Journal of Retailing and Consumer Services 56 (2020) 102141

Contents lists available at ScienceDirect

Journal of Retailing and Consumer Services

journal homepage: http://www.elsevier.com/locate/jretconser

It takes two to tango: The role of customer empathy and resources to improve the efficacy of frontline employee empathy☆

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ARTICLE INFO

Keywords:
Employee empathy
Customer empathy
Customer-oriented behaviour
Customer resources
Customer satisfaction

ABSTRACT

This study investigates the link between employee empathy and customer satisfaction. Building on social exchange theory, we develop a model of employee-customer empathy. We focus on the central role of customer-oriented behaviour in explaining the empathy-satisfaction relationship, predicting that employee empathy positively influences customer-oriented behaviour, which in turn enhances customer-satisfaction. We also examine the moderating roles of customer empathy, as well as of customer resources. Results of a dyadic-survey study of 211 pairs of frontline employees and their customers support the proposed moderated -mediation model. Theoretical and practical implications are discussed.

1. Introduction

Companies have long believed that they should recruit frontline employees (FLEs) with high level of empathy (McBane, 1995; Mayer and Greenberg, 1964). That is because FLEs with empathetic trait are predicted to have more ability to perform customer-oriented behaviour and thus lead to customers' satisfaction with FLEs (Gorry and Westbrook, 2011; Tax et al., 1998). Empathy, defined as the FLEs' ability to understand the feelings or the perspective of others, has been considered as one of the most important characteristics frontline employees should possess (McBane, 1995; Varca, 2009).

Despite the virtue concept of empathy, service research found inconclusive findings related to the importance of employee empathy on business performance (Dawson et al., 1992; McBane, 1995; Varca, 2009). For instances, studies reveal that practicing empathy leads to stressful service encounter (Varca, 2009), and has no significant influence on business performance (Dawson et al., 1992). Those inconsistent findings could be because previous studies tend to isolate empathy as an individual characteristic and ignore the situational aspects of service provision (Dawson et al., 1992; Hennig-Thurau, 2004; Varca, 2009). In support of our argument, previous studies have adopted the person-situation interactionist perspective and considered important situational factors that may affect employees' performance, such as the role of customers and the dyadic nature of service interaction in shaping the work of FLEs (Wieseke et al., 2012; Stock and Bednarek, 2014; Agnihotri and Krush, 2015). That is, customers' demand and resources affect frontline employees' attitude and behaviour (Wieseke et al., 2012; Stock and Bednarek, 2014).

To examine the inconsistent findings related to the benefits of empathetic employees for service companies, a moderated mediation research framework is developed in this current research. That is, the proposed framework does not only examine the underlying mechanism of the relationship between empathy and customer satisfaction, but also takes into account the role of customers as an important boundary condition that influence employees' performance (Wieseke et al., 2012; Stock and Bednarek, 2014). Building on the social exchange theory (Blau, 1964), this research seeks for an empirical evidence that customers play an important role in translating employee empathy to customer satisfaction via customer-oriented behaviour by being empathetic as well as providing emotional and cognitive support for the frontline employees.

By surveying dyadic-respondents (frontline employees and customers) within a specific service interaction, the present study demonstrates that employee empathy positively influences customers'

☆ This research is funded by Vietnam National Foundation for Science and Technology Development (NAFOSTED) under grant number 502.02–2017.06.
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https://doi.org/10.1016/j.jretconser.2020.102141
Received 2 August 2019; Received in revised form 18 March 2020; Accepted 25 April 2020
Available online 16 May 2020
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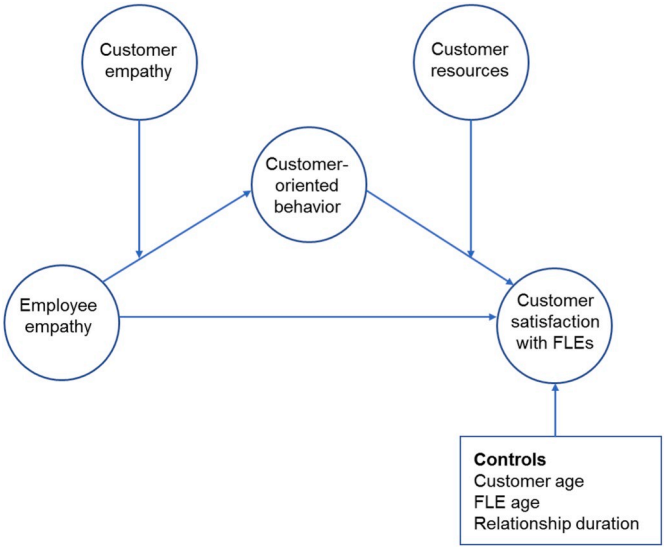

