Fostering Employee Service Creativity: Joint Effects of Customer Empowering Behaviors and Supervisory Empowering Leadership

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Integrating insights from the literature on customers' central role in service and the literature on employee creativity, we offer theoretical and empirical account of how and when customer empowering behaviors can motivate employee creativity during service encounters and, subsequently, influence customer satisfaction with service experience. Using multilevel, multisource, experience sampling data from 380 hairstylists matched with 3550 customers in 118 hair salons, we found that customer empowering behaviors were positively related to employee creativity and subsequent customer satisfaction via employee state promotion focus. Results also showed that empowering behaviors from different agents function synergistically in shaping employee creativity: supervisory empowering leadership strengthened the indirect effect of customer empowering behaviors on employee creativity via state promotion focus.

Keywords: customer service, customer empowering behaviors, empowering leadership, state promotion focus, service creativity

Seventy-nine percent of the U.S. economy is related to service (Central Intelligence Agency, 2013); the rising importance of service in the global economy has sparked increased research interest in customer service (e.g., Mayer, Ehrhart, & Schneider, 2009; Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). In parallel, employee creativity (i.e., the generation of novel and useful ideas; Amabile, 1988; Shalley, Zhou, & Oldham, 2004) in customer service has emerged as an interesting and important research topic since service creativity has the potential to delight customers in unusual ways or solve problems that existing protocol falls short of addressing, leading to heightened customer satisfaction and ultimate organizational success (Gilson, Mathieu, Shalley, & Ruddy, 2005; Madjar & Ortiz-Walters, 2008, 2009). While both service creativity and service quality (e.g., efficiency, responsiveness, and courtesy; Parasuraman, Zeithaml, & Berry, 1985; Schneider, 2004) can satisfy customer needs, an important distinction exists between these two constructs. Service quality can be achieved through standardized practices (Gilson et al., 2005) and does not necessarily involve creative solutions, whereas creativity focuses on “pleasantly surprising” customers (Zeng, Proctor, & Salvendy, 2012) and addresses problems in unconventional ways that extend beyond existing procedures.

A separate stream of research has focused on the central role that customers play in the service context. Customers are the source of employees’ and service organizations’ incomes; customers often can decide whether to use the same employee or service organization for future services; they may refer their friends to the same employee, or, if experiencing a dissatisfying service, they may persuade others to go elsewhere (Bowen, 1983; Zhao, Huo, Flynn, & Yeung, 2008). The considerable power held by the customers makes them a distinctive source of influence. The contemporary literature on the role of customers posits that customers can provide critical inputs to help improve the service they receive because customers may have the precise information and first-hand experiences with the service (Bogers, Afuah, & Bastian, 2010; Bowen & Schneider, 1988; Foss, Laursen, & Pedersen, 2011; Oradanini & Parasuraman, 2011; Schneider et al., 2005). In other words, the literature indicates that one type of customer influence is that customers contribute directly to the service process by offering unique information and perspectives. Nevertheless, in receiving service, customers may not want to specify
information, direct the process, or prescribe a solution. Rather, customers may motivate the employees by making the employees believe that they are capable of doing the job and have the freedom to make decisions during the service. To the extent that service creativity is valuable to customers, a central question to ask is: how might customers encourage employee creativity without having to contribute specific knowledge or be willing to be involved in every detail of service delivery? The extant literature offers no theoretical or empirical answers to this question, which seems a lost opportunity for customers and managers of service employees alike.

To address this question, the present study integrates the two streams of research within the customer service and creativity literatures to examine the possibility that a customer can serve as a key motivator of employee creativity during service encounters and that employee creativity can ultimately enhance customer satisfaction. Specifically, we first draw upon the literature of customer influence in the service context to put customers on the center stage and examine the effects of perceived customer empowering behaviors on employee service creativity. Second, we build on insights from the research of employee creativity in service customer to theorize a motivational path through which customer empowering behaviors exert impact on employee creativity. We define customer empowering behaviors as customer actions that make employees feel motivated and able to make decisions regarding how to achieve desired outcomes during the service encounters (Ahearne, Mathieu, & Rapp, 2005; Conger & Kanungo, 1988; Thomas & Velthouse, 1990). While employees are likely to be mindful of customers’ power and thus hesitate to try new ideas for fear of making customers unhappy, we suggest that customers may empower employees and unleash employees’ creative potential. The necessity and value of empowering employees have been implied in the service context. Research has suggested that it is impossible for leaders to closely monitor and control the service process (Mathieu, Ahearne, & Taylor, 2007; Schneider, Bowen, Ehrhart, & Holcombe, 2000). Rather, positive service outcomes may result when front-line service employees are given latitude in satisfying customers (Martin, Liao, & Campbell, 2013). Considering customers’ powerful influence and proximity to the service process, it is surprising that research has yet to focus on customers as direct sources of empowerment, leaving an important potential of customer influence unexamined and a potentially effective approach to manage service employees unexplored.

To advance our theoretical understanding, we clarify the effects of customer empowering behaviors on employee creativity in the service context and address two related issues. First, why do customers affect service creativity? We investigate the motivational path that links customer empowering behaviors to creativity. Specifically, we propose that customer empowering behaviors affect employees’ promotion focus, a type of self-regulatory focus that directs employees’ goal pursuit toward aspiring, expanding, and entering (Higgins, 1997, 1998). During a service encounter, which is finite in duration, such a promotion focus facilitates employees’ investing their time and energy toward coming up with novel and practical ways of solving problems ( Förster, Friedman, & Liberman, 2004; Friedman & Förster, 2001). Second, when will the impact of customers be stronger? The consistency between contextual influences is often critical for creativity to occur (Zhang & Zhou, 2014). We investigate whether supervisors’ empowering leadership (from inside the service organization) and customer empowering behaviors (external to the organization) interact to motivate employee creativity. Namely, we expect that supervisory empowering leadership strengthens the customer empowering behaviors—employee creativity connection.

Taken together, we aim to make four significant contributions. First, we contribute to the customer service literature by identifying customer empowering behaviors as a powerful motivating force that elevates employee creativity. Extant research has largely focused on how customers can offer information and expertise in the service (Foss et al., 2011; Madjar & Ortiz-Walters, 2008). We know little about whether and how customers may serve as motivators of employee creativity. Second, we extend the creativity literature by highlighting the creativity-enhancing role of customers and theorizing promotion focus as the path linking customer empowering behaviors to employee creativity. The vast majority of creativity studies have examined contextual influence from leaders, coworkers, and work teams (e.g., Baer, Leenders, Oldham, & Vadera, 2010; Gong, Huang, & Farh, 2009; Hirst, Van Knippenberg, & Zhou, 2009; Oldham & Cummings, 1996; Perry-Smith & Shalley, 2003; Shin & Zhou, 2003; Zhang & Bartol, 2010). However, customers’ motivational impact—arguably the most proximal social influence for service creativity (Grant & Hofmann, 2011)—is not well understood and cannot be assumed to operate identically to the impact from other sources. Third, by examining the synergistic effect of supervisory empowering leadership in strengthening the positive impact of customer empowering behaviors on employee creativity, we knit together the customer service, creativity, and empowering leadership literature that have progressed separately, and address the call for research on the consistency effects involving multiple contextual factors for creativity (Zhang & Zhou, 2014; Zhou & Hoever, 2014). Fourth, the multilevel, multisource, experience sampling approach allows us to make an empirical contribution by examining both within-individual and between-individual predictors of service creativity.

