFI = incremental fit index; SRMR = standardized root mean square residual. ** $p < .01$, * $p < .05$.

First, a three-factor model with customer passion and organizational performance loading on one common factor (*alternative model 1*) was worse fitting ($\Delta\chi^2 = 110.01$; $p < .01$). Second, a two-factor model with also TMT' customer orientation loading on the prior specified common factor (*alternative model 2*) fitted worse ($\Delta\chi^2 = 225.23$;

$p < .01$). Finally, a one-factor model (*alternative model 3*), with all items loading on one common factor was worse fitting ($\Delta\chi^2 = 466.45$; $p < .01$). Accordingly, the hypothesized measurement model fitted the data best which indicates adequate convergent and discriminant validity.

4.3.4 Analytical Procedures

I tested the study hypotheses in two interlinked steps. First, I examined a simple mediation model (Hypotheses 1, 2 and 3). Second, I integrated the proposed moderator variable into the model testing for the hypothesized moderation mediation model (Hypothesis 4a and 4b) (Preacher et al., 2007).

Collectively, hypotheses 1, 2, and 3 suggest an indirect effects model whereby the relationship between customer passion and organizational performance is transmitted by POE. I tested the mediation hypotheses using hierarchical regression analyses and an application provided by Hayes (2012). Briefly, Hayes developed a SPSS based application that facilitates estimation of the indirect effect, both with a normal theory approach (i.e., the Sobel test) and with a bootstrap approach to obtain confidence intervals (CI).

Concerning hypotheses 4a and 4b, I predicted that TMT's customer orientation would moderate the relationship between customer passion and POE. To test hypothesis 4a and 4b, I again utilized the SPSS tool designed by Hayes (2012). This tool facilitates the implementation of the recommended bootstrapping methods and provides a method for probing the significance of conditional indirect effects at different values of the moderator variable. Although customer passion and TMT's customer orientation were both assessed by members of the TMT, a common source bias is not likely to create an artificial interaction effect. On the contrary, finding a significant interaction effect despite the influence of common source bias should be taken as strong evidence that an interaction effect exists (Evans, 1985; Siemsen, Roth, & Oliveira, 2010).

Table 4–3: Means, Standard Deviations, and Correlations of Study Variables

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9	10
1. Customer Passion	5.77	0.66										
2. TMT's Customer Orientation	6.56	0.41	.54**									
3. Productive Organizational Energy	3.68	0.31	.40**	.22**								
4. Organizational Performance	5.77	0.78	.30**	.17*	.33**							
5. Organizational Size (log)	5.17	1.31	-.27**	-.15	-.24**	-.22**						
6. Service Industry	0.53	0.50	.18*	.12	.17*	.05	.04					
7. Trade Industry	0.16	0.37	-.01	.06	.00	.10	-.12	-.42**				
8. Manufacturing Industry	0.23	0.42	-.20*	-.19*	-.20*	-.14	.05	-.51**	-.24**			
9. Finance Industry	0.10	0.30	-.05	-.06	-.10	.00	.04	-.26**	-.14	-.18*		
10. Environmental Dynamism	3.36	1.19	.01	-.06	-.02	-.15	-.10	.19*	-.12	-.07	-.02	
11. Year of Participation	0.55	0.50	.01	.04	-.06	.09	-.13	.05	-.01	.05	-.06	-.11

Notes. ** $p < .01$; * $p < .05$ (two-tailed tests). Variable customers' affective commitment and customers' positive word-of-mouth constituting customer passion were assessed on a 7-point scale; TMT's customer orientation and organizational performance were also assessed on a 7-point scale; POE was assessed on a 5-point scale. Variables relating to industry were dummy-coded with 1 = belongs to the respective industry, 0 = does not belong to the respective industry; the variable year of participation was dummy-coded with 1 = 2011, 0 = 2010.

4.4 Results

4.4.1 Descriptive Statistics

Table 4–3 presents means, standard deviations, and bivariate correlations of all study variables. An inspection of the correlations reveals that customer passion related positively to POE ($r = .40, p < .01$) and to organizational performance ($r = .30, p < .01$). POE related positively to organizational performance ($r = .33, p < .01$). Further, TMT's customer orientation related positively to POE ($r = .22, p < .01$) and to organizational performance ($r = .17, p < .05$). Concerning the control variables, organizational size, industry service, and industry manufacturing correlated significantly with the focal study variables. In detail, organizational size related negatively to customer passion ($r = -.27, p < .01$), POE ($r = -.24, p < .01$), and to organizational performance ($r = -.22, p < .01$). Companies affiliated to the service industry related positively to customer passion ($r = .18, p < .05$) whereas companies affiliated to the manufacturing industry were negatively related to customer passion ($r = -.20, p < .05$), to TMT's customer orientation ($r = -.19, p < .05$) and to POE ($r = -.20, p < .05$). Results show that year of participation, environmental dynamism, and companies' affiliation to trade or finance industry had no influence on the endogenous variables under observation.

4.4.2 Tests of Mediation

Table 4–4 and Table 4–5 display the results for hypotheses 1, 2, and 3. Supporting hypothesis 1, customer passion was positively associated with POE, as indicated by a significant standardized regression coefficient ($\beta = .29, p < .01$). In support of hypothesis 2, the relationship between POE and organizational performance, controlling for customer passion, was supported ($\beta = .24, p < .01$). Finally, customer passion was found to have an indirect positive effect (.08) on organizational performance, as I hypothesized (Hypothesis 3). The formal two-tailed significance test (assuming a normal distribution) demonstrated that the indirect effect was significant (Sobel $z = 2.16, p < .05$). Bootstrap results confirmed the Sobel test (see Table 4–5), with a bootstrapped 95% CI around the indirect effect not containing zero (.03, .16). Thus, hypotheses 1, 2, and 3 received support. As the direct effect from customer passion to organizational performance remains significant when mediated through POE, the present mediation is a partial one.

Table 4–4: Causal Steps Mediation Results

Variables entered	Productive Organizational Energy		Organizational Performance		
	Step 1	Step 2	Step 1	Step 2	Step 3
Organization Size (log)	-.39**	-.31**	-.27**	-.21*	-.14†
Service Industry	.11**	.08	.01	-.02	-.04
Production Industry	-.11	-.07	-.11	-.08	-.06
Finance Industry	-.07	-.06	.03	.03	.05
Environmental Dynamism	-.11	-.09	-.18*	-.17*	-.14†
Year of Participation	-.13†	-.12	.05	.06	.09
Customer Passion		.29**		.23**	.17*
POE					.24**
ΔR^2		.07**		.05**	.04**
R^2 (adjusted R^2)	.20** (.17)	.28** (.24)	.12** (.08)	.17** (.13)	.21** (.17)

Notes. Standardized regression weights are shown. ** $p < 0.01$, * $p < 0.05$, † $p < .10$ level (2-tailed).
log = common logarithm

Table 4–5: Indirect Effect of Customer Passion on Organizational Performance

Indirect Effect	Estimate	SE	LL 95% CI	UL 95% CI	z	Significance Level
Sobel Test	.08	.04			2.16	$p < .05$
Bootstrapping	.08	.03	.03	.16		

Notes. Bootstrap sample size = 1,000. SE = standard error, LL = lower limit, UL = upper limit, CI = confidence interval.

4.4.3 Tests of Moderated Mediation

With regard to hypothesis 4a, I predicted that the relationship between customer passion and organizational performance would be stronger for organizations high on TMT's customer orientation than for organizations low on TMT's customer orientation. Results indicated that the cross-product term between customer passion and TMT's customer orientation on POE was significant ($\beta = .25$, $p < .01$) as displayed in Table 4–6.

Table 4–6: Moderated Hierarchical Regression Analysis on POE

Variables entered	Productive Organizational Energy		
	Step 1	Step 2	Step 3
Organization Size (log)	-.39**	-.32**	-.31**
Service Industry	.11	.08	.08
Production Industry	-.11	-.08	-.09
Finance Industry	-.07	-.06	-.05
Environmental Dynamism	-.11	-.10	-.12†
Year of Participation	-.13†	-.12	-.11
Customer Passion		.33**	.28**
TMT's Customer Orientation		-.07	.08
Customer Passion × TMT's Customer Orientation			.25**
ΔR^2		.08**	.04**
R^2 (adjusted R^2)	.20** (.17)	.28** (.24)	.32** (.28)

Notes. Standardized regression weights are shown. ** $p < 0.01$, * $p < 0.05$, † $p < .10$ level (2-tailed).
log = common logarithm

To fully support hypothesis 4a, the form of this interaction should conform to the hypothesized pattern. As recommended by Aiken and West (1991), I conducted a simple slope test and plotted the interaction results graphically. I examined the conditional effect of customer passion on POE at three different values of TMT's customer orientation. Table 4–7 shows the results of the simple slope test. As expected, TMT's customer orientation was not significant at one standard deviation below the mean as the bootstrap confidence interval included zero.

Table 4–7: Conditional Effect of Customer Passion on POE

TMT's Customer Orientation	Effect	SE	LL 95% CI	UL 95% CI
- 1 Standard Deviation	.07	.05	-.03	.16
Mean	.13	.04	.05	.21
+ 1 Standard Deviation	.20	.04	.11	.28

Bootstrap sample size = 1,000.. LL = lower limit, UL = upper limit, CI = confidence interval.

Additionally, I applied conventional procedures for plotting simple slopes (see Figure 4–2) at one standard deviation above and below the mean of the TMT's customer orientation measure. Consistent with my expectations (and supporting hypothesis 4a),

the slope of the relationship between customer passion and POE was steeper for organizations high in TMT's customer orientation than for organizations low in TMT's customer orientation.

Figure 4–2: Interactive Effect of Customer Passion and TMT's Customer Orientation on POE



Notes. Low moderator variable refers to one standard deviation below the mean of the moderator; high moderator variable refers to one standard deviation above the mean of the moderator.

In order to test the conditional indirect effect, I examined the conditional indirect effect of customer passion on organizational performance (through POE) also at three values of TMT's customer orientation (see Table 4–8). Bootstrap CIs indicated that two of the three conditional indirect effects (based on moderator values at the mean and at +1 standard deviation) were positive and significantly different from zero. As expected, the conditional indirect effect was not significant for low TMT's customer orientation. Thus, hypothesis 4b was supported, such that the indirect and positive effect of customer passion on organizational performance through POE was observed when levels of TMT's customer orientation were moderate to high but not when TMT's customer orientation was low.

Table 4–8: Conditional Indirect Effects of Customer Passion on Organizational Performance

TMT's Customer Orientation	Boot	SE	LL 95% CI	UL 95% CI
- 1 Standard Deviation	.04	.03	-.02	.12
Mean	.08	.03	.02	.16
+ 1 Standard Deviation	.12	.05	.04	.22

Notes. Bootstrap sample size = 1,000. LL = lower limit, UL = upper limit, CI = confidence interval.

4.5 Discussion

4.5.1 Summary of Findings and Theoretical Contributions

The goal of the present study was to examine the linkages and contingencies of customer passion, POE, and organizational performance. I developed a conceptual model that proposed that the relationship between customer passion and organizational performance is mediated by POE. I then determined that TMT's customer orientation acts as a boundary condition. Study results support the hypothesized moderated mediation model demonstrating that the effect of customer passion on organizational performance through POE depends on TMT's level of customer orientation.

This study makes several theoretical contributions by corroborating and extending prior research. First, the present investigation adds to research on POE as it provides empirical evidence that POE is influenced by external factors, in this case customer passion. While doing so, I have extended scientific work on the antecedents of POE which has focused so far on intra-organizational factors (Raes et al., 2013; Walter & Bruch, 2010). Further, as I found a positive linkage between POE and organizational performance, I corroborated previous research on the positive consequences of POE (Cole et al., 2012a; Raes et al., 2013). Second, the present study extends research on customer influences on employees (Grandey & Diamond, 2010; van Jaarsveld et al., 2010) and particularly research on the energizing influences of customers on individuals (Grant, 2012; Grant et al., 2007; Grant & Hofmann, 2011; Zimmermann et al., 2011) by focusing on customer passion as positive customer influences at the organizational level. This piece of research has taken the so far individual level findings a step further and has shown that customers not only energize individual employees but also whole organizations through emotional contagion processes. While doing so, this study elaborated explicitly on emotional contagion theory at the organizational level according to scholars' call (Ashkanasy & Ashton-James, 2007; Barsade et al., 2009; Vijayalakshmi & Bhattacharyya, 2012). Third, the present

investigation also contributes to TMT's strategic and symbolic role (Hambrick et al., 2001; Raes et al., 2013; Zott & Huy, 2007) by introducing TMT's customer orientation as a boundary condition of the linkages between customer passion, POE, and organizational performance. I was able to show that only if TMT's are customer oriented, the energizing potential of customer passion unfolds. In line with scholars' recommendations on making theoretical progress (Boyd et al., 2012; Edwards, 2010), I provided greater clarity about the linkages and contingencies of customer passion, POE, and organizational performance. Fourth, more peripheral, this study contributes to research on organization's usage and spreading of customer satisfaction indices (Morgan et al., 2005; Morgan & Rego, 2006). This study revealed that information related to customer satisfaction and passion leads to positive affective consequences for employees. While doing so, the study of Luo and Homburg (2007) on the "neglected outcomes of customer satisfaction" has been complemented by having tested empirically for the positive influence of customers on employees' emotions and behaviors.