Fig. 1. Conceptual model.

satisfaction with FLEs mediated by customer-oriented behaviour. In addition, the effect of employee empathy on customer-oriented behaviour is higher when the customers are empathetic. Further, the effect of customer-oriented behaviour on customers' satisfaction with FLEs is higher when customers' emotional and cognitive supports are also higher. Finally, this research adds to the literature by demonstrating that empathy is significantly influence customers' satisfaction with FLEs, the mechanism (i.e. customer-oriented behaviour) and the important role of customer (customers' empathy and customers resources) in supporting frontline employee to translate their empathetic trait into customer-oriented action that satisfies the customers.

Below, we elaborate an employee-customer empathy model that addresses two research questions: (1) How do employee empathy and customer-oriented behaviour influence customer satisfaction with frontline employees (FLEs)? and (2) What are the contingent roles of customer empathy and customer resources in the relationship between employee empathy, customer-oriented behaviour, and customer satisfaction? We begin with an overview of focal constructs in the research questions, followed by a development of the theoretical model as shown in Fig. 1. We test our hypotheses using a dyadic approach. We then discuss the findings, contributions, limitations and future research directions.

2. Theoretical development

2.1. Social exchange theory

According to Social Exchange Theory (SET) there are two prominent characteristics of social exchange: self-interest and interdependence (Lawler and Thye, 1999). In other words, each party within a social exchange is interdependent in achieving their own interests and the expected interaction outcome depends on a combination of both parties' efforts (Cropanzano and Michell, 2005; Lawler and Thye, 1999). One of the most important notion of SET is that for a relationship to evolve into trust, loyal and mutual commitments, each party must abide by certain rules of exchange that guide the exchange process such as reciprocity rules (Emerson, 1976). Reciprocity rules can be viewed as a transactional pattern of interdependence exchange; a norm that describes the standard how one should behave within a social interaction in which when an individual delivers a benefit, the receiving party is expected to return the kind (Cropanzano and Michell, 2005).

According to SET, reciprocity between each party within a social interaction is unique (Cox, 1999; Ensher et al., 2001; Flynn, 2003; Liden et al., 1997). This unique reciprocity relationship is due to difference in how the interacting parties perceive others. In general, when one perceives that the contribution of other is high, this person will be more likely to return the contribution and *vice versa* (Cropanzano and Michell, 2005). Therefore, examining the dynamics between two interacting actors is important, not only has the act of one actor contributed to the outcome of a relationship. Such as, how individual perceives the contribution and the involvement of other is important.

The reciprocity norm of social exchange is not only applicable for tangible sources but also intangible sources such as emotion, a positive or negative evaluative state that has neurological and cognitive elements (Lawler and Thye, 1999). From a social-cognitive perspective, emotion is elicited from attributions of good or bad outcomes, shapes actors' perception and interpretation of others and situations as well as signals bits of information to others (Lawler and Thye, 1999). In sum, emotion reciprocity within a social exchange perspective means that social context invokes expectations about what types of emotions are appropriately expected or expressed visibly to the other parties, thus individuals attempt to regulate and control their emotion (Hochschild, 1979; Lawler and Thye, 1999). For example, customers' emotion might provide a cue for frontline employees to customize the service that satisfies customers as well as provide emotional support for the frontline employees (von Gilsa et al., 2014; Bailey et al., 2001; Mattila and Enz, 2002; Stock and Bednarek, 2014).

In addition, frontline employees' positive emotion manifested via care, empathy, positive gestures and facial expressions, may lead to positive service outcomes such as customers' satisfaction (Gorry and Westbrook, 2011; Tax et al., 1998; Lin and Lin, 2011). Many of the discussion related to the emotion reciprocity amongst customers and FLEs are often covered under emotion contagion topic that briefly describes how customers catch the emotion displayed by the FLEs (Pugh, 2001; Hennig-Thurau et al., 2006; Lin and Lin, 2011; Du et al., 2011). However, it is important to note that the reciprocity can only partake when the initial action is well perceived by others and that certain characteristics of customers are more vulnerable to catch FLEs' emotion, such as empathetic customers (Cropanzano and Michell, 2005; Hatfield et al., 2009).