**Theory and Hypotheses**

In this section, we develop our theoretical model (see Figure 1). First, we clarify the concept and value of customer empowering behaviors. Second, we discuss the positive connection between customer empowering behaviors and creativity, as mediated by employee state promotion focus. Third, we predict that employee creativity is positively related to customer satisfaction. Lastly, we explain how the positive impact of customer empowering behaviors on creativity via state promotion focus is strengthened when empowering leadership is also present.

**Customer Empowering Behaviors**

The notion of empowerment is central to service industries. Since front-line employees frequently engage in direct interactions with the customers and most keenly understand customer needs,
their ability to serve can benefit from removal of bureaucratic prescriptions about how to work and increased freedom to operate as they see fit (Ahearne et al., 2005; Martin et al., 2013; Schneider et al., 2000). Drawing upon the contemporary customer service literature, which regards customers as having substantial power and potential of influence over service employees (Bowen, 1983; Bowen & Schneider, 1988; Zhao et al., 2008), we argue that customers act as a major source of empowerment during service encounters.

Empowering has been conceptualized as a motivating process that facilitates individuals’ intrinsic need for control and mastery (Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990). Accordingly, we define customer empowering behaviors as customers creating conditions that make employees feel motivated and capable of making important decisions about their work. By exhibiting empowering behaviors, customers can serve as motivators that shape employees’ motivation and behaviors during the service encounters. Applying principles from the empowering leadership literature, we expect that customers can empower by highlighting the meaningfulness of the employees’ job, involving them in decision making, expressing confidence in their capabilities, and offering them more autonomy during the service (Ahearne et al., 2005; Arnold, Arad, Rhoades, & Drasgow, 2000; Zhang & Bartol, 2010). Because these behaviors collectively make people feel capable of managing important domains of their work, they jointly reflect the motivating process of empowerment (Conger & Kanungo, 1988). Examples of customer empowering behaviors include a hardware store customer describing the importance of a home improvement effort and showing confidence in the employee’s expertise in selecting the right tools, or a customer seeking the advice of a stylist and expressing willingness to take the stylist’s suggestion when deciding on a new hair style.

Customer empowering behaviors are related to the concept of delegation, but differ in that delegation reflects only one aspect of empowering behaviors, that is, autonomy (Mills & Ungson, 2003). Customer empowering behaviors also differ from rapport and support. Unlike empowering process, rapport requires shared positive emotions and a closeness of the relationship. Customer empowering behaviors do not necessarily involve positive interpersonal relationship and emotional attachment, which are core to these other relational constructs that have been examined in the creativity literature (e.g., Janssen, 2005; Madjar, Oldham, & Pratt, 2002; Scott & Bruce, 1994; Tierney, Farmer, & Graen, 1999). Support can manifest in a directive rather than empowering forms, such as giving prescriptive solutions for service-related problems (e.g., Jokisaari & Nurmi, 2009).

**Customer Empowering Behaviors, Employee State Promotion Focus, and Creativity**

Previous theory and research concerning creativity and empowerment suggest that empowering behaviors create a work context that motivates employees to use more active and success-oriented means to maximize work objectives (Friedman & Förster, 2001; Spreitzer, 1995, 1996; Zhou, Hirst, & Shipton, 2012). This includes generating creative solutions to satisfy customers beyond their expectations (Ahearne et al., 2005; Martin et al., 2013). In particular, creativity scholars have remarked that “self-regulating strategies focused on success, achievement and problem solving [that is, promotion focus] are potent sources of employee creativity” (Zhou et al., 2012, p. 894; Friedman & Förster, 2001; Neubert, Kacmar, Carlson, Chunko, & Roberts, 2008). Accordingly, we propose that customer empowering behaviors can promote employee creativity by affecting employees’ self-regulation toward achievement, specifically, promotion focus.

Self-regulation refers to the process by which individuals set desired end-states or goals and guide their own activities and performance toward these end-states (Carver & Scheier, 1981; Higgins, 1997, 1998; Vohs & Baumeister, 2004). According to regulatory focus theory (Higgins, 1997, 1998), people have two basic self-regulation systems: promotion focus, which emphasizes aspiration, accomplishment, and achievement of gain, and prevention focus, which emphasizes responsibilities, safety, and avoidance of loss. Consistent with the motivational nature inherent in customer empowering behaviors, we examine the role of promotion focus. Of particular relevance to service encounters, research found that momentary situations such as others’ language and behavior can temporarily affect one’s promotion focus (e.g., Brockner & Higgins, 2001; Van Dijk & Kluger, 2011). This suggests that state promotion focus may be a particularly useful motivational path that links a customer’s empowering behaviors and the employee’s creativity during a service interaction.

Empowering customers demonstrate behaviors that allow employees to make decisions and to take effective actions without intervention from the customers. Such behaviors make employees feel that they have both the ability and freedom to use their own expertise to complete service tasks (Spreitzer, 1995; Thomas & Velthouse, 1990). As a result, employees tend to develop stronger desire and commitment in achieving favorable outcomes. By helping employees recognize the meaning and impact of their job, customers can energize employees, stimulate their wish to make changes, and direct their attention toward accomplishment with less concern for failure—all of which are reflected in a promotion
focus (Kark & van Dijk, 2007; Kluger & Ganzach, 2004). Moreover, customers can empower employees by seeking employees’ advice during decision making, giving them control over tasks, and expressing confidence in employees’ capability. These behaviors foster employees’ sense of mastery and are related to higher aspirations for success, which align well with the striving for maximal goals and personal growth in a promotion-focus mindset. In line with these arguments, Neubert and colleagues (2008) found leaders whose “personal power [is] consciously controlled and generously shared” with followers (Molyneaux, 2003, p. 360) increased followers’ promotion focus. We hypothesize:

**Hypothesis 1:** Customer empowering behaviors, as perceived by employees, are positively related to employee state promotion focus during the service encounters.

Employee promotion focus will in turn boost service creativity. Individuals operating with a stronger promotion focus show more willingness to take risks, are more concerned with development, and demonstrate more “exploratory” behaviors (Crowe & Higgins, 1997; Förster, Higgins, & Idson, 1998; Friedman & Förster, 2001; Liberman, Idson, Camacho, & Higgins, 1999). Especially, with a risk-seeking orientation, promotion-focused employees may feel excited about searching for new ideas during the service encounters. Therefore, they are likely to engage in divergent thinking and creative problem-solving processes in which multiple alternatives are considered (Förster et al., 2004). This enables employees to achieve higher levels of creativity.

Supporting these arguments in laboratory settings, Crowe and Higgins (1997) and Friedman and Förster (2001) found that promotion-induced participants outperformed their prevention-induced counterparts in the tasks requiring generation of new alternatives and creative insights. More recently, Neubert and colleagues (2008) extended the investigation to the workplace by showing a positive effect of employees’ promotion focus at work on their creative behaviors. Consistently with these findings, Zhou and colleagues (2012) research supported their argument that promotion focus helps individuals maintain enthusiasm as well as promotes an exploratory processing style, which provides a foundation for creativity. We propose:

**Hypothesis 2:** Employee state promotion focus is positively related to employee creativity during the service encounters.

So far, we have hypothesized that customer empowering behaviors can influence service employee state promotion focus, which, in turn, drives employee creativity during the service encounters. These arguments together lead us to predict:

**Hypothesis 3:** Employee state promotion focus mediates the positive relationship between customer empowering behaviors and employee creativity during the service encounters.