4.5.2 Practical Implications

Beyond theoretical contributions, this research offers also significant practical implications which are discussed in the following. First and foremost, as POE is positively related to organizational performance, practitioners should strive to create high levels of energy across all employees. One promising measure for this endeavor is energizing organizations through customers. As this study showed, customer passion is an essential source for collective energy in organizations. Hence, I suggest facilitating, stimulating, and amplifying the experience of customer passion among employees actively. For example, managers could actively spread positive customer feedback or news about positive customer behavior by providing current examples of customer passion during meetings. Or, organizations might organize festivals for customers to which they invite all employees. Such collective events with crowds of people might amplify the positive energy through emotional contagion processes and hence, spill over from customers to employees while also increasing customer passion as a positive side effect. Additionally, companies might enable and stimulate customers' passion and engagement behavior by establishing customer communities and providing them with an appealing website or online platform to express their ideas, thoughts, questions, experiences, and opinions (Wagner & Majchrzak, 2007). Moreover, such platforms might be developed in such form that employees have access to those. As revealed by the present study, another important factor for

energizing organizations through customer passion is that TMT's customer orientation is high. Due to their strategic and symbolic role, it is important that TMTs consciously develop high customer orientation and act accordingly. For instance, they might strive to spend time with customers on a regular basis and make such customer oriented behavior visible to employees, e.g. through reports about customer visits of TMTs disseminated by corporate communication.

4.5.3 Limitations

In spite of several methodological strengths (e.g., a large sample from diverse industries; independent data sources for all focal variables), there are limitations to the present research that call for attention in interpreting the results. First, the data were cross-sectional which makes it impossible to unambiguously interpret the results as indicating causality. Organizational performance might stimulate POE, and in turn, POE might enhance customer passion. In order to address this issue, I tested for alternative model paths. Following common analytical procedures for investigating reversed causality (e.g., Cole, Walter, & Bruch, 2008), I estimated the indirect effects model and the conditional indirect effects model with organizational performance as the antecedent and customer passion as the outcome. Results showed that the indirect effect from organizational performance to customer passion through POE was different from zero (.06; 95% bootstrap CI .02 to .12). Drawing on available research, which suggests the paths as illustrated in Figure 4–1, this finding indicates the possibility of a feedback loop (e.g., Ilgen, Hollenbeck, Johnson, & Jundt, 2005). As proposed, customer passion may increase organizational performance through POE. Potentially, in turn, increased organizational performance may create more passion among customers and finally may enhance POE again. The present data, however, cannot test such a recursive model. Providing further support for the proposed causal ordering, TMT's customer orientation did neither moderate the relationship between POE and customer passion nor the relationship between organizational performance and POE. Accordingly, reversing the order cannot fully explain the observed conditional indirect effect, and this study thus provides tentative evidence for the flow of causality suggested here.

Second, in order to avoid confounding results between customer passion and POE in a cross-sectional design due to a common source bias (Podsakoff et al., 2003), customer passion was measured on the TMT level whereas POE was measured on the employee level. However, such approach assumes that members of the TMT are able to evaluate the perspective of the overall organization and of employees on customer passion.

While doing so, I expected that members of the TMT are very well informed about the organization's customers and their behavior for the following two reasons. First, CEOs spend a lot of their time on collecting, cultivating, and analyzing vast amounts of data about e.g. markets, sales reports, or customers' purchasing patterns (Farkas & Wetlaufer, 1996). Second, senior managers ranked customers as their most important stakeholders followed by employees as their second most important stakeholders (Kouzes & Posner, 1988). Nevertheless, future research might replicate and cross-validate the present findings while also including the assessments of employees and customers on customer passion.

Third, the generalizability of the results is limited because all participant companies were located in Germany. With individual and cultural factors potentially influencing susceptibility to emotions (Ilies, Wagner, & Morgeson, 2007) and hence, emotional contagion processes, the relationships found in this study might follow different patterns if measured in other countries. In a similar vein, I caution readers that the sample consisted of organizations with less than 5'000 employees. Researchers could strive to obtain study samples that also comprise larger organizations to further generalize the present findings.

Fourth, another potential limitation refers to the measurement of organizational performance. Due to the specific nature of my sample, I relied on subjective ratings rather than objective ones which would be superior (Richard et al., 2009). However, mostly privately owned companies – as this was the case for the present study – do not publish performance measures. At least, research showed that key informants' answers are more reliable for small and medium sized companies than for large organizations (Homburg, Klarmann, Reimann, & Schilke, 2012). Further, studies demonstrated that subjective performance measures are strongly correlated with objective performance of privately held companies (Dess & Robinson Jr, 1984; Wall et al., 2004).

4.5.4 Directions for Future Research

Beyond addressing study limitations, this investigation suggests several other directions for future research. Researchers may explore in depth through which organizational practices and channels customer passion spills over to the workforce to the largest degree. Accordingly, research on an organization's usage of customer satisfaction metrics such as the net-promoter score might explicitly investigate the effects on employees and on POE when disseminating such indices within the organization (Morgan et al., 2005; Morgan & Rego, 2006). Further, as social media

communication and usage within organizations is increasing, prospective studies might explore the effects of leaders' messages about customer passion on POE. Research showed that employees' perception of leaders' authenticity and trust are crucial for effective emotional positive communication using social media (Huy & Shipilov, 2012). Additionally, future research might address the interplay of organizational design and customer passion. Organizational design could be a lever for enhancing customer closeness (Homburg, Workman, & Jensen, 2000). Hence, increasing customer closeness of all employees might leverage the perceptible customer passion across employees so that POE is fostered. Moreover, as this study has focused solely on positive customer emotions and their emotional contagion, future studies could investigate how customer passion interacts with negative customer emotions such as anger or rage (e.g. Harris, 2013) at the organizational level. Apart from emotional processes which were central to this study, research is needed to further elaborate on the processes through which customers may positively influence POE.

Overall, this study suggests that customer passion is associated with increased POE and organizational performance contingent upon the level of TMT's customer orientation. I conclude that the so far neglected positive feed-backing of customer passion towards organizations could be a natural, sustainable source for POE and organizational performance, and eventually for corporate success in the long term.

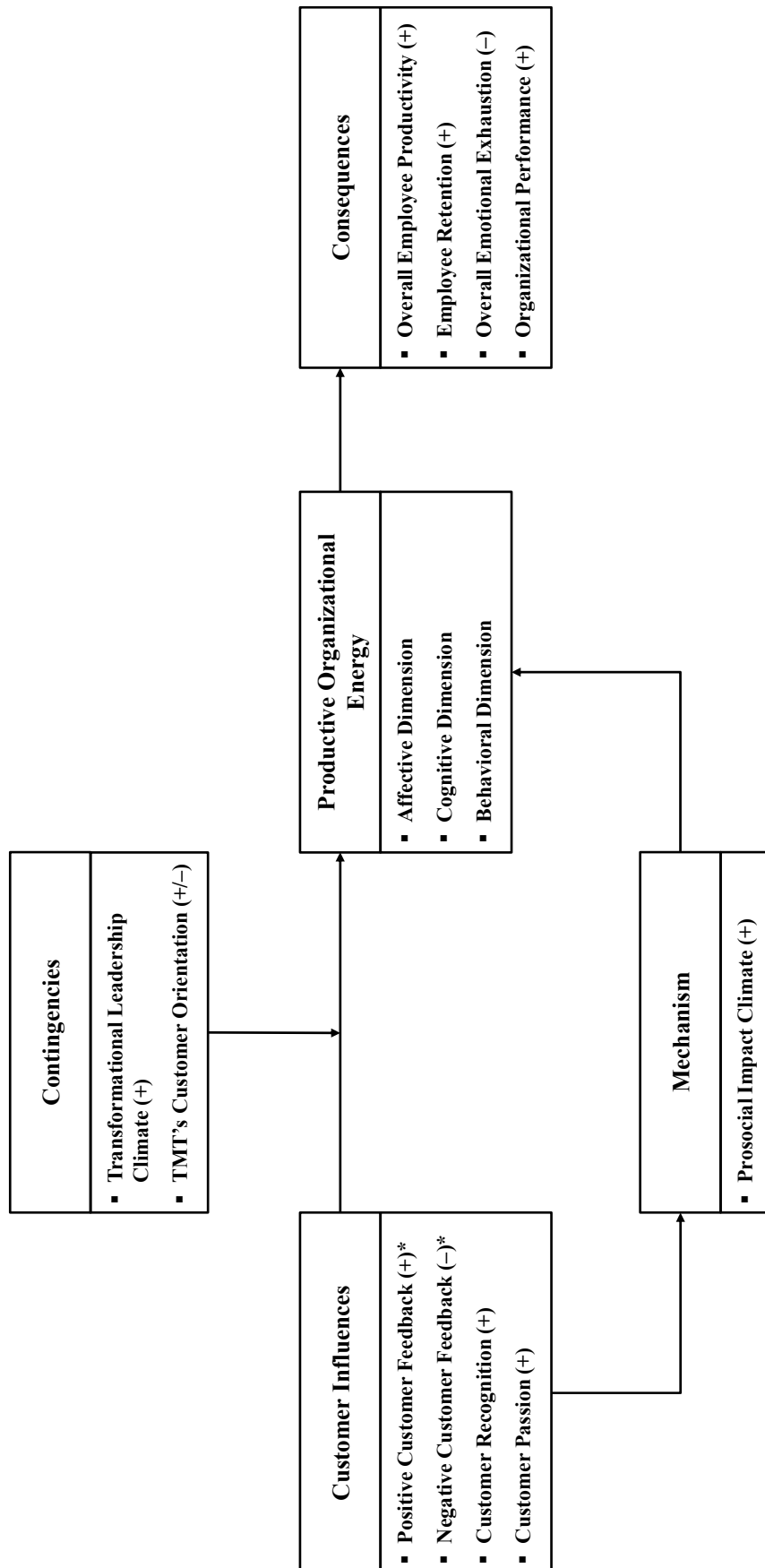
5 Overall Discussion and Conclusion

The following last chapter of this dissertation integrates the main research findings and theoretical contributions of the three studies presented in the previous chapters. Moreover, I provide overall practical implications and recommendations on how to energize organizations through customers. Further, within this chapter general limitations of the three studies are reflected and directions for future research are discussed. Lastly, this dissertation closes with an overall conclusion.

5.1 Summary and Integration of Research Findings

With this dissertation, I intended to create knowledge about positive customer influences on POE and organizational performance addressing ‘whether’, ‘how’, and ‘when’ customers energize organizations. For this purpose, I bridged the current state of research on POS, organizational climate, and customer influences on employees and identified the research gap which is situated at the cross-section of these three streams of inquiry. From there, the three research questions of this dissertation have been developed. In the pertinent empirical studies, I investigated the linkages, mechanisms, and contingencies between customer influences on POE and on organizational consequences. First, in an attempt to reveal the linkage between the energizing influences of customers on employees at the organizational level, I drew from the reviewed literature to suggest both positive and negative customer feedback influencing an organization’s positive affective climate in Study 1. Second, I aimed at investigating mechanisms of positive customer influences on employees and proposed an organization’s prosocial impact climate triggered by customer recognition as a linkage in Study 2. Third, in Study 3, I focused on the contingencies of the energizing effects of customers on the organizational climate and uncovered TMT’s customer orientation as a boundary condition of the relationship between customer passion, POE, and organizational performance. Fourth, in an attempt to specify consequences of positive customer influences, I discussed and tested several performance outcomes in Study 1 and Study 3. In particular, I focused on overall employee productivity, employee retention, overall emotional exhaustion, and overall organizational performance. While the specific findings of the empirical investigations have been already discussed in detail within each single study (see Chapters 2.5, 3.5, and 4.5), Figure 5–1 provides an integrative perspective on the overall findings of all three studies which I summarize in the following.

Figure 5–1: Integrative Perspective on the Findings of the Three Conducted Studies



Notes. Signs in brackets indicate a positive or negative relationship between the constructs. * Positive and negative customer feedback was linked to the affective dimension of POE.

From an integrative perspective, the conducted studies yield the following four key conclusions. First, an important finding of this dissertation is that customer influences extend beyond the individual level to the organizational level. Specifically, customer influences were related to various outcome measures at the organizational level. In Study 1, positive customer feedback was associated with high overall employee productivity and high employee retention and with low overall emotional exhaustion of employees. At the same time, negative customer feedback was associated with low overall employee productivity, low employee retention, and high overall emotional exhaustion of employees. Study 3 corroborated the positive influences of customers on organizational performance. While doing so, it was shown that customer passion is positively associated with organizational performance through POE. Overall, the notion is supported that customer influences have beneficial but also detrimental effects on various aspects at the organizational level.