Interaction between frontline employees and customers may also represent social exchange, where each party voluntarily involve in the social exchange expecting to receive personal benefits that they can't obtain independently by bringing into ones for exchange (Emerson, 1976; van Tonder et al., 2018). Thus, the current research focuses on frontline employee empathy and what roles customers play in influencing the customers' satisfaction with FLEs within the reciprocal service interaction.

2.2. The effect of frontline employees (FLEs)' empathy on customers' satisfaction with FLEs and the mediating role of customer-oriented behaviour

Researchers generally agree that empathy involves cognitive and emotional dimensions (Jones and Shandiz, 2015; Wieseke et al., 2012; Smith, 2006). From a cognitive viewpoint, empathy is defined as individuals' perspective taking ability (Daniels et al., 2014), while from emotional perspective, empathy is strongly related to the experiences of feelings of concerning others' well-being (McBane, 1995). Empathy has been regarded as a significant characteristic important to maintain

relationship and play significant role in enhancing relationship competence of individuals (Davis and Oathout, 1987a,b; Hansson et al., 1984). Current literature on employee empathy have found that empathy is related to helping behaviour (Axtell et al., 2007; Reynolds and Scott, 1999); behaviours that benefit others (Bagozzi and Moore, 1994); enhanced concern about other's comfort (Batson and Shaw, 1991); and altruistic behaviour towards persons in needs (Batson, 2010).

Likewise in the context of service provision, previous studies found that employees who are empathetic tend to accurately sense how customers feel and perceive about their service (Bettencourt and Gwinner, 1996; Gwinner et al., 2005), demonstrate interest and concern for the welfare of the customers (Ahearne et al., 2007; Nguyen et al., 2019), able to identify and address customer needs and desires (Axtell et al., 2007; Dawson et al., 1992; Homburg et al., 2009). Those behaviours are often associated with customer-oriented behaviours, behaviours aiming to identify customers' interests and goals and helping customers satisfy their needs (Homburg et al., 2009; Saxe and Weitz, 1982). Subsequently, customer-oriented behaviour has been long associated with customer satisfaction (Amangala and Ateke, 2018; Solimun and Fenandes, 2018). Therefore, FLEs' empathy is a necessary to improve service performance because empathetic FLEs have higher tendency to perform customer-oriented (Mechinda and Patterson, 2011; Brown et al., 2002; Simon, 2013).

Furthermore, previous studies on services marketing have revealed the relationship between employee empathy and customer satisfaction (Bahadur et al., 2018; Nguyen et al., 2018; Collier et al., 2018; Nguyen et al., 2020). Due to the intangible and interactive nature of service, customers often rely on their interaction with FLEs in evaluating service encounter (Hennig-Thurau, 2004; Stock and Bednarek, 2014; Lee et al., 2006). In other words, from the customers' viewpoint FLEs represent the services companies (Gwinner et al., 2005; Sony et al., 2018). Therefore, this research will specifically examine customers' satisfaction with FLEs instead of general customers' satisfaction. Thus, we propose that frontline employee empathy will lead to customers' satisfaction with FLEs mediated by customer-oriented behaviour. Formally, we hypothesize that:

Hypothesis 1. Employee empathy has an indirect positive relationship with customers' satisfaction with FLEs, mediated by customer-oriented behaviour.

2.3. Customer empathy moderates the relationship between employee empathy and customer-oriented behaviour

Despite the important role of employees for a successful service outcome (i.e. customer satisfaction), we argue that service outcome has several contingent factors, one of them that is regarded as the most significant working condition is the interaction between the customers and the frontline employees (Dormann and Zapf, 2004; Yagil et al., 2008; Weitz, 1981). As social exchange is unique depending on how each party represents the action of others, not only employees are important, customers also play a significant role for a successful service outcome (Cropanzano and Michell, 2005). Specifically, the reciprocal relationship between customers and FLEs can only occur when customers recognize and perceive the signal displayed by the FLEs (Cropanzano and Michell, 2005; Wieseke et al., 2012). Putting in this context, we argue that specific characteristic of customer may increase or decrease the relationship between employee empathy and customers' recognition of FLEs' customer-oriented behaviour, that is customer empathy (Hatfield et al., 2009; Wieseke et al., 2012; Bove, 2019; Batson et al., 2002).