**Employee Creativity and Customer Satisfaction**

We expect that employees’ service creativity leads to higher levels of customer satisfaction through two paths: (a) by meeting special customer demands and expectations and/or (b) by delighting customers through unexpected service solutions. First, when employees exhibit creativity during the service encounters, they generate novel solutions that are useful in dealing with the service tasks at hand. These novel solutions may include devising new processes or adapting and refining existing procedures to address customer needs (Madjar & Ortiz-Walters, 2008). Both forms of creativity should enable employees to better fulfill customer expectations and needs, therefore bringing unique customer benefits and enhancing customer satisfaction. Second, since service creativity represents constructive departure from, and improvement over, existing approaches and past experiences, it offers opportunities to surprisingly please customers (Zeng et al., 2012). With the unexpected, delightful experience, customers are likely to perceive more satisfaction with the service.

Consistent with these arguments, in a sample of customer service technicians, Gilson and her colleagues (2005) found that creative team environments facilitated employee engagement in creative processes and, subsequently improved teamwork and customer satisfaction. While the evidence has been gathered at the between-employee level, research has yet to examine the effect of service creativity on customer satisfaction at the within-employee level. Since each customer–employee interaction may be different, we specify that the relationship between service creativity and customer satisfaction is also a meaningful encounter-level (i.e., within-employee) phenomenon that varies by customers. Together, we predict:

**Hypothesis 4:** Employee creativity is positively related to customer satisfaction with the service encounter.

**Moderation by Supervisory Empowering Leadership**

In addition to customers, supervisors serve critical roles in influencing service employees and important service outcomes (e.g., Liao & Chuang, 2007; Schneider et al., 2005; Schneider, Wheeler, & Cox, 1992). Research on customer service management has suggested that supervisors’ leadership style can shape employees’ attitudes, behaviors, and performance (Borucki & Burke, 1999; Burke, Borucki, & Hurley, 1992; Dietz, Pugh, & Wiley, 2004; Schneider, 1990; Schneider, White, & Paul, 1998). For example, Schneider and colleagues (Salvaggio et al., 2007; Schneider et al., 2005; Schneider et al., 1998) found that service-oriented leadership impacted employee service quality, customer satisfaction, and unit sales by cultivating a proservice climate. Liao and Chuang (2007) and Hur, van den Berg, and Wilderom (2011) found that transformational leadership was positively related to the desirable service outcomes at both the individual and team levels.

Building upon and extending this literature, we argue that supervisors, as a comparatively distal source of influence, have the potential to facilitate the more proximal influence of customers. Considering that it is almost impossible for supervisors to directly control the service process (Ahearne et al., 2005; Mathieu et al., 2007; Schneider et al., 2000), we expect supervisory empowering leadership to be particularly useful in the service context. Accordingly, we examine supervisory empowering leadership as a moderator that strengthens the impact of customer empowering behaviors on employee creativity. Similar to customer empowering behaviors, an empowering supervisor will implement conditions with a view toward enhancing employees’ intrinsic motivation and investment in the work (Ahearne et al., 2005; Arnold et al., 2000; Zhang & Bartol, 2010).

As pointed out by Kanfer and colleagues (Chen & Kanfer, 2006; Kanfer, 1990), motivational stimuli emanating from different sources
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out new solutions (Friedman & Förster, 2001). Specifically, an
success, providing the opportunity to explore, experiment and seek
2010). Empowering leadership should appeal to their desires for
creative activities (Pieterse, van Knippenberg, Schippers, & Stam,
perceive that their efforts are valued in order to actually engage in
focus constitutes important personal motivation to be creative,
tion focus is more likely to manifest as creativity. While promotion
leadership because employees may not believe they should or truly
have the freedom to strive for promotional goals in the service.
Therefore, we predict:

**Hypothesis 5:** The relationship between employee-perceived
customer empowering behaviors and state promotion focus
during the service encounters will be stronger when there is a
higher rather than lower level of supervisory empowering
leadership.

With a more empowering supervisor, employees’ state promotion
focus is more likely to manifest as creativity. While promotion
focus constitutes important personal motivation to be creative,
employees need to feel enabled to express creative motivation and
perceive that their efforts are valued in order to actually engage in
creative activities (Pieterse, van Knippenberg, Schippers, & Stam,
2010). Empowering leadership should appeal to their desires for
success, providing the opportunity to explore, experiment and seek
out new solutions (Friedman & Förster, 2001). Specifically, an
empowering supervisor shows confidence in employees’ ability,
making promotion-focused employees feel capable to pursue cre-
ative outcomes. An empowering supervisor also unshackles em-
ployees from bureaucratic restrictions about how to work and
allows employees discretion to adapt as they see fit (Mathieu et al.,
2007). Left more often to their own devices, promotion-focused
employees will take more risks to pursue ideas that are novel (e.g.,
Friedman & Förster, 2001; Neubert et al., 2008). However, if the
supervisor exhibits prescriptive styles and emphasizes established
rules, employees are more likely to harbor concerns that prevent
them from generating new ideas. In line with these arguments,
researchers have shown that work characteristics that promote
autonomy and support discretionary efforts facilitated the promo-
tion focus–creativity link (e.g., Shalley & Gilson, 2004). We
propose:

**Hypothesis 6:** The relationship between employee state pro-
motion focus and employee creativity during service encoun-
ters will be stronger when there is a higher rather than lower
level of supervisory empowering leadership.

Combining Hypotheses 5 and 6, we anticipate that supervisory
empowering leadership can strengthen the indirect relationship
between customer empowering behaviors and employee creativity
via employee state promotion focus. We propose a moderated
mediation relationship:

**Hypothesis 7:** Empowering leadership moderates the mediated
effect of employee perceived customer empowering behaviors
on employee creativity via state promotion focus such that the
indirect relationship will be stronger when there is a higher
rather than lower level of supervisory empowering leadership.

**Method**

**Research Site, Procedures, and Sample**

We collected data in hair salons from a large salon chain in
Taiwan.² We selected hair salons as the research context for two
reasons. First, generating novel and appropriate hairstyles to meet
various customer needs is one of the most basic and important
requirements for stylists (Madjar & Ortiz-Walters, 2008). Thus,
hair salons constitute a particularly fitting context for studying
service creativity. It is important to note that a “creative” hairstyle
is not necessarily inventive, but should give the customer a new
look and properly address the customer’s needs. Second, the
interaction between a customer and a stylist usually lasts long
enough (more than 30 minutes) for the stylist to perceive a cus-
tomer’s behaviors and for the customer to observe the stylist’s
creative performance.

Research assistants (RAs) were trained to distribute surveys in
the salons at various times. On the first visit, RAs asked stylists to
fill out a Time 1 employee survey consisting of measures of
empowering leadership, customer orientation climate, intrinsic
motivation, creative self-efficacy, age, and gender. RAs collected
completed surveys on their second visits. Stylists were told that the
RAs would visit multiple times in the following 4 weeks to
randomly collect information about 10 of their service encounters
with the customers. To avoid employee response fatigue, a max-
imum of two encounters per stylist were assessed in one day. To
ensure adequate interactions between stylists and customers, only
services that typically lasted substantial amount of time (e.g., hair
perming, dying, cutting, and styling) were included. Stylists and
customers were approached at the end of the service, and were
asked to fill out a survey independently. The repeated employee
survey included measures of perceived customer empowering be-
haviors and state promotion focus. The customer survey included
employee creativity, customer satisfaction, returned versus new
customer status, and demographic information. All surveys were
completed on site, and we provided all participants a gift token and
assured confidentiality of their responses.