Second, the results of the empirical studies are encouraging for researchers on POE (e.g. Cole et al., 2012a; Kunze & Bruch, 2010). The present research showed that positive customer feedback, customer recognition, and customer passion relate positively to POE. While POE has been established as an organizational level construct in the past, this dissertation shows that positive customer influences are important antecedents of POE from outside of the organization. Consequently, this dissertation has provided first empirical evidence that external factors act as antecedents of POE.

Third, this dissertation aimed at investigating mechanisms of customer influences on organizational climate. Based on existing theories, three different mechanisms have been provided for the linkage of customer influences on organizational climate and one of those, namely prosocial impact climate, was also tested empirically within this dissertation. Study 1 considered customer feedback as an affective event influencing an organization's affective climate due to accumulation of work events within the organization. Study 2 showed empirically that prosocial impact climate acts as a mechanism linking customer recognition positively to POE based on organizational sensemaking processes. Study 3 considered emotional contagion processes as explanation for the positive relationship between customer passion and POE. Altogether, these conceptual considerations drawing from multiple theories and the empirical support of the prosocial impact climate opened up the black box of how customers influence organizational climate.

Fourth, this dissertation addressed contingencies for the effects of positive customer influences on POE and performance. Study 2 revealed TFL climate as a factor

strengthening the relationship between customer recognition and POE. That is, the higher the level of TFL climate within an organization, the stronger the effect of customer recognition on POE. Study 3 revealed TMT's customer orientation as a boundary condition for the effect of customer passion on organizational performance. That is, if TMT's customer orientation is low there is no significant relationship between customer passion and organizational performance. On the other hand, if TMT's customer orientation is medium or high, the effect of customer passion on organizational performance is strengthened. Together, both TFL climate and TMT's customer orientation provide indications for measures reinforcing positive customer influences on POE and organizational performance.

In sum, this dissertation established linkages between customer influences, POE and organizational performance at the organizational level of analysis, identified positive customer feedback, customer recognition, and customer passion as external antecedents of POE, revealed mechanisms of how positive customer influences are positively linked to POE, and showed measures for reinforcing the linkages between positive customer influences and POE. The results contribute to an integrated understanding of energizing organizations through customers.

5.2 Theoretical Contributions

Besides the theoretical contributions presented within the single studies (see Chapters 2.5.1, 3.5.1, and 4.5.1), this dissertation also makes several comprehensive theoretical contributions to management research which are outlined in the following.

First of all, this dissertation makes an important theoretical and empirical contribution to research on POE (Bruch & Ghoshal, 2003; Cole et al., 2012a; Kunze & Bruch, 2010; Raes et al., 2013; Walter & Bruch, 2010). To my best knowledge, the conducted studies are the first investigations of external factors, namely positive customer influences, as antecedents of POE. Throughout three different studies, I showed that positive customer feedback, customer recognition, and customer passion are related with an increase of POE both conceptually and empirically. Hence, research on POE which has already examined intra-organizational antecedents of POE is extended by antecedents outside the organization (Kunze & Bruch, 2010; Raes et al., 2013; Walter & Bruch, 2010). Additionally, I corroborated and extended previous research on the positive consequences of POE (Cole et al., 2012a; Raes et al., 2013). My empirical investigations demonstrated that POE is positively associated with organizational performance and that a positive affective climate is positively related to overall

employee productivity and employee retention, and negatively related to overall emotional exhaustion among employees. Hence, this dissertation enriches research on POE in several significant ways.

Second, beyond POE as a specific collective form of human energy at work, this dissertation also contributes to research on human energy at work in a more general sense (e.g. Atwater & Carmeli, 2009; Cole et al., 2012a; Cross et al., 2003; Fritz et al., 2011; Quinn et al., 2012). All three studies provide evidence for the importance of factors outside the organization influencing human energy at work.

Third, this dissertation contributes to research on customer influences on employees (Grandey & Diamond, 2010; van Jaarsveld et al., 2010) and particularly to research on positive customer influences on individuals (Grant et al., 2007; Schepers et al., 2011; Zimmermann et al., 2011). Notably, this dissertation extended customer influences on employees beyond the individual and team level to the organizational level. In this context, the positive linkages between customer influences and employees have been confirmed at the organizational level indicating homologous relationships between these constructs at multiple levels. Although this dissertation primarily focused on positive customer influences, Study 1 tested both positive as well as negative customer influences on employees yielding different results depending on the sign of customer influences. Thus, I put forth a more holistic understanding of customer influences on employees that has been called for by several scholars (e.g. Grandey & Diamond, 2010).

Fourth, this dissertation contributes to research on organizational sensemaking (Maitlis, 2005; Maitlis & Lawrence, 2007; Stigliani & Ravasi, 2012; Wrzesniewski et al., 2003). Specifically, I elaborated on the cognitive interplay of individual employees' perceptions of customer influences with each other and derived theoretically that the experience of prosocial impact is influenced by employees' interpersonal work environment. While doing so, I also revealed TFL climate as a factor which positively reinforces the prosocial impact climate due to leaders' role as meaning managers (e.g. Bruch et al., 2007b; Smircich & Morgan, 1982) and climate engineers (Naumann & Bennett, 2000). Accordingly, in line with qualitative research on the concurrence of various stakeholders that influence organizational sensemaking processes (Maitlis, 2005; Maitlis & Lawrence, 2007), I showed that prosocial impact climate is shaped by customers, employees, and leaders. Additionally, this dissertation provides first theoretical and empirical evidence for the conceptualization of prosocial impact as an organizational climate. Thus, research on individuals' perception of

prosocial impact (Grant, 2007; Grant, 2012; Grant & Sonnentag, 2010) was raised to the organizational level.

Fifth, this dissertation contributes to research on strategic human capital research and strategic human resource management (Cameron et al., 2004; Ployhart & Moliterno, 2011; Ployhart et al., 2009; Wright & McMahan, 2011). Having studied independent organizations across industries via large-scale employee surveys, I was able to show that positive customer influences were positively related to organizational performance and human performance-related constructs such as emotional exhaustion among employees. Importantly, the dissertation's findings empirically support the view that employees and their collective energy are an important source of competitive advantage (Cameron et al., 2004; Ployhart & Moliterno, 2011; Ployhart et al., 2009; Wright & McMahan, 2011).

Sixth, this dissertation contributes to research on TMT's strategic importance for customer centric strategies (Shah, Rust, Parasuraman, Staelin, & Day, 2006) and – more peripherally – to research on customer feedback management (Larivet & Brouard, 2010; Wirtz, Tambyah, & Mattila, 2010; Wirtz & Tomlin, 2000). I revealed that TMT's customer orientation acts a boundary condition of the linkages between customer passion, POE, and organizational performance due to their strategic and symbolic role within organizations (Hambrick et al., 2001; Raes et al., 2013; Zott & Huy, 2007). Additionally, based on the results that positive customer feedback is associated with positive influences on the organizational climate, whereas negative customer feedback is associated with negative ones, I challenged the dominant assumption that complaints are a firm's best friends (Johnston & Mehra, 2002; Larivet & Brouard, 2010). According to the dissertation's findings, this point of view should be restated into 'compliments are a firm's best friends'. In the course of this, the present dissertation also adds to research on the usage and dissemination of customer satisfaction indices (Morgan et al., 2005; Morgan & Rego, 2006) and customer complaints (Homburg et al., 2010; Homburg & Fürst, 2007) by providing empirical evidence for the affective consequences of such customer information for employees.

5.3 Practical Implications and Recommendations

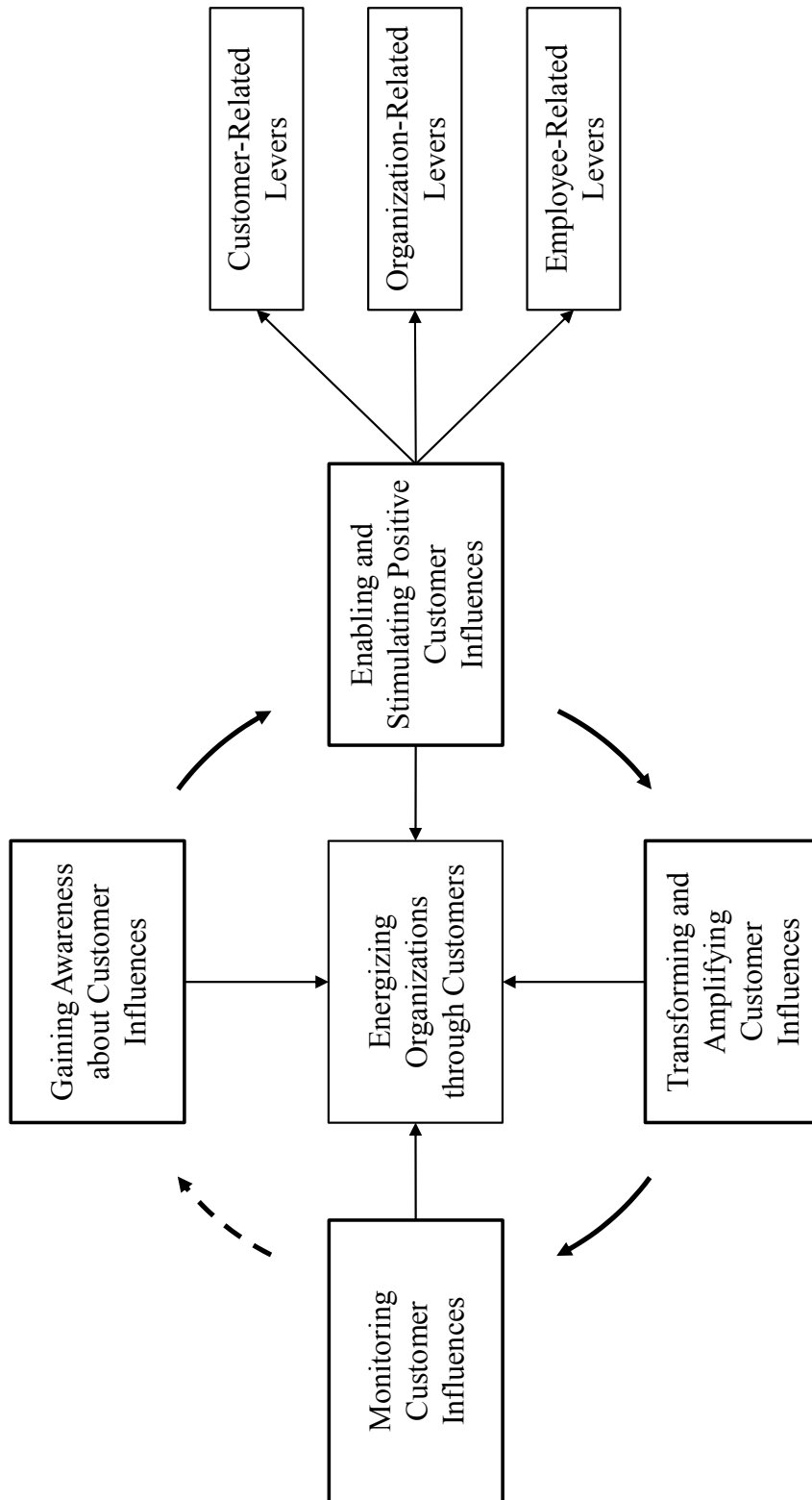
Bruch and Vogel (2011) pointed out that “executives must learn to unleash the company’s collective human potential to create an environment where emotion, thoughts, and actions can flow and spread in the organization” (p. 7). As this dissertation has suggested a new approach of how to create and sustain POE, this dissertation also contributes to managerial practice. All three studies have already provided first practical implications based on the study’s findings (see Chapters 2.5.2, 3.5.2, and 4.5.2). Starting from those and incorporating insights gained on own experiences and exchanges with experts, I propose a process model which describes and summarizes how to energize organizations through customers. The four steps are gaining awareness about customer influences, enabling and stimulating positive customer influences, transforming and amplifying customer influences, and monitoring customer influences. In the following, these four steps (summarized in Figure 5–2) are described in detail.

5.3.1 Gaining Awareness of Customer Influences

In a first step, it is crucial that practitioners gain awareness of customer influences on the organizational climate and particularly on POE. Learning about such influences should happen in general and referring to the situation of the own organization in particular. Accordingly, it is important to reflect on who and which organizational unit respectively may get involved and may benefit from being more attentive towards customer influences. At best, organizations learn about customer influences top-down as well as bottom-up. Whereas the TMT including the CEO, the communication, the marketing, and the HR department might play a crucial role when gaining organizational awareness top-down, leaders, teams, colleagues, and communities might be essential for bottom-up learning.