Customer empathy is defined as customers' ability to take employees' perspective, apprehend and react to employees' thoughts, feelings and intention during a service interaction (Wieseke et al., 2012; Bove, 2019). Previous studies reveal empathetic customers are more likely to recognize the good action of others as they tend to be more sensitive and have positive outlook, that is looking for the good things rather than concentrated on the bad things (Davis and Oathout, 1987a,b; Wieseke et al., 2012; Pera et al., 2019; Paramita et al., 2020). In sum, empathetic customers tend to catch positive emotion expressed by the FLEs (Hatfield et al., 2009; Hennig-Thurau et al., 2006). Consequently, we propose that empathetic customers are more likely to perceive FLEs empathy and the resulting customer-oriented behaviour.

In addition, customer empathy can also serve as social support for the FLEs such as, empathetic customers are more likely to make specific suggestions for FLEs to perform the work, provide encouragement, and assurance to the FLEs (Devoldre et al., 2010; Bove, 2019). Subsequently, customers' attention toward the contact employees can improve the mutual understanding between the customers and employees and help the FLEs to perform customer-oriented behaviour (Cropanzano and Michell, 2005; Gremler and Gwinner, 2000; Beatty et al., 1996). Accordingly, we propose that higher the customers' empathy, the more likely the customers to perceive employee's customer-oriented behaviour as well as to help the FLEs to translate employee empathy into customer-oriented behaviour. Formally, we hypothesize that:

Hypotheses 2. *: Customer empathy positively moderates the relationship between employee empathy and customer-oriented behaviour.*

2.4. Customer-resources moderates the relationship between customer-oriented behaviour and customers' satisfaction with FLEs

In addition to customers' characteristics (e.g. empathy), customers might also provide resources that can improve service provision (Ng et al., 2019; Storey and Larbig, 2018). For example, previous studies found the supportive role of customers to assist and communicate with other customers during the service encounters (Yang et al., 2015; van Tonder et al., 2018). In addition, previous studies also found the important role of customers help FLEs to increase their service performance and the customers' satisfaction (Zimmermann et al., 2011; Storey and Larbig, 2018).

Customer resources is conceptually defined as FLEs' perception that the customers are supportive of personal and work-related goals (Stock and Bednarek, 2014). Further, Stock and Bednarek (2014) classified two types of customer resources: emotional and cognitive support. Emotional support refers to FLEs' perception that their interaction with the customers provides emotional energy and personal development, such as appreciating the work of employees (Zimmermann et al., 2011; Stock and Bednarek, 2014). Whereas cognitive support refers to FLEs' perception that customers' feedback and information are professionally valuable for them to perform their job (Payne et al., 2008; Stock and Bednarek, 2014). Cognitive support also implies that FLEs perceive that customers' participation helps FLEs to ensure that the customers' needs are met and customers are satisfied as the customers provide input and guidelines to what service is expected (Bitner et al., 1997; Kellog et al., 1997).

Previous studies also reveal that FLEs improve their working performance when they feel supported (Chen et al., 2009; Kluger and DeNisi, 1996; Ilgen and Davis, 2000). For instances, employees tend to perform extra-role behaviours (Chen et al., 2009), increases motivation, learning (Kluger and DeNisi, 1996) and improves performance (Ilgen and Davis, 2000) that leads to a better service outcome. FLEs' perception of being supported also produce positive emotion that increases their willingness to perform helping and altruistic behaviours. In addition,

FLEs who feel supported might experience less stress and emotional exhaustion for performing service job and thus, increase their job performance and customers' satisfaction (Stock and Bednarek, 2014; Stamper and Johlke, 2003).

In general, when the employees perceive that the customers provide emotional support, facilitate goal achievement and offer valuable feedback and information to improve their work, research found that employees' engagement with their job increase and so does their job performance (Zimmermann et al., 2011; Yagil et al., 2008). Consistent with the social exchange theory, customer support provides positive emotional cues for FLEs as well as guidance to understand customers' expectation, thus help the FLEs to perform service that satisfy customers (Zimmermann et al., 2011; Bitner et al., 1994; Cropanzano and Michell, 2005). Therefore, we propose that the influence of customer-oriented behaviour on customers' satisfaction to FLEs increases when the FLEs perceive higher customer support. Formally, we hypothesize that:

Hypotheses 3. *Customer resources positively moderates the relationship between customer-oriented behaviour and customers' satisfaction with FLEs.*