Our data had a hierarchical structure in which customer–
employee encounters were nested within employees, and em-
ployees were nested within salons. A total of 120 salons, 414 hairstyl-
ists, and 4,200 customers were approached, of which 120 (100.0%)
salons, 410 (99.0%) hairstylists, and 3,713 (88.4%) customers

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² A short version of the paper was published in Academy of Manage-
ment conference proceeding in 2012 (Dong, Liao, Chuang, Zhou, &
Campbell, 2012).
responded. Responses were excluded from the analyses if the assessments were not complete or if the customer and employee responses could not be matched. The final sample consisted of 3,550 complete customer responses matched with 380 individual employees from 118 salons. The average duration of the service transactions was 97 minutes. Among the stylists, 93% were female and their average age was 28. Among the customers, 83% were female and their average age was 34. Since a majority of the participants were women, we used an analysis of variance (ANOVA) to check whether women and men responded differently. Results showed that female and male stylists were not significantly different in their perceptions of customer empowering behaviors, $F = 2.52, p > .05$ and state promotion focus, $F = 1.04, p > .05$, and female and male customers were not significantly different in their evaluations of employee creativity, $F = .14, p > .05$ and their own satisfaction, $F = .03, p > .05$.

**Measures**

All measures that were originally in English were translated into Chinese following the translation-back-translation procedure to ensure accuracy. Unless otherwise noted, all items were assessed on a 5-point Likert-type scale with 1 = *Strongly disagree* and 5 = *Strongly agree*. We provide a list of items and instructions of focal variables in Appendix A.

**Employee-perceived customer empowering behaviors.** We adapted Ahearne and colleagues’ (2005) empowering leadership scale for stylists to assess customer empowering behaviors. We have conducted a pilot study to test the validity of the empowering leadership measure when applying to customer behaviors in a service setting (see Appendix B). Mindful of the length of repeated employee surveys (usually filled out by each stylist for 6 to 13 encounters), we shortened the scale by removing four items that were less appropriate in the service context. The scale retained the same four dimensions as the original measure, with two items in each dimension. The four dimensions and sample items were: (a) enhancing the meaningfulness of work (e.g., “This customer helped me see the importance of my work to him/her”), (b) fostering participation in decision making (e.g., “This customer made decisions about his or her hairstyle together with me”), (c) expressing confidence in high performance (e.g., “This customer believed that I can handle demanding tasks”), and (d) providing autonomy (e.g., “This customer allowed me to provide service my way”).

We conducted a confirmatory factor analysis (CFA) to examine the dimensionality of the customer empowering behaviors measure. Since customers were nested in service employees, we estimated a multilevel CFA model using MPLUS 7 (Hox, 2002; Muthén & Muthén, 1998–2012). We examined the overall model fit by Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). The four subdimensions have been found to be mutually related and collectively represent the construct of empowering behaviors. Hence, we specified a second-order factor model with the four subdimensions as first-order factors and a second-order factor of customer empowering behaviors at both within- and between-individual levels. Fit indices for the model indicated good fit ($\chi^2 = 150.07, p < .05$, CFI = .99, TLI = .99, RMSEA = .03; within-individual SRMR = .03; between-individual SRMR = .03; store-level SRMR = .06). Factor loadings for all items were significant ($p < .05$). The four dimensions were highly correlated; correlations ranged from .53 to .82 ($p < .05$ for all). Taken together, CFA results revealed that the subdimensions were distinct, and collectively reflective of the overall construct. Therefore, we averaged dimensional scores to create an overall score for customer empowering behaviors. The Cronbach’s alpha for the overall customer empowering behaviors scale was .92.

**Employee state promotion focus.** We measured employee state promotion focus using the five items from the workplace promotion focus scale developed and validated by Neubert et al. (2008). This measure was also validated in the pilot study described in Appendix B. We adapted the wording of the promotion focus scale so as to capture the motivational state of an employee when serving a particular customer. Moreover, the instruction highlighted the time boundary of the state promotion focus. Each employee was asked: “to what extent do you agree or disagree with each of the following statements about yourself when you were serving this customer?”. A sample item was “I was motivated to better serve this customer by my aspirations.” The Cronbach’s alpha was .84.

**Employee creativity.** We measured employee creativity by adopting eight items from the 13-item creativity scale used in previous studies (Zhou & George, 2001; Zhou, Shin, Brass, Choi, & Zhang, 2009). We retained the items that were relevant to the service context and were easy to evaluate in order to reduce customers’ cognitive burden. On a 5-point scale ranging from 1 = *not at all characteristic* to 5 = *very characteristic*, customers rated the extent to which each of the eight behaviors was characteristic of the employee who had just served him or her. A sample item was “The stylist came up with creative solutions to problems I had.” The Cronbach’s alpha for the scale was .94.

**Customer satisfaction.** Customer satisfaction was measured with Gotlieb, Grewal, and Brown’s (1994) three customer satisfaction items, which have also been used by Liao and Chuang (2004) more recently. We asked the customers to report their satisfaction toward the stylist who just provided service to them. A sample item was “Overall, I am satisfied with the decision to come to this stylist.” The Cronbach’s alpha for the scale was .93.

** Supervisor empowering leadership.** Using Ahearne et al.’s (2005) 12-item empowering leadership scale, we asked stylists to rate their supervisor’s empowering behaviors. Because we conceptualized empowering leadership as an individual’s perception of leadership toward one’s self, we used an individual referent (i.e., “me”) in the items (e.g., Robert, Probst, Martocchio, Drasgow, & Lawler, 2000; Zhang & Bartol, 2010). Following previous practices (e.g., Ahearne et al., 2005; Zhang & Bartol, 2010), we averaged across four subdimensions to generate the empowering leadership score. The Cronbach’s alpha for the overall empowering leadership scale was .94.

**Covariates.** We controlled for variables that may influence the customer–employee interaction and service outcomes at each of the three levels. At Level 1, we controlled for whether the customer was a first-time or a returned customer using a dummy variable (0 = *first-time customer*, 1 = *returned customer*) because relationship history may impact individual expectations, perceptions, and evaluations of the interaction and outcomes (Mayer et al., 2009).
At Level 2, we controlled for intrinsic motivation and creative self-efficacy since previous research has found that they may explain the impact of empowering behaviors on employee creativity (e.g., Gong et al., 2009; Zhang & Bartol, 2010). Intrinsic motivation was assessed using the 5-item scale developed by Tierney and colleagues (1999). The Cronbach’s alpha for the intrinsic motivation scale was .89. Creative self-efficacy was measured using Tierney and Farmer’s (2002) 3-item scale. The Cronbach’s alpha was .82.

At Level 3, we controlled for store size (the number of stylists) because smaller salon might provide opportunities for more intimate relationships among employees and customers, which could affect customers’ service experience (e.g., Dietz et al., 2004). We also controlled for customer orientation climate since it has been shown to influence employees’ job attitudes and customer-oriented behaviors, as well as customer satisfaction (Burke et al., 1992; Grizzle, Zablots, Brown, Mowen, & Lee, 2009; Hong, Liao, Hu, & Jiang, 2013; Schneider & Bowen, 1985; Schneider et al., 2005). We used the customer orientation scale used by Susskind, Kacmar, and Borchgrevink (2003). The average rwg(j) across the 118 salons was .98, indicating a high level of within-store agreement (James, Demaree, & Wolf, 1984). Intraclass correlation (ICC1) and reliability of group mean (ICC2) values were .03 (p < .05) and .24, respectively. The relatively low ICC2 may stem in part from the small number of stylists per store (e.g., Liao, Toya, Lepak, & Hong, 2009), yet such values should not prevent aggregation if it is justified by theory and supported by other aggregation indices (Chen & Bliese, 2002). We aggregated stylists’ responses to the store level. The Cronbach’s alpha was .89.