Starting with top-down pathways, the TMT is of vital importance. TMTs have both direction-setting and operational management responsibilities in organizations and play a significant role in the creation, translation, and implementation of the organization’s strategies (e.g. Eisenhardt et al., 1997; Hambrick & Mason, 1984). Beside the strategic impact of TMTs’ behavior, their behaviors also have a symbolic impact on employees (Hambrick et al., 2001; Zott & Huy, 2007). TMTs serve as role models for employees because their attitudes and behaviors signalize what is important in the organization, what will be valued and rewarded, and what will happen (Gibson & Schroeder, 2003; Shamir, 2007).

Figure 5–2: Process Model for Energizing Organizations through Customers



Corporate communication and the communication department respectively play a decisive role for implementing strategy and building reputation (Foreman & Argenti, 2005). This department possesses “the ability to translate for audiences” (Foreman & Argenti, 2005, p. 261). It spreads news and activities about the organization and its customers inside and outside the organization. Hence, in order to gain awareness of customer influences, one may reflect on the amount of messages which refer to customers and on the proportion of positive versus negative messages related to customers in internal communication measures as well as in business press. The marketing department is also quite relevant due to its closeness to customers. This unit has the most influence on decisions about advertising messages, procedures for measuring customer satisfaction, and programs for improving customer satisfaction (Homburg, Workman Jr, & Krohmer, 1999). Last but not least, the HR department should be involved when learning about customer influences because, for instance, as found in Study 1, customer feedback has lasting effects on employee retention and emotional exhaustion among employees. This organizational unit is usually responsible for processes such as employee attraction, selection, and retention, personnel development and newcomer socialization, as well as for employee-based reports, e.g. days of absenteeism (Baird & Meshoulam, 1988; Tsui, 1990).

Relating to bottom-up learning, organizational leaders should gain awareness about customer influences on the organizational climate. Leaders and especially transformational leaders greatly influence through sensegiving, inspiration, and reinforcement whether and how employees perceive, process, and interpret customer influences such as customer compliments, as presented in Study 2. Additionally knowledge and attention towards the exertion of customer influences on the organizational climate should be established and enhanced among organizational members constituting colleagues and peers. As revealed in Study 2, due to organizational sensemaking processes, colleagues and peers weaken, reinforce, shape, change, and reframe organizational members’ perception, processing, feeling, and meaning of customer influences and their resulting behaviors. Moreover, for instance, organizational members who are tight together in organizational teams and units may especially affect each other’s sensemaking processes due to their closeness and hence, amplify, neutralize, or weaken customer influences on the organizational climate. Finally and in analogy to the latter reasoning, also communities or networks – formal or informal, inside or outside the organization – may influence customer influences on the organizational climate as employees might also be members of certain networks or organizational communities.

Now, having described whose awareness should be increased, I proceed with presenting further general knowledge which organizations and the identified groups may acquire. First of all, they may internalize that – as all the dissertation’s studies have shown – customer influences such as positive customer feedback, customer recognition, and customer passion positively affects POE and organizational performance. As POE has been linked to numerous positive organizational performance-related consequences and hence, might be a competitive advantage for companies, practitioners might appreciate that customers and their positive feedback are important enablers and levers of employees’ collective energy. Additionally, practitioners may acknowledge that frequent positive customer feedback increases employee retention and lowers emotional exhaustion among employees. And finally, practitioners should be aware that frequent negative customer feedback destroys an organization’s positive affective climate as well as directly increases emotional exhaustion among employees when disseminating negative customer feedback within the organization.

In respect to gaining awareness about customer influences within the own organization, practitioners may aim at making the status quo explicit and visible. In order to do so, for instance, leaders may ask their followers how they get influenced by customers. Or to gain information within the whole organization, the HR department may include certain measures within employee surveys. For example, employees might be asked to provide information about their received proportion of positive vs. negative customer feedback. As positive customer feedback positively influences organizational well-being whereas negative customer feedback negatively influences organizational well-being, feedback from employees on how frequent they receive which type of customer feedback may serve as an early warning system indicating the risk for overall emotional exhaustion and employee turnover. Additionally, the results of such employee surveys may also indicate an organization’s overall closeness to customers because an employee survey consisting of low positive and low negative received customer feedback is either due to the fact that customers give little feedback or due to the fact that employees lack closeness to customers. Moreover, surveys may directly measure employees’ closeness to customers by asking how frequent employees are in touch with customers and how emotionally close and intense such contacts are. Further, it could be worthwhile for organizations to learn about the expected affective experiences of customers. In order to do so, practitioners might forecast customers’ emotions in an emotional landscape or in so-called “emotionprints” (Dasu & Chase, 2010, p. 35). Such picturing makes the expected

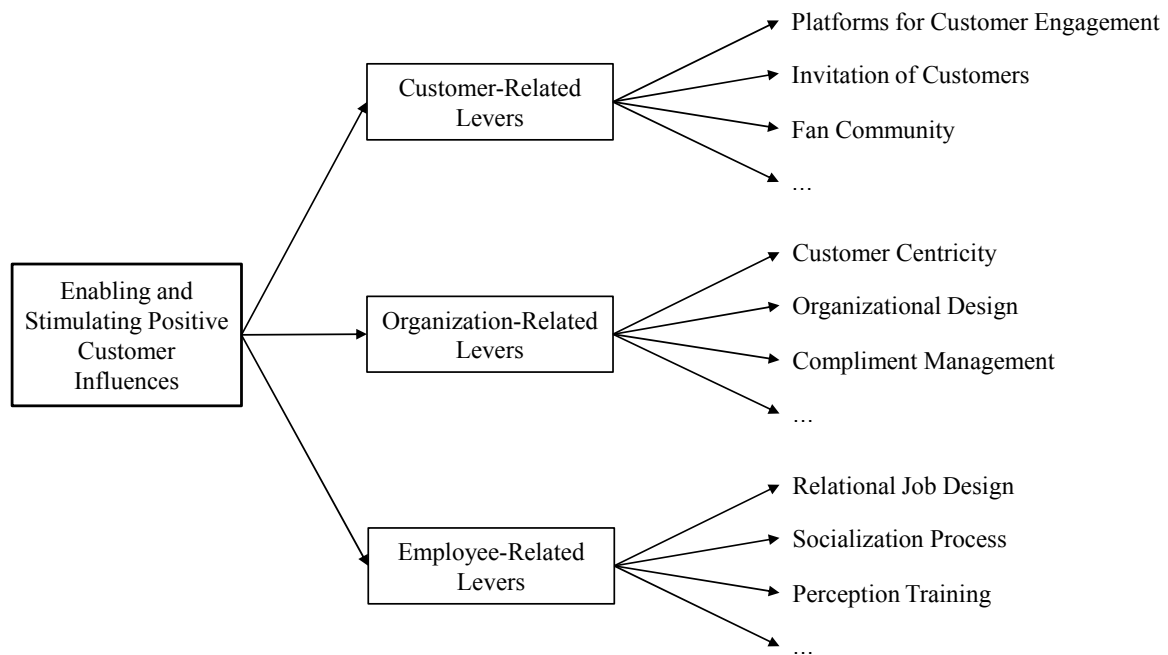
amount and intensity of positive and negative customer emotions during customer service or product use visible. If only negative or ‘neutral’ emotions are to be expected, practitioners being aware of that may think about ways of how to create positive emotions among their customers as those have the potential to energize organizations. Most importantly, referring to all measures for learning and increasing awareness of customer influences within the specific organization, the created knowledge, reflections, and contrasting of positive versus negative customer influences should be exchanged across organizational units. For example, comparing evaluations and reports such as the level of POE measured via large-scale employee surveys, employee ratings about their received positive as well as negative customer feedback, and customer satisfaction reports with each other may open up new, so far hidden insights and linkages. Only when disclosed and openly discussed, organizational awareness about customer influences may be gained so that a holistic picture of the status quo and of any needs for action can emerge.

5.3.2 Enabling and Stimulating Positive Customer Influences

Having increased practitioners’ awareness of customer influences in general and in respect to the own organization, the next step is to reflect on factors which enable and stimulate positive customer influences. As depicted in Figure 5–3, such prerequisites and levers may refer to customers, organizations, and employees. I first present prerequisites and levers for positive customer influences referring to customers, before I turn towards organizations and finally, to employee-related levers.

5.3.2.1 Customer-Related Levers

To begin with, as customers are the source of positive customer influences, levers for positive customer influences may start directly with the customers themselves. First, organizations may reflect on ways of how to provide customers with platforms for customer engagement which increase customers’ role as value creator. An essential opportunity to enable and stimulate customer engagement behavior is giving customers an appealing website or online platform to express their ideas, thoughts, questions, experiences, and opinions (Wagner & Majchrzak, 2007). Moreover, such platforms might be developed in such form that employees have access to those, and that they also facilitate customer-to-customer engagement.

Figure 5–3: Levers for Positive Customer Influences

Typically, virtual customer interactions are enabled by customer online chat forums, contests and sweepstakes allowing customers to share their ideas with each other and to help each other when questions arise (van Doorn et al., 2010). All customer engagement behaviors provide organizations with the chance of additional value creation because, for instance, answers which are given by customers save employees' time. Further, customers' ideas and feedback might trigger product improvements or innovations. Notably, if employees recognize that customers are actively and devotedly engaged in the value creation process of the organization, they might be affirmed by the importance and value of their work and hence, get energized.

An even more vivid and inspiring lever could be to invite customers to the organization at the occasion of special events, meetings, or trainings and put them on stage. If customers get the opportunity to talk about their experiences, their needs and their achievements, they may feel rewarded and valued. Consequently, their willingness to actively participate and contribute to the organizational success may be leveraged. For instance, companies such as Apple and Google invite customers to important conferences and events at which they engage customers actively (van Doorn et al., 2010). Additionally, bringing customers into the organization gives employees and particularly back office employees the chance to get to know the organization's customers personally. Organizing special customer-employee events could be one important lever. Although customer events are quite common, considering employees

also as important participants is largely neglected. Often they attend those events because they are expected to work. When celebrating customers' loyalty and organizational success, quite a lot of positive emotions might be experienced collectively. Letting also employees feel such positive atmosphere can boost their motivation as they see the prosocial impact of their work firsthand which might make them proud, and make them feel part of the success which boosts POE. For business-to-business organizations, such a measure is even more important because employees of business-to-business organizations often do not have contact with the end product and the end users. Hence, it would be worthwhile to think strategically about opportunities to connect these employees emotionally with end users. For instance, inviting not only top managers and engineers but also back office employees or suppliers to festivals celebrating the end of the project or to the launch of a new product could be a measure with high signaling and energizing power. A major event bringing together crowds of people has the potential to intensify both customers' and employees' positive emotions, and additionally also those of suppliers or even society. For instance, an organization being responsible for building a new bridge might invite not only the architects and engineers having planned and built up the bridge but also their suppliers, e.g. steel workers. As they might share feelings of achievement and pride, positive emotions may spread and intensify so that the organization and also their partners, such as their suppliers, gain energy. Besides organizing special customer-employee events, organizations within the manufacturing industry might bring in customers to their production department because employees in the production department usually do not have direct customer contact (Liao & Subramony, 2008). For instance, although organizations provide guided tours to their customers, they do not enable employees within the production department to really get in touch with customers as such tours normally are facilitated by employees from certain customer affairs or customer care units. Hence, in order to increase the direct contact between customers and workers within the production department, organizations may empower assembly workers to provide guided tour through the assembly lines to customers. Such measure might increase assembly workers' pride and received customer recognition so that POE increases.

As shown in Study 3, customer passion leverages POE through emotional contagion. Hence, increasing positive customer influences may mean to increase customer passion. As real or virtual fan communities strengthen customers' affective commitment to the organization and their positive behaviors towards the organization (Algesheimer et al., 2010; Kim, Lee, & Hiemstra, 2004; Srinivasan, Anderson, &

Ponnavolu, 2002), organizations may strive to build customer communities. Researchers have found that an organization's active invitation of a broad set of customers, not only their fans, increases customers' participation at the community (Algesheimer et al., 2010). Such communities might influence POE because fans and their passion are made visible and tangible for employees.

To sum up, practitioners might provide customer with platforms for engagement, invite them to the organization for instance to special customer-employee events, and create as well as nurture fan communities in order to enable and increase positive customer influences on the organizational climate.

5.3.2.2 Organization-Related Levers

In the following, organization-related levers for positive customer influences are suggested. As shown and discussed in Study 3, TMT's customer orientation is an important factor which enables positive customer influences on POE and organizational performance but which also hinders organizations from benefiting from those in case of a low TMT customer orientation. Hence, in order to enable and stimulate positive customer influences, organizations may establish and intensify their overall customer orientation, or in other words become customer centric. Customer centric organizations are held together by a central value that every decision begins with the customer (Shah et al., 2006). Levitt (1960) stated that "the entire corporation must be viewed as a customer-creating and customer-satisfying organism" (p. 56) and that "every nook and cranny of the organization" (p. 56) has to be excited and stimulated. If customer centricity is the dominant organizational mindset of all employees, i.e. organizational members embrace and live the belief that understanding and satisfying customers is central to the proper execution of their job (Kennedy, Lask, & Goolsby, 2002), employees will pay (closer) attention to customer influences. As satisfying customers is part of their job, they might be more attentive towards information referring to customer satisfaction and hence, to positive customer influences. Furthermore, a norm which distinguishes customer-centric organizations from others is that organizational members are willing to share information with their counterparts so that the entire firm is in a better position to meet customer needs (Shah et al., 2006). Consequently, as employees of customer centric organizations share information about customers, they pave the way of customer influences on the organizational climate.