3. Methodology

3.1. Sample and data collection

Vietnam was chosen as a research context to empirically test the theoretical model and hypotheses because it has experienced a significant economic transform and become an emerging economy that attracts foreign direct investors in the Asia-Pacific region (Farley et al., 2008; Ngo and O'Cass, 2009). In this country, the role of service sector is increasingly important (accounting for 40% of GDP in 2016) (World Bank, 2019) and the front-line employees' productivity is a necessary condition for the industry success. Along with the recovery of Vietnam's economy within the last few years, the stock markets are gradually prospering with an increasing number of investors and transactions, which has created a high pressure on front-line employees. The interaction between front-line employees and their customers is truly critical for customer satisfaction. Being the economic and financial center of Vietnam, Ho Chi Minh City is recognized as one of the most powerful growth markets of services industry of the country (Forglobal, 2020). Therefore, we decided to collect data at the services companies, specifically securities companies in Ho Chi Minh City.

The key informants for this study included front-line employees of these companies and their customers. Dyads of employees and customers in the sampling frame were surveyed after they had completed a transaction or consultation, using face-to-face interview technique. The completed questionnaires were numerically coded on a pair employee-customer basis while no names were recorded. To ensure the quality of the data set, we employed a professional research company to monitor and manage the entire data collection process.

3.2. Measurement instrument

All scales used to measure the focal constructs in our research model were developed and broadly tested in previous studies and are presented in Table 2. We developed two types of questionnaire, one for employees and the other for customers. The employee questionnaire contains reflective, multi-item measures of employee empathy, customer resources and several control variables such as gender, age, and education level. Employee empathy was measured with seven items adopted from Wieseke et al. (2012), reflecting two components of perspective taking (three items) and empathic concern (four items). To measure customer resources, we used eight items of Stock et al. (2005) with four items reflecting cognitive support and four items reflecting emotional support.

Table 1a
Demographic characteristics of front-line employees (N = 211).

Respondent characteristics		Frequency	Percentage
Age	<25 years old	102	48.3%
	25–34 years old	95	45.0%
	35–44 years old	13	6.2%
	>44 years old	1	0.5%
Gender	Male	111	52.6%
	Female	100	47.4%
Education	Diploma	4	1.9%
	Bachelor	200	94.8%
	Postgraduate	6	2.8%
	Other	1	0.5%

The customer questionnaire includes the measures of all remaining constructs, namely customer empathy, customer-oriented behaviour, and customer satisfaction. Similar to employee empathy, customer empathy was also measured with seven items adopted from Wieseke et al. (2012). Customer-oriented behaviour and customer satisfaction with FLEs are two first-order constructs each measured with 4 items borrowed from Stock and Hoyer (2005). Several demographic and control variables were included in the questionnaire including gender, age, education level, occupation, and relationship duration.

We used the back translation method to ensure correct wording and conceptual equivalence (Brislin, 1970). Specifically, the original English survey questionnaire was translated into Vietnamese by an academic and the translated Vietnamese version was then translated back into English by another academic. These academics are both fluent in the two languages. Before launching the questionnaires to collect data for the main survey, we conducted ten in-depth interviews with employees and customers at a transaction office of a stock company to assess their understandability, clarity, relevance, and overall structure.

4. Results

4.1. Sample profile

We distributed 278 pairs of questionnaires to front-line employees and their customers and collected 211 pairs of responses (75.8%) from 13 securities companies in Ho Chi Minh City, Vietnam over a three-week period from October 8, 2018 to October 26, 2018. Table 1a (for front-line employees) and Table 1b (for customers) present the main demographic characteristics of the sample.

Majority of front-line employees are under 35 years (93.3%) and obtain a bachelor's degree (94.8%), reflecting the fact that fresh graduates are preferably employed for this position. Gender ratio is rather equal between male (52.6%) and female (47.4%). For customers participating in the survey, there is a higher ratio of female (60.7%) and most of respondents pursuit a diploma or higher degree (88.6%).

4.2. Assessment of measurement model

The measures of our study satisfied the requirements of convergent validity and discriminant validity. As presented in Table 2, factor loadings of all main constructs significantly exceeded the cut-off value of 0.50 as recommended by Hair et al. (1998) while composite reliabilities (CR) ranging from 0.74 to 0.87 were found to be satisfactory (Nunnally and Bernstein, 1994). These results supported the convergent validity of the measures. We then checked the discriminant validity of the measures by examining the average variance extracted (AVE) values and the correlations between the focal constructs. We found that the squared

Table 1b
Demographic characteristics of customers (N = 211).