**Analytical Strategy**

Prior to hypothesis testing, we conducted CFA to assess the discriminant validity of our key constructs. Customer empowering behaviors, employee state promotion focus, employee creativity, and customer satisfaction were specified at the within-individual level (Level 1). Empowering leadership was treated as the between-individual level variable (Level 2). Although we did not have any hypothesized variables at the store level (Level 3), we specified a three-level model to accurately reflect the data structure and account for the control variables at Level 3.

We applied three-level Hierarchical Linear Modeling (HLM3) to test our hypotheses. We assessed the significance of the indirect effect of customer empowering behaviors on employee creativity via state promotion focus using the multilevel regression procedure in HLM proposed by Bauer, Preacher, and Gil (2006). Moreover, we followed Bauer and colleagues’ approach to test the moderated mediation hypothesis by examining the indirect effect of customer empowering behaviors on employee creativity at differing levels of empowering leadership.

**Results**

The means, standard deviations, correlations, and reliability statistics of the variables included in this study are presented in Table 1.

**Discriminant Validity**

The hypothesized measurement model consisted of five latent variables: perceived customer empowering behaviors, employee state promotion focus, employee service creativity, customer satisfaction, and empowering leadership. Consistent with the conceptualization of customer empowering behaviors and empowering leadership, we specified a second-order factor model for each of them (i.e., a higher order construct of empowering behaviors was indicated by its four subdimensions).

The values on the fit indexes indicated that the multilevel five-factor CFA model provided a good fit for the data ($\chi^2_{(523)} = 1536.00$, $p < .05$; CFI = .97; TLI = .97; RMSEA = .02; within-individual SRMR = .02; between-individual SRMR = .08). All indicators loaded on their respective constructs significantly at the .05 level. We compared this hypothesized model to a four-factor model, in which the two customer-assessed variables (employee creativity and customer satisfaction) were loaded on one factor. Results revealed that the five-factor model fit the data better.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Descriptive Statistics, Reliabilities, and Correlations of the Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
<td>Mean</td>
</tr>
<tr>
<td>Within-individual variables ($n = 3,550$)</td>
<td></td>
</tr>
<tr>
<td>1. Customer status</td>
<td>.30</td>
</tr>
<tr>
<td>2. Customer empowering behaviors</td>
<td>4.05</td>
</tr>
<tr>
<td>3. Employee state promotion focus</td>
<td>3.83</td>
</tr>
<tr>
<td>4. Employee creativity</td>
<td>4.00</td>
</tr>
<tr>
<td>5. Customer satisfaction</td>
<td>4.42</td>
</tr>
<tr>
<td>Between-individual variables ($n = 380$)</td>
<td></td>
</tr>
<tr>
<td>1. Intrinsic motivation</td>
<td>3.75</td>
</tr>
<tr>
<td>2. Creative self-efficacy</td>
<td>3.64</td>
</tr>
<tr>
<td>3. Empowering leadership</td>
<td>3.76</td>
</tr>
<tr>
<td>Store-level variables ($n = 118$)</td>
<td></td>
</tr>
<tr>
<td>1. Store size (number of stylists)</td>
<td>3.53</td>
</tr>
<tr>
<td>2. Customer orientation climate</td>
<td>4.51</td>
</tr>
</tbody>
</table>

Note: Numbers 1–5 in the top row correspond to the variables in the respective sections of the table. Cronbach’s alphas for the scales are in parentheses and presented along the diagonal. SD = Standard deviation.

*a* 0 = first-time customer, 1 = returned customer.

*p* < .05 (two-tailed).
Results of HLM Null Models

Prior to hypothesis testing, we justified that HLM3 was appropriate for analyzing our three-level data by running three null models with no predictors but state promotion focus, creativity, or customer satisfaction as the dependent variable, respectively. The results revealed that there were 18% of variance in state promotion focus that resided between employees (Level 2: $\chi^2_{(382)} = 792.56, p < .05$; ICC1 = .18) and 4% of variance in state promotion focus that resided between salons (Level 3: $\chi^2_{(117)} = 185.28, p < .05$; ICC1 = .04). Analyses indicated that 3% of variance in employee creativity resided between employees ($\chi^2_{(382)} = 338.99, p < .05$; ICC1 = .03) and 7% of variance resided between salons ($\chi^2_{(117)} = 320.93, p < .05$; ICC1 = .07). Finally, 6% of variance in customer satisfaction resided between employees ($\chi^2_{(382)} = 429.07, p < .05$; ICC1 = .06) and 8% of variance resided between salons ($\chi^2_{(117)} = 299.69, p < .05$; ICC1 = .08). These analyses supported using HLM3 for model estimation. Moreover, the results indicated that 78% of variance in state promotion focus, 90% of variance in employee creativity, and 86% of variance in customer satisfaction were attributable to the encounters, underscoring the importance of modeling predictors of these variables at the within-individual or encounter level.

Hypotheses Testing

The HLM results are shown in Table 2. Hypothesis 1 proposed that employee-perceived customer empowering behaviors positively relate to employee state promotion focus. As shown in Model 1, customer empowering behaviors were positively related to employee state promotion focus ($\gamma = .49, p < .05$). Hypothesis 1 received support. Hypothesis 2 proposed that employee state promotion focus positively relates to creativity. Results in Model 3 showed that state promotion focus was positively related to creativity ($\gamma = .05, p < .05$), supporting Hypothesis 2.

Hypothesis 3 proposed that employee state promotion focus mediates the relationship between customer empowering behaviors and employee creativity. We tested the hypothesis by examining the indirect effect of customer empowering behaviors on employee creativity via state promotion focus using Bauer et al.’s (2006) integrative multilevel regression procedure. The results showed that the estimate of the indirect effect was .024, explaining 8.31% of the variance in the total effect (.290). The 95% confidence interval (CI95%) for the estimated effect was (.006, .043) and did not include zero. In addition, while state promotion focus was included in the model, there was still significant direct effect from customer empowering behaviors to employee creativity (CI95% = .266, .360), suggesting a partial mediation. The findings provided support for Hypothesis 3.

Hypothesis 4 predicted that employee service creativity positively relates to customer satisfaction. Supporting this hypothesis, the relationship between service creativity and customer satisfaction was positive and significant ($\gamma = .50, p < .05$; Model 5; Table 2).

Hypotheses 5 proposed that empowering leadership moderates the relationship between customer empowering behaviors and employee state promotion focus. As shown in Model 2 of Table 2, the moderation of empowering leadership and customer empowering behaviors was not significant ($\gamma = .02, p > .05$) in predicting state promotion focus. Hypothesis 5 was not supported.