Practitioners may also consider the organizational design because an “ideal customer-centric organization implies having all functional activities integrated and aligned to deliver superior customer value” (Shah et al., 2006, p. 116). Two prominent elements of organizational design are organizational structure as well as coordination (Scott, 1992). An organization’s design may leverage overall employees’ closeness to customers and therewith enable and increase positive customer influences. Especially when organizations increase in size, the risk increases that their employees lose sense of both the customers and the purpose of their own service provision (Hauser & Clausing, 1988; Vargo & Lusch, 2004). Hence, in order to implement customer centricity within organizations, Homburg, Workman, and Jensen (2000) suggest to change organizational structures in such way that organizations move towards customer centric organizational structures, i.e. structures that use groups of customers as the primary basis for structuring the organization. As the three main bases for defining strategic business units are product groups, geographical regions, and customer groups, the shift towards customer centric organizations has two facets: a de-emphasis of the product centric perspective and a de-emphasis of geographical regions (Homburg et al., 2000). Shifting the organizational structure from product centricity to customer centricity aims at increasing an organization’s closeness to customers. Hence, organizations with customer centric structures should be closer to customers so that positive customer influences are more likely. Besides considering organizational structure, coordination is an important element of organizational design. High interdepartmental connectedness may facilitate communication and spreading of positive customer influences. Achrol (1991) argues that “the firm of the future will need to be very permeable across its departments. Its departments and hierarchy will be fuzzily defined, hierarchy will be minimal and indirect, and individuals will have much more autonomy” (p. 80). Moreover, as higher centralization leads to lower levels of customer orientation (Auh & Menguc, 2007), organization may work towards building a decentralized organization. Referring to multinational or global organizations, scholars recommend more centralization across countries and less centralization across customer groups (Homburg et al., 2000). Consequently, due to the increased permeability across departments, dissemination of information about customers is more likely within customer centric organizations than in product centric organizations.

Additionally, establishing a systematic complaint management at the organizational level may enable and stimulate positive customer influences. Organizations may proactively ask for positive customer feedback, respond to it, show its impact to

customers, and make the feedback visible to (other) customers as well as to employees. Nowadays, many organizations have already developed technologies and established processes to enable and stimulate customers to voice their concerns, compliments, suggestions, and ideas directly to the organization and its employees (van Doorn et al., 2010). When asking customers for their feedback, organizations may explicitly welcome positive statements. For instance, companies might add an open question to the customer feedback survey which addresses what customers like most about the company. When listening to customers, Berry and Parasuraman (1997) note that “[i]nformation *precision* and *usefulness* go hand in hand. Information that is overly broad or general is not useful” [emphasis in the original] (p. 71). Hence, organizations might stimulate customers in such way that customers provide clear information on the specific benefits that are especially pleasant for them. Next, organizations may react to customer compliments as systematic as to customer complaints. Although customer compliments normally do not require corrective actions from the organization, it “seems absolutely imperative that the contact be acknowledged” (Erickson & Eckrich, 2001, p. 327). So, organizations might thank customers for their compliments, signal appreciation and gratitude to customers and potentially pass further value on to the customers. Of course, thanking customers individually consumes employees’ time but it may also foster customers’ loyalty and willingness to provide positive feedback to the organization or even to other customers on the next time, too. Usually, in cases when the CEO is directly addressed by a customer, organizations do not forward customer compliments to the CEO. Instead of the CEO, an employee or a manager provides the response to the customer (Martin & Smart, 1988). However, practitioners may consider ways of how to enable a direct response from the CEO or TMT to customers due to the symbolic and signaling effects to customers and employees. In analogy to professional complaint management (Homburg & Fürst, 2007), an organization’s reactions to positive customer feedback may also include showing its impact to customers. As most people across cultures want to benefit others (Schwartz & Bardi, 2001), being able to demonstrate to customers how their positive statements has positively impacted the organization may encourage further positive customer influences. For instance, organizations might communicate personally and specifically how customer compliments supported them to identify and to keep key organizational strengths. Martin and Smart (1988) found that organizations often fail to disseminate customer compliments. So, organizations might put emphasis on communicating and spreading customer compliments across the organization. Making the positive customer feedback accessible and visible within

the organization provides employees with the opportunity to sense the impact of their work. Consequently, systematic compliment management not only stimulates and reinforces customers to provide positive feedback but also enables organizations to leverage POE when disseminating customer compliments throughout the organization.

Overall, I have identified and described three main prerequisites and levers for enabling and stimulating positive customer influences referring to the organization. Organizations may strive for customer centricity throughout the whole organization and internalized by all employees, may adapt their organizational design in terms of structure and coordination aiming at customer centric structures and high interdepartmental connectedness, and establish a systematic customer compliment management within the organization.

5.3.2.3 Employee-Related Levers

Finally, I suggest some strategic measures for enabling and increasing positive customer influences referring to employees. First, practitioners may consider designing employees' jobs in relational and prosocial ways, especially to put employees in contact with customers via their regular job (Grant, 2007). The key motivational factor thereby is that employees perceive the impact of their work on customers. Hence, HR departments and leaders may think of ways of how to redesign or enrich employees' jobs in order to enhance their closeness to customers. For instance, more employees could be brought in contact with customers by making them responsible for selling products or services. For example, Hilti, a designer, manufacturer and marketer of high-quality power tools, machines and equipment for construction and building maintenance professionals located in Liechtenstein, has issued the guideline that at least 60 percent of employees need to do some direct sales work (Bruch & Vogel, 2011). Or, organizations may think of occasions at which employees can provide firsthand customer support. Those intentions can be realized by job enrichment or by certain events like a 'support party' where employees from all organizational units can sign up to provide personal customer support for some hours at a special support day or on a regular basis (Kumaran, 2012). Due to employees' increased closeness to customers through their jobs, POE increases.

Second, socialization learning programs may include as a fixed element that new employees meet with real customers. Such very close experience puts newcomers in a position to learn quite a lot about the organization as satisfying those customers with whom they met is a key goal of the organization. An essential distinctive belief found

within customer centric organizations is that employees should be close to the customers (Shah et al., 2006). Hence, employees may spend some hours, days or weeks with customers in order to fully understand customers' daily life, needs and problems. Another way to put new employees in contact with customers could be to let new employees work or assist in the front-line during their first weeks. Also quite important is what supervisors or colleagues of the new employees tell them about the organization's customers. Supervisors or colleagues providing vivid stories of how the organization makes a difference in the lives of their customers may also serve as impactful learning and socialization for newcomers. Referring to the aforementioned customer compliment management, customer compliments including letters of praise and postcards from customers might be a powerful tool for newcomer socialization. Newcomers seeing straight away the impact of the organization's products or services may identify easier, faster and wholeheartedly with the organization as they sense vividly the significance and meaningfulness of their work. All of such measures help new employees to develop affective commitment to customers and cognitive empathy which may energize them immediately, sustain their energy when thinking back to the firsthand experiences during their socialization program and serving as coping strategy when facing challenges in the job.

Third, training employees' perception to recognize positive customer reactions might be an important measure. Customer compliments are largely a matter of definition and perception (Kraft & Martin, 2001). Through trainings, a common understanding of what customer compliments are and how they might appear, inter alia, nonverbal or via social media, might be established so that employees can perceive those more easily. As individuals perceive information selectively (Salancik & Pfeffer, 1978), simply by cognitively including the possibility that customers might express not only their anger, but also their appreciation, gratitude, and happiness towards employees and the organization, might increase the amount of perceived positive customer influences. Moreover, practitioners may aim at embedding also the training of employees' customer centric mindset in this measure because internalizing the customer centric approach of the organization may pave the way for employees' increased perception of customer compliments (Stock & Hoyer, 2005).

Altogether, in an attempt to enable and increase positive customer influences related to employees, practitioners may design employees' jobs in relational and prosocial ways, embed certain customer-related activities within the socialization processes for their new organizational members, and may provide trainings for employees' perception of customer compliments.

5.3.3 Transforming and Amplifying Customer Influences

Although enabling and stimulating positive customer influences helps to increase positive customer influences, customer influences as such might always be both positive and negative. Hence, it is crucial to consider ways of how to consciously transform and amplify those so that POE and organizational well-being is strengthened by positive customer influences and is damaged least by negative customer influences.

First, it is crucial to transform the negative customer feedback by de-emotionalizing the possibly inherent negative emotions and by taking it as stimulus for learning and improvement based on a no-blame learning culture (Lapr e & Tsikriktsis, 2006; Provera, Montefusco, & Canato, 2010; Vos et al., 2008). Homburg and F urst (2007) identified several types of defensive organizational complaint handling which explain why organizations and employees do not acquire, transmit, utilize, and learn from complaints properly. So, organizations must overcome these psychological barriers, for instance, by establishing an organizational learning climate to receive the information inherent in negative customer feedback (Vos et al., 2008). Additionally, as customers also make their complaints public via virtual platforms, organizations need to react immediately in order to stop negative word-of-mouth (Jahn & Kunz, 2012). If organizations manage to fully ‘recover’ customers from service failure or solving their problems professionally including apologies, organizations may not only retain customers but also turn them into satisfied customers (Nyer, 2000; Smith & Bolton, 1998). Hence, POE increases as organizations manage to transform customer complaints in such way that they improve their products or services, or they transform customers from being a complainant to becoming a satisfied customer or even a fan by convincing complaint handling procedures.

Second, despite or even due to the organization’s customer orientation, managers and employees should reflect on whether ‘customers are always right’ which represents a common mindset (Camerer & Vepsalainen, 1988). Allowing that customers can also be wrong implies that organizations may ‘educate’ customers or even fire a customer if a customer does not treat employees appropriate (Hsieh, 2010). In other words, “[f]ire customers who are insatiable or abuse your employees” (Hsieh, 2010, p. 42). This approach may transform the organizational mindset in such way that employees have a way out in mind when being confronted with rough and rude customers. Nevertheless, when executing, employees may be empowered in such way that they can solve customer issues by themselves being embedded in a supportive work environment or that they can involve managers or TMT when they seek to be backed up by authority. By doing so, negative customer influences might be weakened. In individual cases,

employees may get rescued by such negative customer influence through humor. Research has shown that the exchange of humor reduces conflict whereas it fosters communication among employees and increases their well-being (Chan, 2010; Holmes & Marra, 2002; van Wormer & Boes, 1997). So, managers or employees might turn customers' heavily negative behavior – which might sometimes be also a bit ridiculous – into a funny caricature or a foolish jest. Consequently, this might be one way of how to transform negative customer influences into positive ones.

Third, transformational leaders might be able to transform negative customer influences and amplify positive customer influences. As described in Study 2, transformational leaders influence the meaning which employees make out of work situations (Bruch et al., 2007b; Smircich & Morgan, 1982). Hence, transformational leaders may transform negative customer influences into a mobilizing positive force by leaders' emotional competence facilitating de-emotionalizing and reframing negative messages into inspiring challenges (Ashkanasy & Tse, 2000; Walter & Bruch, 2007). In addition, they could absorb stories, facts, and figures which relate to positive customer influences, and spread those actively. While doing so, they signal to employees that positive customer influences such as customer compliments are important, valued, and desired. Furthermore, transformational leaders are in a good position to reinforce the received customer recognition and to put employees' attention on the prosocial impact of their work. They might transform positive customer influences in such way that employees can perceive and feel the prosocial impact more intense. Through amplifying the prosocial impact climate, positive customer influences are amplified and hence, employees collectively gain further energy.

Fourth, it might be crucial to pave the way for a positive affective climate within organizations so that positive customer influences can amplify and spread, and employees can infect each other with positive emotions. Laying the groundwork for a positive affective climate may mean that smiling, laughing, and joking within and at the boundaries of the organization are welcomed. Thus, organizational display rules which describe the appropriate or inappropriate expression of emotions may be created accordingly (Rafaeli & Sutton, 1987; Wharton & Erickson, 1993). It is noteworthy that professionalism is warranted when expressing positive emotions (Kramer & Hess, 2002). As employees transfer, amplify and especially actively spread customers' positive emotions within the organization supported by positive affective display rules, a wave of enthusiasm and elation might flow through the organization.