Respondent characteristics		Frequency	Percentage
Age	25–34 years old	142	67.3%
	35–44 years old	50	23.7%
	45–54 years old	16	7.6%
	>54 years old	3	1.4%
Gender	Male	83	39.3%
	Female	128	60.7%
Education	High school certificate	18	8.5%
	Diploma and Bachelor	172	81.5%
	Postgraduate	15	7.1%
	Other	6	2.9%
Relationship duration	1 year	164	77.7%
	2 years	30	14.2%
	3 years and more	17	8.1%

roots of all AVE values (as shown in Table 2, from 0.71 for to 0.79) were significantly larger than all correlations (as presented in Table 3, from 0.06 to 0.36), in support of the discriminant validity of the measures. In addition, the Variance Inflation Factor (VIF) values were found to range from 1.16 to 2.67, significantly lower than the maximum acceptable value of 10 as recommended by Hair et al. (1998). This evidence indicates low correlations among predictors and provides no signals of multicollinearity problem.

4.3. Hypothesis testing

Path analysis results of the proposed structural model are presented in Table 4. Model 1 and Model 2 were used to test the first Hypothesis which proposed that employee empathy has an indirect effect on customer satisfaction via customer-oriented behaviour. As shown in Table 4, employee empathy positively influenced customer satisfaction with FLEs (Model 1, β = 0.17, t-value = 2.81), however this effect became insignificant when customer-oriented behaviour was added into the model (Model 2, β = 0.11, t-value = 1.63). Meanwhile, employee empathy was found positively related to customer-oriented behaviour (Model 2, β = 0.31, t-value = 5.35), which was in turn positively related to customer satisfaction with FLEs (Model 2, β = 0.18, t-value = 2.66). Therefore, Hypothesis 1 was supported in that customer-oriented behaviour fully mediated the link between employee empathy and customer satisfaction with FLEs.

We developed the full model (Model 3) to test the moderation effects in Hypothesis 2 and Hypothesis 3. Hypothesis 2 proposed that customer empathy positively moderates the relationship between employee empathy and customer-oriented behaviour. As presented in Table 4, both employee empathy (β = 0.27, t-value = 4.95) and customer empathy (β = 0.20, t-value = 2.62) had positive influence on customer-oriented behaviour. The interaction of employee empathy and customer empathy was also found to have a positive impact on customer-oriented behaviour (β = 0.26, t-value = 4.11), in support of Hypothesis 2. Finally, Hypothesis 3 which predicted that customer resources moderates the relationship between customer-oriented behaviour and customer satisfaction also received empirical support. As indicated in Model 3, both customer-oriented behaviour (β = 0.30, t-value = 4.88) and customer resources (β = 0.30, t-value = 4.32) had positive effects on customer satisfaction with FLEs. The interaction effect of customer-oriented behaviour and customer resources also demonstrated a positive impact on customer satisfaction with FLEs (β = 0.16, t-value = 2.64), supporting Hypothesis 3.

5. General discussion

Our study breaks new ground by applying a social exchange theory to develop an employee-customer empathy model that explains differences in customer satisfaction. We found that customer-oriented behaviour mediates the relationship between employee empathy and customer satisfaction. Further, we found that both employee empathy and customer empathy invoke customer-oriented behaviour such that the positive relationship between employee empathy and customer-oriented behaviour is stronger when the customer empathy is also higher. We also found that when received support from customers, employees could be more likely to return with more positive behaviours that positively influence customer satisfaction.

Table 2
Scale items and latent variable evaluation.