Hypothesis 6 predicted that empowering leadership strengthens the positive impact of employee state promotion focus on employee creativity. The results in Model 4 showed that the interaction of empowering leadership and employee state promotion focus was significant ($\gamma = .06, p < .05$). Using the multilevel interaction computational tool developed by Preacher, Curran, and Bauer (2006), we plotted the regression equation between employee state promotion focus and creativity at three levels of empowering leadership: one standard deviation above and below the mean, and the mean level (Aiken & West, 1991). The plot in Figure 2 suggested that at higher (rather than lower) levels of empowering leadership, employee state promotion focus was more positively associated with service creativity. The simple slopes test supported Hypothesis 6 by showing that the relationship between employee state promotion focus and creativity was positive and significant at the high level of empowering leadership ($\beta = .09, p < .05$), weaker and still significant at the mean level of empowering leadership ($\beta = .05, p < .05$), but not significant when empowering leadership was low ($\beta = .01, p > .05$).

Hypotheses 7 predicted that supervisory empowering leadership strengthens the indirect effect of customer empowering behaviors on employee creativity through employee state promotion focus. Using Bauer et al.’s (2006) procedure, we found that the indirect effect significantly varied as a function of empowering leadership. Specifically, the indirect effect was positive and significant when empowering leadership was high (.05; CI95% = .020, .070; 1 SD above the mean), but was not significant when empowering leadership was low (.01; CI95% = -.020, .031; 1 SD below the mean). The difference between the indirect effect under high versus low levels of empowering leadership was significant (.04; CI95% = .003, .075). Therefore, Hypothesis 7 was fully supported. Closer scrutiny revealed that when the moderator was only included at the first stage, the indirect effect did not vary upon the moderator. However, the indirect effect did vary upon the moderator when empowering leadership was considered a second-stage moderator.

3 We conceptualized service creativity as distinct from service quality. Thus we expect employee creativity to have an impact on customer satisfaction after controlling for service quality. We conducted a supplementary analysis to examine the value-added of service creativity controlling for supervisor-rated employees’ overall service quality (at the individual level). The supervisory evaluations were collected on the RAs’ first visit to the salon. Supervisors were asked to assess each stylist’s quality of work, quantity of work, accomplishment of work goals, efficiency of customer service, effectiveness of customer service, and overall service quality (adopted from Welbourne, Johnson, & Erez, 1998). The rating scale ranged from 1 = needs much improvement to 5 = excellent. HLM results indicated that after controlling for employee overall service quality, service creativity and customer satisfaction were significantly related ($\gamma = .47, p < .05$). This finding provided preliminary empirical support for the unique effect of service creativity on customer satisfaction.
Hierarchical Linear Modeling Regression Results

Table 2

<table>
<thead>
<tr>
<th>Variables</th>
<th>DV: State promotion focus</th>
<th>DV: Employee creativity</th>
<th>DV: Customer satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer status†</td>
<td>−0.05*</td>
<td>0.20*</td>
<td>0.20*</td>
</tr>
<tr>
<td>Customer empowering behaviors</td>
<td>0.49*</td>
<td>0.29*</td>
<td>0.12*</td>
</tr>
<tr>
<td>State promotion focus</td>
<td></td>
<td>0.05*</td>
<td>−0.03</td>
</tr>
<tr>
<td>Employee creativity</td>
<td></td>
<td></td>
<td>0.50*</td>
</tr>
<tr>
<td>Level 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>0.03</td>
<td>−0.02</td>
<td>0.05*</td>
</tr>
<tr>
<td>Creative self-efficacy</td>
<td>0.09*</td>
<td>0.03</td>
<td>0.03*</td>
</tr>
<tr>
<td>Supervisory empowering leadership</td>
<td>0.05</td>
<td>−0.00</td>
<td>−0.01</td>
</tr>
<tr>
<td>Level 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store size (number of stylists)</td>
<td>−0.01</td>
<td>−0.03*</td>
<td>0.01</td>
</tr>
<tr>
<td>Customer orientation climate</td>
<td>0.04</td>
<td>0.08</td>
<td>0.01</td>
</tr>
<tr>
<td>Interaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer empowering behaviors × Supervisory empowering leadership</td>
<td>0.02</td>
<td>−0.01</td>
<td>−0.01</td>
</tr>
<tr>
<td>State promotion focus × Supervisory empowering leadership</td>
<td>0.06*</td>
<td></td>
<td>0.01</td>
</tr>
<tr>
<td>Pseudo $R^2$</td>
<td>0.285</td>
<td>0.342</td>
<td>0.122</td>
</tr>
<tr>
<td>DV: Employee focus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DV: State promotion focus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DV: Employee satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. $n = 3,550$ at the within-individual level, $n = 380$ at the between-individual level, $n = 118$ at the store level. DV = dependent variable.

† 0 = first-time customer, 1 = returned customer. * pseudo $R^2$ was calculated based on proportional reduction of error variance due to predictors in the models of Table 2 (Snijders & Bosker, 1999).

We also conducted the same set of analyses for our mediation and moderated mediation models without any control variables and our results were consistent in terms of significance and magnitudes of the coefficients.

Discussion

In this study, we offer theoretical and empirical accounts of how customers serve as motivators to propel employee motivation and subsequent creativity in the service encounters, which, in turn, heightens customer satisfaction. Specifically, results supported our multilevel, moderated mediation model, showing that customer empowering behaviors sparked employee creativity and customer satisfaction by increasing employee state promotion focus. We also found that the positive, indirect effect of customer empowering behaviors on employee creativity was stronger in the presence of a more empowering supervisor.

Theoretical Contributions

Our theoretical model and findings offer important contributions to the existing literatures. First, we contribute to the customer service literature by showing that a set of customer empowering behaviors as perceived by service employees was positively related to employee creativity during the service encounters. As stated in one of the most influential perspectives in the contemporary customer service literature, the service-dominant logic, customers are cocreators in their service by making direct inputs (in the form of unique knowledge and information) into the creation or delivery of the service (Vargo & Lusch, 2004, 2008). Yet in many cases, customers may not be interested in making specific contributions to the service. How can they still affect the service employees and outcomes? We answer this question and extend previous work on customer influence by demonstrating that, beyond inputting knowledge and information, customers can motivate employees to achieve higher levels of creativity. Through empowering, customers release employees from worrying about making mistakes when trying novel and unusual (hence always risky) ways of solving problems, and motivate employees to take control of the service process to provide outstanding, creative service. The findings supported the notion in the service management literature that granting employees more control over the service encounters may better enable them to satisfy customers (Bateson, 1985). In addition, by pointing out customers as a prominent source of empowering behaviors, we challenge the implicit, long-held assumption that formal leaders in organizational hierarchies need to serve as the primary source of empowerment.

Second, our study extends the creativity literature by demonstrating that customers, who are external to a service organization, constitute a meaningful social context that propels service employ-
ees to be creative by affecting employee state promotion focus. This complements existing research, which has advanced our understanding of how sources internal to an organization drive creativity. Our findings point to customers as a unique source of influence that is distinct from internal influences such as supervisors, coworkers, and teammates (Madjar & Ortiz-Walters, 2008; Saparito, Chen, & Sapienza, 2004). Customers often engage in extensive face-to-face interactions with front-line service employees more so than the employees’ supervisors and colleagues. Despite the powerful influence customers can exert, research has yet to examine the motivating effects of customers in promoting employee creativity. Moreover, the creativity literature is in need of theorizing to identify motivational mechanisms that link contextual factors and employee creativity (Shalley & Gilson, 2004). To date, state promotion focus has only been manipulated in laboratory studies (De Cremer, Mayer, van Dijke, Schouten, & Bardes, 2009; Pham & Avnet, 2004). In field studies, limited research attention has been paid to whether contextual factors influence employee creativity via fostering state promotion focus. Our study addresses these acknowledged limitations in the literature.