Fifth, a customer compliment database may help to transform and amplify positive customer feedback because it facilitates to make positive customer feedback accessible

to (all) employees. Here, the transformation is to conserve and save customer compliments so that the prosocial impact is kept in an organization's 'memory'. For instance, employees of a call center register feedback which praises frontline employees by name in such database (Markey et al., 2009). Based on that database, employees get personally recognized by managers at celebration rituals so that the praise of customers is reinforced and made visible to other employees. Although such compliment database and celebration rituals appear compelling, there are some issues for discussion and latent risks. Such databases are prone to manipulation. If getting publicly praised or even monetary rewarded is an essential motivational force for employees, they may fake customer compliments and enter forged customer statements putting their name on. Further, registering customer compliments thoroughly in a database may become a burden for employees because such procedure requires additional work, e.g. employees have to open an additional database. So, crucial success factors for such database might refer to its usability, its implementation and incentive structure, and the organization-wide acceptance and perception of its added value. An up-to-date implementation of such compliment database could be a customer live stream within the organization's intranet or a social media based platform for employees entering positive customer statements or behaviors. Further reflections are needed within the particular organizational setting whether such compliment platform should be accessible or even sustained by customers. Although the fast pace of social media enables directness and closeness to customers, handling complex amounts of customer data becomes more and more crucial. Organizations should carefully think about how to filter, evaluate, conserve, appreciate and amplify the positive customer influences if customers maintain such customer compliment database. In support of a customer compliment database maintained by employees, this tool puts employees' attention on positive customer feedback and thus, trains employees' capability of recognizing positive customer feedback. Providing all employees with access to such database is also an important signal. Especially employees without direct customer contact may sense that they are also expected to get in touch with customers actively which increases POE.

5.3.4 Monitoring Customer Influences

The last step is to monitor customer influences and to evaluate the implemented measures. Organizations might evaluate effectiveness of levers and measures based on afore defined criteria. Monitoring customer influences may also include screening the market and recognizing changes in customer needs, behavior, or demandingness

(Sinkula, 1994). Such monitoring should be integrated in ongoing processes rather than be an annual burden. Coming full circle, organizations may learn from monitoring and evaluating. They may communicate and exchange their experiences, changes, barriers, and concerns beyond departments and decide on new measures.

To conclude, in an attempt to create and sustain POE, practitioners might no longer ignore customer influences on the organizational climate and on organizational well-being. They risk underestimating the influential role of customers on the organizational climate, overlooking the energizing power that could be provided to their organization by customers, and fail to fully benefit from employees' potential. Instead, practitioners might gain awareness of customer influences on the organizational climate in general and in particular, define and implement measures for enabling and increasing positive customer influences based on customer-, organization-, and employee-related levers, define and implement measures for transforming and amplifying customer influences, monitor their effects, and learn from the monitoring to further refine and adapt their measures and implementations. This continuous process may guide practitioners for the creation and sustainment of energized organizations through customers. Last but not least, such measures and processes require some resources like time or budget. Nevertheless, organizations may thoroughly increase their awareness about customer influences and act accordingly because – at the end – enabling, increasing, transforming, and amplifying customer influences pays off in a rise of POE and in organizational performance, and ultimately, in competitive advantage.

5.4 Limitations and Directions for Future Research

Over and above the specific and already discussed limitations of each study (Chapters 2.5.3, 3.5.3, and 4.5.3), there are some limitations of this dissertation which are more general and are subject to all three studies. Therefore, the following chapter reflects on those and provides ways of how to address them in future research. Beyond the general issues and based on the findings of this dissertation, directions for future research are stated.

5.4.1 Limitations and Ways to Address Them

First, throughout this dissertation, I discussed customer influences as antecedents of POE and treated organizational performance measures as consequences of POE. Thereby, based on theoretical reasoning, causal relationships have been assumed.

However, it is also possible that, for instance, organizational performance causes positive customer influences which would indicate a reversed causality or a feedback loop like the input-mediator-output-input model (Ilgen et al., 2005). Yet, the cross-sectional design of all three studies prevented me to rule out such alternative models. Therefore, future research may apply other than cross-sectional research designs which allow rigorous tests of the suggested flow of causality. Longitudinal designs taking into account changes of the substantive constructs of interest over time are predestined for such causal testing (Ployhart & Vandenberg, 2010). Nevertheless, though being quite promising, financial or temporal restrictions often limit the feasibility of longitudinal studies. So, researchers may also consider conducting experiments or quasi-experiments in order to strengthen causal inferences (Antonakis et al., 2010; Grant & Wall, 2009).

Second, the generalizability of the empirical findings is limited. For all three studies, data were collected within organizations across industries in Germany employing not more than 5'000 employees. Thus, the samples are rather homogeneous referring to organizational size and the cultural context which may restrict the transferability of the findings to other organizations and cultures. Hence, future research may replicate the dissertation's findings and extend the research context to e.g. larger, global organizations being embedded in different cultures.

Third, all data were gathered via surveys which entails several limitations. Having applied surveys as the only method, the findings are threatened by common method biases, i.e. the method itself may exert a systematic measurement error on the variables and relationships of interest (Podsakoff et al., 2003). Podsakoff et al. (2003) stated that "method biases are likely to be particularly powerful in studies in which the data for both the predictor and criterion variable are obtained from the same person in the same measurement context using the same item context and similar item characteristics" (p. 885). In order to reduce the likelihood of a systematic measurement error due to these various aspects, I applied several techniques.

To avoid common method biases due to common raters, the predictors and outcome variables of all three studies have been measured by different groups of employees. Moreover, in all three studies, the variables have been assessed with different scales and variations in scale anchors so that the item characteristics were not the same. Though standardized formats may require less cognitive effort for respondents, using repeatedly the same scale formats and anchors bear the risk that some of the observed covariation is due to the consistency in the scale properties rather than the content of the items (Podsakoff et al., 2003).

Further prominent distortions of study results belonging to common method biases are social desirability, suggestive item wording or problems of cross-cultural measurement equivalence (for a summary, see Podsakoff et al., 2003). To reduce these risks, I mostly relied on established measurement instruments that had shown sufficient psychometric properties in previous studies. Further, I applied a double-blind back-translation procedure in order to enhance the accuracy, correctness, and semantic equivalence of translation of the study items (Schaffer & Riordan, 2003). Additionally, I proposed, tested, and found support for interaction effects between the study variables. As Monte Carlo simulations have shown, it is quite unlikely that moderated effects between the variables have been inflated by correlated method variance (Evans, 1985; Siemsen et al., 2010).

Moreover, the three studies are prone to a potential bias caused by missing data. As common to survey studies, I was not able to gather a complete dataset with a response rate of 100 percent. Thus, the results may be distorted by survey nonresponses (Rogelberg & Stanton, 2007). Accordingly, in view of these issues, future studies might aim to replicate the dissertation's findings, collect data from both internal and external sources, especially also from customers, include objective measurements such as absolute numbers for employee retention, sickness days, or financial organizational performance, and use a different set of research methods.

Finally, a positivist research paradigm also implies some limitations as to the scope of the results. On the one hand, I was able to empirically test the linkages between customer influences and POE whereby addressing 'whether', 'how', and 'when' organizations are positively influenced by customers. On the other hand, such positivist approach prevented me from addressing 'why' explicitly. Hence, future research may investigate the reasons and complex processes at different levels within organizations in depth based on an interpretive or constructivist paradigm. In doing so, research methods such as in-depth interviews, participatory observation or case studies could facilitate the further theoretical development of customer influences on POE and organizational performance. Applying a mixed-method approach may contribute to a more fine-grained and comprehensive understanding of the various facets of energizing organizations through customers.

5.4.2 Directions for Future Research

Beyond the directions for future research provided within the three studies (see Chapters 2.5.4, 3.5.4, and 4.5.4), this chapter presents directions for future research in a broader sense. Potential areas for future studies are outlined which arise from bridging the current state of research on POS, organizational climate, and customer influences.

First, concerning the linkages between positive customer influences, POE, and organizational performance, future research may investigate these relationships via other constructs than positive customer feedback, customer recognition, and customer passion. For instance, as the number of real and virtual fan communities has increased during the last years (Hellekson & Busse, 2006), scholars and practitioners may have an interest to explore whether, why, how, and when fan communities influence POE. Or it would be worthwhile to find out whether single inspiring events in terms of festivals with both customers and employees are able to change POE, and how such festivals should be conceptualized so that collective positive emotional contagion processes are most likely and most lasting.

Besides the organizational consequences investigated within this dissertation, future research may consider other consequences of customer influences and POE. For instance, the effects of customer influences and POE on organizations' innovativeness would be an interesting research area. Whereas POE might be positively related to innovativeness, customer influences such as customer participation during the creation and production of value might be ambiguous in terms of its consequences. A previous study, for instance, has found that customer participation enhances customers' economic value attainment and strengthens the relational bond between customers and employees but also increases employees' job stress and hampers their job satisfaction (Chan, Yim, & Lam, 2010). As customers are no longer a passive audience but rather active players during new product developments (Fang, 2008; Prahalad & Ramaswamy, 2000), future research may examine whether and when customer participation increases POE and thus, organizations' innovativeness.

Future studies may also address the situational strength of customer influences and POE. Besides absolute (i.e. average) levels of climate, research on organizational climate takes also dispersion-based constructs labeled as climate strength into account (Chan, 1998; Meyer, Dalal, & Hermida, 2010; Schneider et al., 2002). Hence, upcoming investigations might elaborate on linkages between customer influences, an organization's dispersion of individual employees' perceptions of customer influences,

and POE. While doing so, for instance, grouping individual employees' answers according to their business unit may reveal whether all organizational business units are permeable to customer influences, or which business units are not reached by customer influences.

In this regard, prospective research may investigate further contingencies of the relationship between customer influences and POE. For example, researchers may take the organizational design into account and examine whether customer centric organizational structures or high interdepartmental connectedness facilitate positive customer influences (Homburg et al., 2000). Further, future studies on customer influences on the organizational climate might explicitly include an organization's customer feedback management, its characteristics, usage, and processes (Homburg et al., 2010; Morgan et al., 2005). Moreover, communication between an organization and its customers as well as among employees is a crucial factor when considering customer influences on the organizational climate. Hence, elaborating on different communication forms and channels, e.g. virtual platforms, could reveal when customers are most likely to engage in positive behavior such as providing organizations with compliments and suggestions. Additionally, it would be interesting to study through which channels employees are most positively affected by customer influences as perceiving and processing of messages is also shaped by the type of the communication channel (Carlson & Zmud, 1999; Kioussis, 2001).

Based on the finding that negative customer feedback decreased the positive affective climate, future research may also explore negative customer influences and their impact on POE and performance in depth. Thereby, it would be worthwhile to explore whether, for example, customer unfriendliness (e.g. Walsh, 2011), customer aggression (e.g. Grandey, Dickter, & Sin, 2004), or customer incivility (e.g. van Jaarsveld et al., 2010) have direct or indirect effects on POE, whether and when these influences are positive or negative and how these external influences are processed at the organizational level. In order to fully capture the possibility that customers may not only energize organizations but also de-energize those, future research may also explore whether negative customer influences lead to some form of negative organizational climate such as a climate of fear (Ashkanasy & Nicholson, 2003) or negative organizational energy, such as corrosive organizational energy (Bruch & Ghoshal, 2003; Bruch & Vogel, 2011). Negative climates and corrosive organizational energy may damage organizations drastically due to downward spirals. Thus, learning about those negative relationships could be crucial for the development of effective prevention and intervention strategies. In respect of intervention strategies, future

studies might particularly consider certain leadership climates and find out whether e.g. a TFL climate may be able to prevent organizations from such long term damages evoked by negative customer influences. An even more intriguing question is whether transformational leaders are able to transform negative customer influences into a mobilizing positive force e.g. due to their emotional competence facilitating de-emotionalizing and reframing negative messages into inspiring challenges (Ashkanasy & Tse, 2000).

Likewise, scholars may also be interested to understand how an organization's emotional capability and collectively shared emotional intelligence impacts the relationships between customer influences, POE and organizational performance (Huy, 1999). Empirical research has shown that organizational emotional intelligence is positively associated with operational performance, financial performance, and innovation performance, and negatively associated with involuntary absence (Menges & Bruch, 2009). Building upon these findings, future studies might explore how organizational emotional capability and intelligence facilitates spreading of positive customer influences whilst those organizational capabilities might prevent organizations from long-term damage due to negative customer influences.

Finally, building upon theories on energy at work at the individual (Quinn et al., 2012) and at the organizational level (Bruch & Ghoshal, 2003; Cole et al., 2012a), scholars might consider additional factors outside the organization influencing energy in organizations. Besides customers as external determinants of energy at work, researchers may include, for instance, suppliers, competitors, or society in future conceptual and empirical studies.

5.5 Conclusion and Outlook

Research on energizing organizations through customers is an exciting field. Considering the fact that organizations often fail to reach their full potential, the presented approach on energizing organizations through customers offers fresh insights into how to stimulate and reinforce an energetic work climate via an external factor. While doing so, organizations might discover yet untapped resources for human and organizational flourishing.