Third, our investigation bridges literatures on customer service, empowering leadership, and creativity by showing that when internal influences such as supervisory empowering leadership are present, external influences such as customer empowering behaviors have greater impact on creativity than when the matching internal influences are absent. Specifically, we found that the impact of empowering leadership was mainly on the promotion focus-creativity path, not the customer empowering behaviors-promotion focus path. This indicates that empowering behaviors from a proximal source (i.e., customers) may be sufficient in promoting service employees’ self-regulation toward higher levels of achievement, whereas empowering behaviors from supervisors grant the freedom to operate upon the elevated promotion focus (Mathieu et al., 2007), leading to creativity. Creativity scholars have suggested that examining the synergistic effects involving multiple contextual factors is one of the new frontiers for creativity theorizing and research (Zhang & Zhou, 2014; Zhou & Hoever, 2014). Our study thus contributes to this emergent stream of research. The study also extends customer service literature by highlighting the importance of empowering leadership in addition to others leadership styles, such as supportive leadership (Susskind et al., 2003) and service leadership (Schneider et al., 2005). Research has shown that supervisors can manage service employees by establishing a service climate (Borucki & Burke, 1999; Burke et al., 1992; Schneider et al., 1998). The supported moderated mediation in the study points to a new approach of leader influence in the service context: the role as a facilitator of the customer–employee interactions and magnifying the positive motivational impact of customers.

Fourth, we have taken a nuanced, multilevel, experience sampling research paradigm to simultaneously model both (a) often neglected, within-individual fluctuation and (b) the often examined, between-individual variation in the relationships of interest. This effort responds to the call for carefully considering “day-by-day microprocesses in order to better understand mechanisms of influence and better advise practitioners who wish to improve their impact on subordinate performance” (Amabile, Schatzel, Moneta, & Kramer, 2004, p. 29). We found substantial within-individual variation in employee state promotion focus and creativity, which was meaningfully explained by customer empowering behaviors. The findings take a step toward understanding these day-to-day processes, substantiates the value of within-individual inquiries, and stresses the need of examining time-variant predictors for individual creativity.

Managerial Implications

The current research carries important implications for management on how to effectively manage the service context and service employees when customer contact is frequent. Previous work on the customer contact frequency model (Chase, 1981) has recommended a reduction of customer contact frequency because customers introduce uncertainty and decrease efficiency. Nevertheless, our findings are consistent with more recent recommendations to utilize external customers to rally service troops and to focus on the nature of employees’ contact with the beneficiaries of their work (Grant, 2007, 2011). Our findings demonstrate that customers might present a unique opportunity for service organizations to manage service encounters. Results suggest that organizations can benefit from strategically marketing to customers in order to cue them toward empowering their service provider. For example, managers should look for chances to foster customers’ willingness to empower employees by helping customers establish confidence in the employees and focusing on the prospect of superior performance. By helping customers realize that they can promote positive service outcomes (e.g., new service ideas or solutions) through behaviors such as expressing confidence in service employees and consulting employees’ opinions for their own service, managers can facilitate employee creativity through customers.

The research also indicates that managers can capitalize on the strategic advantage that external customers can provide by empowering their employees. Because front-line employees engage in contact with customers on a daily base, they may have a better sense in terms of what are the issues that customers are concerned about the most and how to solve these problems in a novel and practical way. As a result, empowering employees—rather than closely monitoring and controlling them—may be a more effective way to enable employees to provide satisfying service. Specifically, our findings suggest that empowering leadership helped service employees take advantage of customer empowerment by encouraging them to self-regulate their work-related behavior; employees were able to express their promotion focus in the form of generating novel and useful solutions.

Limitations and Directions for Future Research

These contributions should be qualified in light of several limitations. First, while we have collected multilevel multi-source data, some key variables were measured within the same time frame in the same survey. The prevailing theoretical logic in organizational behavior is that individual behaviors are more likely to be influenced by personal attributes, followed by contextual factors and higher-level variables (Mathieu & Taylor, 2007). Regulatory focus theory also conceptualizes that
promotion focus can be a malleable state that is evoked by people in positions of influence in the workplace (e.g., Crowe & Higgins, 1997). Although our research design precluded us from drawing conclusions concerning causality, these theoretical arguments help justify the causal order of our theory: employees’ perception of the external context (i.e., customer empowering behaviors) influences their motivation during the service (i.e., promotion focus), which affects their engagement in generating creative ideas. A useful next step would be to conduct experimental studies in which customer behaviors are manipulated.

Second, we urge future research to further validate our measures, replicate our findings, and extend our work by examining the role of customer behaviors on other service outcomes. We have relied on employees’ perception of customer empowering behaviors since employees are legitimate raters of customer behaviors and possess direct information about the relationship with customers. However, it would be informative to have a third party observe and code customer empowering behaviors in the service interactions, which would offer a more objective measure of customer behaviors. It will also be valuable to examine the convergent and discriminant validity of customer empowering behaviors with other service-related constructs, such as customer–employee rapport (Hennig-Thurau, Groth, Paul, Gremler, 2006) and customer–employee interactions, which would offer a more objective measure of customer behaviors. It will also be valuable to examine the convergent and discriminant validity of customer empowering behaviors with other service-related constructs, such as customer–employee rapport (Hennig-Thurau, Groth, Paul, Gremler, 2006) and customer trust in service employees (Madjar & Ortiz-Walters, 2008). Additionally, while promotion focus at work has been considered as employee motivation toward one’s job on average, we found that it could be conceptualized as a state that is momentarily affected by influential others. Because field studies on regulatory focus states are in their infancy, and we are not aware of any measures of state promotion focus, we adapted one from a scale that assesses employees’ average promotion focus at work. Although in our pilot study we have demonstrated the criteria validity of the scale, more research is warranted to examine the content validity and to further refine our measure by conducting pilot interviews in service context.

Third, a fruitful path to expand our contributions would be to explore the conditions under which customers are more likely to empower. Service literature has suggested that organizations’ high performance work systems have the potential to enhance the quality of customer–employee interaction (e.g., Chuang & Liao, 2010; Liao & Chuang, 2004). Future research may examine whether it is an effective condition to cultivate customer empowering behaviors. Customers’ willingness to promote empowerment may also vary upon their own demands. Some research has indicated that the more complex or demanding a customer’s request, the more likely the customer needs to depend on the service provider’s expertise (Wang & Netemeyer, 2002) through empowerment. On the other hand, it is possible that with easier problems, customers may feel more comfortable to take a hand-off approach and not engage in micromanagement during the service (e.g., Yukl & Fu, 1999). These possibilities imply that customer demands may influence the extent to which customers would empower employees.

Fourth, given the partial mediation found in the study, it is likely that other mechanisms exist that can link customer empowering behaviors to employee creativity. We selected regulatory focus due to its relevance and close relationship to both empowerment and creativity, yet other motivational, emotional, and behavioral mechanisms are worth investigating. In particular, integrating insights from affective events theory (Weiss & Cropanzano, 1996) may advance understanding of how customer empowering behaviors, as a salient feature of employees’ immediate job contexts, can provoke a range of affective reactions (e.g., satisfying, enthusiastic, or relaxed). The emotional experience may explain additional variance in individual creativity. States of felt challenge or individual tendency of feedback seeking may also help explain the effect of customer empowering behaviors as they have been suggested to relate to empowerment and/or creativity (e.g., Chen, Lam, & Zhong, 2007; Ohly & Fritz, 2010).

Conclusion

This study introduces customers as critical agents of empowering behaviors who can effectively motivate employee creativity, in part, through affecting state promotion focus in the focal employees. The positive impact from empowering customers was magnified when an empowering supervisor was also present. These findings bring a new perspective to the examination of customer–employee interactions and reveal the motivational impact of customers on an important service outcome: employee creativity. We hope this work will set the stage for future research on understanding customers as motivators in the service process and examining other important customer behaviors. We also encourage efforts to identify contextual factors inside and outside the organization that will jointly enhance employee creativity.

References


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**Appendix A**

**Measurement of the Key Variables in the Study**

**Customer Empowering Behaviors Perceived by Employees (Adapted from Ahearne et al., 2005)**

Instruction: To what extent do you agree or disagree with each of the following statements about the customer you were serving just now?

The customer:

1. Helped me understand the meaning of my work to him/her.
2. Helped me see the importance of my work to him/her.
3. Made decisions about his/her hairstyle together with me.
4. Consulted me on decisions about his/her hairstyle.
5. Believed that I can handle demanding tasks.
6. Expressed confidence in my ability to perform at a high level.
7. Allowed me to provide service my way.
8. Allowed me to make important decisions to satisfy his/her needs.

**Supervisory Empowering Leadership (Ahearne et al., 2005)**

To what extent do you agree or disagree with each of the following statements about your direct supervisor (or the store manager if no direct supervisor)?

My supervisor:

1. Helps me understand how my objectives and goals relate to that of the salon.
2. Helps me see the importance of my work to the overall effectiveness of the salon.
3. Helps me understand how my job fits into the bigger picture.
4. Makes many decision together with me.
5. Often consults me on strategic decisions.
6. Solicits my opinion on decisions that may affect me.
7. Believes that I can handle demanding tasks.
8. Believes in my ability to improve even when I make mistakes.
9. Expresses confidence in my ability to perform at a high level.
10. Allows me to do my job my way.
11. Makes it more efficient for me to do my job by keeping the rules and regulations simple.
12. Allows me to make important decisions to satisfy customer needs.

(Appendices continue)
Employee State Promotion Focus (Adapted from Neubert et al., 2008)

Instruction: To what extent do you agree or disagree with each of the following statements about yourself when you were serving this customer?

1. I was motivated to better serve this customer by my aspirations.
2. I took chances to maximize my goals for advancement.
3. I focused on accomplishing tasks that will further my advancement.
4. I spent a great deal of time envisioning how to fulfill my aspirations.
5. I tended to take risks in order to achieve success.

Employee Service Creativity (Adapted from Zhou & George, 2001)

Instruction: According to your experience with the stylist who just provided service to you, to what extent do you agree or disagree with each of the following statements about the stylist?

This stylist:

1. Came up with creative solutions to problems I had.
2. Suggested new ways to achieve service objectives.
3. Came up with new and practical ideas to improve service quality.
4. Suggested new ways to increase service quality.
5. Was a good source of creative ideas.
6. Promoted and championed ideas to me.
7. Had a fresh approach to problems I had.
8. Suggested new ways of performing the tasks.

Customer Satisfaction (Gotlieb et al., 1994)

Instruction: According to your experience with the stylist who just provided service to you, to what extent do you agree or disagree with each of the following statements about the stylist?

This stylist:

1. I am happy about my decision to come to this stylist.
2. I believe I did the right thing when I came to this stylist.
3. Overall, I am satisfied with the decision to come to this stylist.

Note. The Italic, Bold Format in the Instruction Was Used in the Actual Survey.

Appendix B

Pilot Study: Validating the Measures of Customer Empowering Behaviors and Employee State Promotion Focus

To examine: a) whether customers demonstrated empowering behaviors when interacting with hairstylists, and whether these behaviors can be assessed by our customer empowering behaviors measure, and b) whether the employee state promotion focus measure can capture a context specific promotional state in customer service settings, we conducted a two-step pilot study to validate these two measures.

In Step 1, we surveyed 30 participants through an online survey tool (MTurk) to generate possible customer behaviors during a service encounter. Our final sample included 20 women and 10 men, with an average age of 38 (SD = 12) and a variety of occupational backgrounds. We asked them to describe their interaction with a stylist in their most recent visit. We obtained 72 task-related customer behaviors. Five research assistants evaluated the extent to which each behavior was captured by the definitions of four empowering behaviors dimensions and the definition of directive behaviors. We used customer directive behaviors as a comparative construct since empowering leadership and directive leadership have been considered to be two foundational leadership models (Lorinkova, Pearsall, & Sims, 2013; Martin et al., 2013). Interrater reliabilities ranged from .79 to .90.

In Step 2, we created two customer–stylist interaction scenarios (one with an empowering customer, and the other with a directive customer) using the participant-generated behaviors obtained in Step 1. We then asked a sample of stylists from Taiwan to imagine him- or herself interacting with the hypothetical customer in one of the scenarios and rate the customer’s behaviors and their own promotion focus state. Our sample consisted of 138 stylists, with a response rate of 95%. Among them, 67 participants read the empowering customer scenario and 71 read the directive customer scenario. Specifically, we first measured promotion focus at work. The items were the same as the ones we used for the main study, but used the wording and instruction that refer to the average
motivation at work. After they read the scenario, we asked the participants to rate the customer’s behaviors. Empowering behaviors were measured using the scale in our primary study, and directive behaviors scale was adapted from Yun, Cox, and Sims’ (2006) directive leadership scale. Finally, we assessed stylists’ state promotion focus using the same scale in our primary study.

To validate customer empowering behaviors measure, we ran paired-sample t-tests to compare customer empowering and directive behaviors in the empowering scenario, as rated by the same stylist. The results indicated that the mean of customer empowering behaviors (mean = 4.28) was larger than the mean of customer directive behaviors (mean = 3.08), and that the difference was significant (t = 8.56, p < .05). We further compared customer empowering behaviors in two scenarios. Results showed that the mean of customer empowering behaviors in the empowering customer scenario (mean = 4.28) was larger than that in the directive customer scenario (mean = 3.75), and that the difference between the two was statistically significant (F = 21.15, p < .05). Together, the results indicated that: a) customers demonstrated empowering behaviors as discussed in the leadership literature, when they interact with hairstylists, and b) these behaviors can be perceived by the frontline employees, and assessed using the measure adopted in our primary study.

To validate the state promotion focus measure, we compared the stylists’ average promotion focus at work and state promotion focus. We found that in the empowering scenario, state promotion focus was significantly larger than the promotion focus at work (Δd = 4.19 – 4.07 = 0.12, t = 2.11, p < .05), whereas in the directive scenario, state promotion focus was significantly smaller than the promotion focus at work (Δd = 3.87 – 4.11 = –.24, t = –3.45, p < .05). Moreover, ratings of state promotion focus in the two conditions were significantly different (F = 13.45, p < .05), with the empowering scenario related to higher levels of state promotion focus. In conclusion, the analysis indicated that: a) our state promotion focus measure was context specific, and employee state promotion focus captured by our measure may vary when serving different customers, and b) customers who behave differently could influence the levels of stylists’ state promotion focus during the service encounters, as assessed by our measure. More details about the study are available upon request.

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