This dissertation is a first step towards establishing and empirically testing customer influences on POE and organizational performance. By integrating research on POS, organizational climate, and customer influences on employees, I was able to demonstrate 'that', 'how', and 'when' customers energize organizations. The linkage

between customer influences and POE was found in three large-scale survey studies across industries with three different conceptualizations of positive customer influences: Positive customer feedback, customer recognition, and customer passion. Hence, robustness of this relationship at the organizational level is signaled and the initial cues are now empirically evident.

I hope the findings of my dissertation inspire scholars to further investigate POE and its determinants outside the organization. Future research might address the linkages, mechanisms, and contingencies in a dynamic manner uncovering the individual and organizational processes and consequences simultaneously. Moreover, I encourage scholars to take organizational practices such as customer feedback management explicitly into account. In respect to practice, I hope the suggested four-step process model provides helpful guidance for practitioners on how to energize organizations through customers and stimulates its implementation in organizations.

Ultimately, I believe that customers can unlock the human potential in organizations. It is up to organizational leaders to recognize this hidden resource so that organizations sustain their well-being and achieve excellence.

6 Appendix

6.1 Overview of Selected Empirical Studies on Customer Influences

6.1.1 Positive Employee-Related Consequences

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
Grant, and Gino (2010) <i>Journal of Personality and Social Psychology</i>	<i>Gratitude</i> is a feeling of thankfulness directed toward others that emerges through social exchanges between helpers and beneficiaries.	Four experiments (Exp. 1: n = 69 students; Exp. 2: n = 57 students; Exp. 3: n = 41 fundraisers; Exp. 4: n = 79 students; two conditions: gratitude and control)	Perceived social worth, prosocial behavior	Agentic and communal perspective	Gratitude expressions increase prosocial behavior. Perceptions of social worth mediate the effects of beneficiaries' gratitude expressions on helpers' prosocial behavior.
Zimmermann, Dormann, and Dollard (2011) <i>Journal of Occupational and Organizational Psychology</i>	<i>Customer-initiated support</i> is defined as instrumental and emotional behavior that customers direct towards employees during the customer contact.	Survey design (n = 82 employees of 13 car dealers at two different times, 421 customer-employee dyads)	Employee affect, customer affect	Emotional contagion, conservation of resources theory	Customer-initiated support enhances employees' positive affect. In turn, employees' positive affect enhances customers' positive affect.
Schepers, de Jong, de Ruyter, and Wetzels (2011) <i>Journal of Service Research</i>	<i>Customer appreciation of virtual team technology</i> is an external rather than internal factor referring to customers expressing their appreciation for service provided by members of a virtual team.	Cross-sectional design, surveys (n = 192 service employees in 28 virtual teams of an international, high-tech company)	Perceived virtual team efficacy, service performance	Social cognitive theory	Customer appreciation of virtual team technology drives perceived virtual team efficacy, whereas internal factors (i.e. supervisor and peer encouragement of virtual team technology) are less effective. Perceived virtual team efficacy explains service performance.

6.1.2 Negative Employee-Related Consequences

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
George, Reed, Ballard, Colin, and Fielding (1993) <i>Academy of Management Journal</i>	<i>Extent of exposure to AIDS patients</i> refers to the time spent with AIDS patients, to the number of AIDS patients the nurse is caring for, and to the extent of nurses' work exposed to body fluids of AIDS patients.	Cross-sectional design, surveys (n = 256 nurses)	Negative mood	-	The extent of a nurses' exposure to AIDS patients is positively associated with nurses' negative mood at work. This relationship is weakened by organizational and social support.
Dormann and Zapf (2004) <i>Journal of Occupational Health Psychology</i>	<i>Customer-related social stressors</i> refer to disproportionate customer expectations, customer verbal aggression, disliked customers, and ambiguous customer expectations.	Cross-sectional design, surveys (n = 591 in three different service jobs: flight attendants, travel agency employees, and sales clerks in shoe stores)	Burnout	Conservation of resources theory	Customer-related social stressors predict burnout.
Bell and Luddington (2006) <i>Journal of Service Research</i>	<i>Customer complaints</i> are defined as negative customer feedback provided to the store.	Quasi-longitudinal (complaint data were collected over the 3 months prior to the administration of the questionnaire), survey (n = 432 retail service personnel in a national retail chain with 124 stores)	Employee commitment to customer service	Role theory, attribution theory	Customer complaints have a significant negative impact on commitment to customer service. Higher levels of service employees' positive affectivity significantly reduce this negative relationship. Contrary to expectations, high levels of negative affectivity also reduce the negative relationship between complaints and commitment to customer service.
Grandey, Kern, and Frone (2007) <i>Journal of Occupational Health Psychology</i>	<i>Customer verbal abuse</i> refers to the frequency of employees being the target of arguments, yelling, and rude treatment at work through customers.	Two survey studies (Survey 1: n = 2'446 employees; Survey 2: n = 126 employees)	Emotional exhaustion, frequency of verbal use from insiders and outsiders, role of emotional labor	Emotion regulation	Verbal abuse from customers occurred more frequently and predicts strain beyond similar abuse from organizational insiders. Verbal abuse from outsiders predicts emotional exhaustion over and above insider verbal abuse, regardless of emotional labor requirements.

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
Skarlicki, van Jaarsveld, and Walker (2008) <i>Journal of Applied Psychology</i>	<i>Customer interpersonal injustice</i> refers to employees' perceptions of violations of interpersonal injustice by the customer, i.e. treatment demonstrating a lack of respect, dignity, or social sensitivity.	Cross-sectional design, survey (n = 358 customer service representatives of a call center)	Customer-directed sabotage, job performance	Theory of justice	Interpersonal injustice from customers relates positively to customer-directed sabotage. The relationship between injustice and sabotage is more pronounced for employees high (vs. low) in symbolization, but this moderation effect is weaker among employees who were high (vs. low) in internalization. Employee sabotage is negatively related to job performance ratings.
van Jaarsveld, Walker, and Skarlicki (2010) <i>Journal of Management</i>	<i>Customer incivility</i> toward employees refers to an employee's perception that the customer is treating the employee in an uncivil manner (e.g., rudeness, speaking in a disrespectful or insulting manner).	Cross-sectional design, survey (n = 307 customer service representatives of a call center)	Job demands, emotional exhaustion, employee incivility toward customers	Control theory of job stress	Uncivil treatment by customers is associated with higher employee job demands and emotional exhaustion which relate to higher levels of employee incivility toward customers.
Walsh (2011) <i>European Management Journal</i>	<i>Perceived customer unfriendliness</i> is a form of unpleasantness of customers perceived by employees.	Cross-sectional design, survey (n = 219 service employees from a variety of service industries)	Intention to quit	Conservation of resources theory	Perceived customer unfriendliness has a positive impact on employee distance seeking and role ambiguity. Customer unfriendliness has an indirect and direct impact on employees' job satisfaction which in turn affects quitting intentions.
Wang, Liao, Zhan, and Shi (2011) <i>Academy of Management Journal</i>	<i>Customer mistreatment</i> is defined as low-quality interpersonal treatment employees receive from their customers.	Daily survey data (n = 131 call center employees for 10 consecutive work days, n = 1'303 surveys)	Sabotage against customers	Conservation of resources theory, emotion-based mechanisms	Daily customer mistreatment significantly predicts customer-directed sabotage. Employees' negative affectivity exacerbates the effect of customer mistreatment on customer-directed sabotage, whereas employees' self-efficacy for emotional regulation weakens such effect. Job tenure and service rule commitment both weakens the effect of customer mistreatment.

6.1.3 Both Positive and Negative Employee-Related Consequences

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
Rafaeli (1989) <i>Academy of Management Journal</i>	<i>Customer influence</i> refers to five factors: Physical proximity, the amount of time customers and cashiers spend together, the amount of feedback customers give, the amount of information they provide, and the crucial role cashiers attribute to customers.	Qualitative (unstructured observations and interviews with cashiers (n = 30) and customers (n = 30), participant observation as a cashier, six supermarkets in Israel)	Influence of management, co-workers, and customers over cashiers	-	Customers have immediate influence over cashiers at the time of job performance whereas management influence is more legitimate but more remote.
Basch and Fisher (2000) <i>Emotions in the workplace: Research, theory, and practice</i>	<i>Acts of customers</i> are appraised behaviors towards oneself or other employees by customers.	Qualitative, survey (n = 101 hotel employees; 736 work situations coded via an event emotion matrix; 14 categories for positive job events, 13 categories for negative job events)	Emotions at work evoked by work events	Affective events theory	Ten percent out of the total positive emotions experienced at work are caused by acts of customers or interacting with customers. Seven percent of the total negative emotions experienced at work are caused by job events related to acts of customers.
Grandey, Tam, and Brauburger (2002) <i>Motivation and Emotion</i>	<i>Customer contact</i> refers to the frequency of employees contact with customers.	Experiential sampling, diary study (n = 36 part-time employees / students, within two weeks, n = 169 diary events)	Job satisfaction and turnover intentions	Affective events theory	Qualitative data provided information about work affective events and affect- driven behaviors. Interpersonal mistreatment from customers is the most frequent cause of anger and results in faking expressions about 50% of the time. Recognition from supervisors for work performance is the main cause of pride.
Tan, Foo, and Kwek (2004) <i>Academy of Management Journal</i>	<i>Customer personality traits</i> refer to customers' agreeableness and customers' negative affectivity.	Unobtrusive observations and customer surveys (n = 432, two major fastfood chains in Singapore with 24 outlets)	Display of positive emotions of service providers	Emotional contagion	Customers' agreeableness is related with an increase in the display of positive emotions by service providers. In contrast, customers' negative affectivity is related with a decrease in the displays of positive emotions by service providers.

6.1.4 Energizing Influences of Customers on Individual Employees

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
Grant, Campbell, Chen, Cottone, Lapedis, and Lee (2007) <i>Organizational Behavior and Human Decision Processes</i>	<i>Respectful contact</i> is the degree to which communications between employees and beneficiaries are characterized by courtesy and appreciation.	Three experiments (Exp. 1: longitudinal field experiment, n = 39 employees of a fundraising organization; Exp. 2: laboratory, n = 30 students; Exp. 3: laboratory, n = 122 students)	Prosocial impact, affective commitment to beneficiaries, employees' task persistence	Relational job design	Respectful contact with beneficiaries increases persistence behavior. Perceived impact and affective commitment to beneficiaries mediates the effects of contact with beneficiaries on persistence, and task significance moderates the effects of contact with beneficiaries on persistence.
Grant and Hofmann (2011) <i>Organizational Behavior and Human Decision Processes</i>	<i>Ideological messages</i> from beneficiary are defined as persuasive appeals delivered by beneficiaries to convince employees to change their attitudes or behavior by invoking an inspiring set of shared values and ideals.	Three studies (Exp. 1: field quasi-experiment, n = 60 employees of a fundraising organization; Exp. 2: laboratory, n = 103 students; Exp. 3: laboratory, n = 371 students)	Employee performance	Attributional suspicion	Ideological messages delivered by an unknown beneficiary increases employee performance, whereas employee performance is not increased when the messages are delivered by leaders. Beneficiaries motivate higher task and citizenship performance than leaders with prosocial messages, but not with achievement messages.
Grant (2012) <i>Academy of Management Journal</i>	<i>Beneficiary contact</i> refers to the degree to which employees have the opportunity to interact with clients, customers, or others affected by their work.	Two studies (quasi-experiment, n = 71 employees of a call-center; survey study, n = 329 employee-supervisor dyads of a government organization)	Prosocial impact, employee performance	Relational job design	A transformational leadership intervention enhances sales and revenue but only when employees had contact with a beneficiary. The positive association between transformational leadership and supervisor ratings of follower performance is stronger under beneficiary contact, and followers' perceptions of prosocial impact mediates this interactive relationship.

6.1.5 Customer Influences on Employees at the Organizational Level

Author(s) (Year) Journal	Construct and Definition	Method	Consequences	Theory	Key findings
Ryan, Schmit, and Johnson (1996) <i>Personnel Psychology</i>	<i>Customer satisfaction</i> reflects the overall satisfaction of customers at the branch level.	Longitudinal analyses, survey design (n = 131 branches of a financial services organization in two consecutive years, data provided by employees and customers; per month: n = 500 customers)	Employee attitudes, turnover	-	Customer satisfaction is positively related with employee satisfaction.
Bell, Mengüç, and Stefani (2004) <i>Journal of the Academy of Marketing Science</i>	<i>Customer complaints</i> are defined as negative customer feedback provided to the store.	Cross-sectional design, survey (n = 392 employees of a national retail organization from 115 stores)	Job motivation, commitment to customer service	Role theory	Customer complaints have a negative moderating effect on the relationship between organizational support and commitment to customer service, while having a positive moderating effect on the relationship between supervisory support and commitment to customer service.
Luo and Homburg (2007) <i>Journal of Marketing</i>	<i>Customer satisfaction</i> reflects the overall satisfaction of customers at the organizational level.	Longitudinal analyses (n = 139 companies, two consecutive years), large-scale secondary data from multiple sources: American Customer Satisfaction Index and Fortune's America's Most Admired Corporations	Organizations' human capital performance	Emotional contagion	Customer satisfaction feeds positively back to organization's excellence in human capital (employee talent and manager superiority).

6.2 Survey Items for Study 1

6.2.1 Survey Items for Customer Feedback

Customer Feedback

Instruction: We would like to know whether you receive feedback from customers of your organization.

Positive Customer Feedback

English

German

I frequently receive positive feedback from our customers.

Ich erhalte regelmässig positive Rückmeldungen von unseren Kunden.

Negative Customer Feedback

I frequently receive negative feedback from our customers.

Ich erhalte regelmässig negative Rückmeldungen von unseren Kunden.

Note. Items are based on Kinicki et al. (2004).

6.2.2 Survey Items for Positive Affective Climate

Positive Affective Climate

Instruction: We are interested in the atmosphere at your company. Please provide a rough assessment on how you experience most people who work at your company. Please ask yourself, how often did employees within your organization feel the following emotions at work since the beginning of the year?

Item English

German

Item	English	German
	Employees in our organization...	Mitarbeiter in unserem Unternehmen...
1.	...feel excited in their job.	...empfinden ihre Arbeit als spannend.
2.	...feel enthusiastic in their job.	...sind begeistert von ihrer Arbeit.
3.	...feel energetic in their job.	...fühlen sich energiegeladen bei der Arbeit.
4.	...feel inspired in their job.	...empfinden ihre Arbeit als inspirierend.
5.	...feel ecstatic in their job.	...sind euphorisch bei der Arbeit.

Note. All items are taken from Cole et al. (2012).

6.2.3 Survey Items for Organizational Well-Being

Organizational Well-Being

Overall Employee Productivity^a

Instruction: How do you evaluate the performance of your organization regarding the following criteria in comparison to other organizations of the same industry?

English

German

Employee productivity

Mitarbeiterproduktivität

Employee Retention^a

Employee retention

Mitarbeiterbindung

Emotional Exhaustion^b

Instruction: To what extent do you agree with the following statements about your work?

Item	English	German
1.	I feel emotionally drained from my work.	Ich fühle mich durch meine Arbeit emotional erschöpft.
2.	I feel used up at the end of the workday.	Am Ende eines Arbeitstages fühle ich mich verbraucht.
3.	I feel fatigued when I get up in the morning and have to face another day on the job.	Ich fühle mich müde, wenn ich morgens aufstehe und den nächsten Arbeitstag vor mir habe.
4.	Working all day is really a strain for me.	Den ganzen Tag zu arbeiten ist für mich wirklich anstrengend.
5.	I feel burned out from my work.	Ich fühle mich durch meine Arbeit ausgebrannt.

Notes. ^aItems are based on Combs et al. (2005). ^bItems are based on Maslach and Jackson (1981).

6.3 Survey Items for Study 2

6.3.1 Survey Items for Customer Recognition

Customer Recognition

Instruction: Do you agree with the following statements?

Item	English	German
1.	I feel that our customers appreciate my work.	Ich spüre, dass unsere Kunden meine Arbeit wertschätzen.
2.	I feel that our customers value my contributions at work.	Ich merke, dass das, was ich leiste, von unseren Kunden geschätzt wird.
3.	I feel that our customers respect me for my work.	Es ist für mich spürbar, dass mich unsere Kunden für meine Arbeit respektieren.

Note. Items are based on Grant (2008).

6.3.2 Survey Items for Prosocial Impact Climate

Prosocial Impact Climate

Instruction: Do you agree with the following statements?

Item	English	German
1.	I am very conscious of the positive impact that my work has on others.	Ich bin mir sehr bewusst, dass meine Arbeit andere positiv beeinflusst.
2.	I am very aware of the ways in which my work is benefiting others.	Ich weiss ganz genau, wie meine Arbeit zum Wohl anderer beiträgt.
3.	I feel that I can have a positive impact on others through my work.	Ich fühle, dass meine Arbeit etwa Positives im Leben anderer Menschen bewirkt.

Note. Items are based on Grant (2008).

6.3.3 Survey Items for Productive Organizational Energy

Productive Organizational Energy

Instruction: We are interested in the atmosphere at your company. Please provide a rough assessment on how you experience most people who work at your company.

Affective Dimension

Instruction: Please ask yourself, how often did employees within your organization feel the following emotions at work since the beginning of the year?

Item	English	German
	Employees in our organization...	Mitarbeiter in unserem Unternehmen...
1.	...feel excited in their job.	...empfinden ihre Arbeit als spannend.
2.	...feel enthusiastic in their job.	...sind begeistert von ihrer Arbeit.
3.	...feel energetic in their job.	...fühlen sich energiegeladen bei der Arbeit.
4.	...feel inspired in their job.	...empfinden ihre Arbeit als inspirierend.
5.	...feel ecstatic in their job.	...sind euphorisch bei der Arbeit.

Cognitive Dimension

Instruction: How well do the following statements describe the employees in your organization?

1.	...are ready to act at any given time.	...sind jederzeit zum Handeln bereit.
2.	...are mentally alert.	...sind derzeit geistig rege.
3.	...have a collective desire to make something happen.	...haben den gemeinsamen Wunsch etwas zu bewegen.
4.	...really care about the fate of this company.	...interessieren sich wirklich für das Schicksal dieses Unternehmens.
5.	...are always on the lookout for new opportunities.	...suchen ständig nach neuen Chancen für das Unternehmen.

Behavioral Dimension

Instruction: How well do the following statements describe the employees in your organization?

1.	...will go out of their way to ensure the company succeeds.	...gehen an ihre Grenzen, um den Erfolg des Unternehmens zu sichern.
2.	...often work extremely long hours without complaining.	...arbeiten oft extrem lange, ohne sich zu beschweren.
3.	...have been very active lately.	...waren in der letzten Zeit sehr aktiv.
4.	...are working at a very fast pace.	...arbeiten momentan mit einer sehr hohen Geschwindigkeit.

Note. All items are taken from Cole et al. (2012).

6.3.4 Survey Items for Transformational Leadership Climate

Transformational Leadership Climate

Instruction: In the following, we would like to know how you perceive the leadership style of your direct superior. If you have more than one direct superior, please evaluate the one with whom you work together most frequently.

Intellectual Stimulation

Item	English	German
	My direct superior...	Mein/e direkte/r Vorgesetzte/r...
1.	...provides me with new ways of looking at things.	...bringt mir neue Sichtweisen auf Dinge nahe.
2.	...forces me to rethink some of my own ideas.	...bringt mich durch seine / ihre Ansichten dazu, einige meiner Vorstellungen zu überdenken.
3.	...stimulates me to think about old problems in new ways.	...regt mich dazu an, auf neue Weise über Probleme nachzudenken.

Articulating Vision

1.	...is always seeking new opportunities for the organization.	...sucht stets nach neuen Chancen für das Unternehmen.
2.	...paints an interesting picture of the future for our company.	...zeichnet für unser Unternehmen ein interessantes Bild von der Zukunft.
3.	...has a clear understanding of where we are going.	...hat ein klares Verständnis davon, wohin wir gehen.
4.	...inspires others with his / her plans for the future.	...inspiriert andere mit seinen / ihren Plänen für die Zukunft.
5.	...is able to get others committed to his / her plans of the future.	...bringt andere dazu, sich für seine / ihre Träume von der Zukunft voll einzusetzen.

High Performance Expectations

1.	...shows us that he / she expects a lot from us.	...zeigt uns, dass er / sie viel von uns erwartet.
2.	...insists on only the best performance.	...besteht ausschließlich auf Bestleistungen.
3.	...will not settle for second best.	...wird sich mit einem zweiten Platz nicht zufrieden geben.

Fostering Group Goals

1.	...fosters collaboration among work groups.	...fördert die Zusammenarbeit zwischen den Arbeitsgruppen.
2.	...encourages employees to be "team players".	...ermuntert die Mitarbeiter, „Teamspieler“ zu sein.
3.	...gets employees to work together for the same goal	...schafft es, dass die Mitarbeiter gemeinsam für das gleiche Ziel arbeiten.

-
- | | | |
|----|---|--|
| 4. | ...develops a team attitude and spirit among his / her employees. | ...entwickelt einen Gemeinschaftssinn und Teamgeist unter seinen / ihren Mitarbeitern. |
|----|---|--|
-

Providing Role Model

- | | | |
|----|-------------------------------------|-------------------------------|
| 1. | ...leads by role modeling. | ...führt durch Vorbildhandeln |
| 2. | ...provides a good model to follow. | ...ist ein gutes Vorbild. |
| 3. | ...leads by example. | ...führt als Vorbild. |
-

Individualized Support

- | | | |
|----|---|--|
| 1. | ...acts without considering my feelings. ^a | ...handelt, ohne meine Gefühle zu berücksichtigen. ^a |
| 2. | ...shows respect for my feelings. | ...zeigt Respekt für meine Gefühle. |
| 3. | ...behaves in a manner that is thoughtful of my personal needs. | ...beachtet meine persönlichen Bedürfnisse. |
| 4. | ...treats me without considering my feelings. ^a | ...behandelt mich, ohne meine Gefühle zu berücksichtigen. ^a |
-

Notes. All items are based on Podsakoff et al. (1990; 1996). ^aItem is reversed-coded.

6.4 Survey Items for Study 3

6.4.1 Survey Items for Customer Passion

Customer Passion

Instruction: The following statements deal with evaluations about the customers of your company. Do you agree with these statements?

Customers' Affective Commitment^a

Item	English	German
1.	Our customers feel emotionally attached to our organization.	Unsere Kunden fühlen sich stark mit unserem Unternehmen verbunden.
2.	Our customers are proud to tell others that they are our customers.	Unsere Kunden sind stolz, anderen erzählen zu können, dass sie unsere Kunden sind.
3.	Our customers are fans of our organization.	Unsere Kunden sind Fans unseres Unternehmens.
4.	Our customers can get enthusiastic about the products / services of our organization.	Unsere Kunden können sich für die Produkte / die Dienstleistungen des Unternehmens begeistern.

Customers' Positive Word-of-Mouth^b

1.	Our customers speak favorably about our products / services to people they know.	Unsere Kunden sprechen gut über unsere Produkte / Dienstleistungen bei Leuten, die sie kennen.
2.	Our customers bring up our products / services in a positive way in conversations they have with friends and acquaintances.	Unsere Kunden erwähnen unsere Produkte / Dienstleistungen im positiven Sinne bei Gesprächen, die sie mit Freunden und Bekannten führen.
3.	Our customers recommend our products / services.	Unsere Kunden empfehlen unsere Produkte / Dienstleistungen weiter.

Notes. ^aThe first two items are based on Allen and Meyer (1990); the latter two items were newly developed.

^bItems are based on Arnett et al. (2003).

6.4.2 Survey Items for Productive Organizational Energy

POE was assessed via the same instrument as applied in Study 2 (cf. Appendix 6.3.3).

6.4.3 Survey Items for Top Management Team's Customer Orientation

TMT's Customer Orientation

Instruction: The following statements deal with your attitudes towards customers. Do you agree with these statements?

Item	English	German
1.	I have a deep understanding of our customers' wants and needs.	Ich habe ein tiefes Verständnis von den Wünschen und Bedürfnissen unserer Kunden.
2.	I feel personally responsible for creating loyal customers for our company.	Ich fühle mich persönlich dafür verantwortlich, treue Kunden für unser Unternehmen zu schaffen.
3.	I feel a sense of victory if we are able to gain or retain customers.	Ich spüre ein Siegesgefühl, wenn wir es schaffen, Kunden zu gewinnen oder zu behalten.
4.	I understand how critical it is for our company to create loyal customers.	Ich verstehe wie entscheidend es für unser Unternehmen ist, treue Kunden zu schaffen.
5.	I feel pain if we lose customers to our competition.	Es tut mir weh, wenn wir Kunden an unsere Konkurrenz verlieren.

Note. All items are taken from Liao and Subramony (2008).

6.4.4 Survey Items for Organizational Performance

Organizational Performance

Instruction: How do you evaluate your company's performance compared to other companies in the same industry in relation to the following terms? Please refer to the period since the beginning of the year.

Item	English	German
1.	Company growth	Wachstum
2.	Financial situation	Finanzlage
3.	Return on assets	Gesamtkapitalrendite
4.	Efficiency of business processes	Effizienz der Geschäftsabläufe
5.	Employee retention	Mitarbeiterbindung

Note. All items are based on Combs et al. (2005).

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 Summer Program in Quantitative Methods
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 Summer School in Social Science Data Analysis
- 2005 – 2006 **Bayerische EliteAkademie**, Munich, Germany
 Scholarship holder
- 2003 – 2007 **Ludwig-Maximilians-Universität**, Munich, Germany
 M.A. in Psycholinguistics, Psychology and Education
- 1994 – 2003 **Reuchlin-Gymnasium**, Ingolstadt, Germany
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