Construct	Measurement item	Loading
Empathy (employee report)		
Perspective taking (CR = 0.84; AVE = 0.63)	1 . I try to look at everybody's side of a disagreement before I make a decision.	0.81
	2 . When I am upset at someone, I usually try to "put myself in their shoes.''	0.79
	3 . I believe that there are two sides to every question and try to look at them both.	0.78
Empathic concern (CR = 0.87; AVE = 0.62)	4 . I would like to describe myself as a pretty soft-hearted person	0.90
	5 . If someone is unhappy, I quickly realize this, even if I do not know the person well.	0.64
	6 . Other people's misfortunes usually disturb me a great deal.	0.81
	7 . I often have tender, concerned feelings for people less fortunate than me.	0.78
Customer resources (employee report)		
Emotional support (CR = 0.85; AVE = 0.59)	1 . The interaction with customers is a personal enrichment for me	0.82
	2 . Through the interaction with customers, I develop myself personally	0.83
	3 . My customers give me emotional supply	0.81
	4 . The interaction with my customers gives me a lot of emotional energy	0.60
Cognitive support (CR = 0.82; AVE = 0.53)	5 . My customers support me in delivering my performance	0.66
	6 . My customers give me valuable professional feedback	0.77
	7 . The interaction with customers is a professional enrichment for me	0.70
	8 . My customers give me valuable information	0.77
Empathy (customer report)		
Perspective taking (CR = 0.74; AVE = 0.50)	1 . I try to look at everybody's side of a disagreement before I make a decision.	0.79
	2 . When I am upset at someone, I usually try to "put myself in their shoes.''	0.82
Empathy concern (CR = 0.83; AVE = 0.56)	3 . I believe that there are two sides to every question and try to look at them both.	0.50
	4 . I would like to describe myself as a pretty soft-hearted person	0.70
	5 . If someone is unhappy, I quickly realize this, even if I do not know the person well.	0.66
	6 . Other people's misfortunes usually disturb me a great deal.	0.79
	7 . I often have tender, concerned feelings for people less fortunate than me.	0.83
Customer-oriented behaviour (customer report)		
(CR = 0.87; AVE = 0.57)	The salesperson …	
	1 … tries to get me to discuss my needs.	0.72
	2 … answers my questions about products and/or services as correctly as they can.	0.72
	3 … tries to influence me by information rather than by pressure.	0.75
	4 … tries to give me an accurate expectation of what the product will do for me.	0.77
	5 … tries to help me achieve my goals.	0.82
Customer satisfaction (customer report)		
(CR = 0.77; AVE = 0.52)	1 . I am very pleased with the salesperson's support	0.71
	2 . On an overall basis, my experience with the salesperson of this company has been positive	0.75
	3 . The contacts with this supplier's salesperson have been very positive.	0.71

Table 3
Construct means, standard deviations, and correlations.

Constructs	Mean	SD	1	2	3	4	5
1. Employee empathy	3.75	0.56	1				
2. Customer-oriented behaviour	4.26	0.49	0.29**	1			
3. Customer empathy	3.72	0.52	0.22**	0.19**	1		
4. Customer resources	4.25	0.47	0.36**	0.16*	0.15*	1	
5. Customer satisfaction with FLEs	4.07	0.58	0.21**	0.20**	0.06	0.36**	1

Note: Correlation between variables (off diagonal), **p < 0.01, *p < 0.05.

5.1. Theoretical contributions and managerial implications

We discuss several theoretical implications of our findings. First, our study extends the existing literature by highlighting the distinct roles of employee empathy and customer-related attitudes and behaviours (e.g. customer empathy, customer-oriented behaviour, and customer resources) in influencing customer satisfaction. Previous research has overlooked the dyadic nature of service interaction and mainly focused on employee empathy as an essential predictor of customer satisfaction (Hennig-Thurau et al., 2006; Gorry and Westbrook, 2011; Tax et al., 1998). Indeed, employee empathy has long been considered as an important factor for proper responses to customer needs and generate favourable outcome such as customer satisfaction (Min et al., 2015; Drollinger et al., 2006; Skogland and Siguaw, 2004). Drawing from the social exchange theory, we develop an employee-customer empathy model and demonstrate how customer-related attitudes and behaviours help translate employee empathy into superior customer satisfaction. Our model is consistent with and enhances the understanding of prior studies.

Second, our findings adding to the prevailing studies of empathy that focus on the direct effect of employee empathy on service outcomes. We highlighted that customer-oriented behaviour does matter in the empathy-satisfaction linkage. Customer-oriented behaviour emerges as an important intervener that transforms employee empathy into customer satisfaction. Third, we highlighted how the integration of customer empathy and customer resources with empathy-customer oriented behaviour-satisfaction linkage is fruitful for our understanding of the field. Despite being rarely explored, customer empathy is relevant to be considered within the empathy-customer oriented behaviour linkage. Indeed, employee empathy increases customer-oriented behaviour more when customer empathy is high. In sum, our findings underline the relevance of both employee empathy and customer empathy. Being empathic on both sides of employee and customer is of critical importance and our study is among the first that sheds new light on the distinct roles of employee empathy and customer empathy in facilitating customer-oriented behaviour. Finally, by moving beyond the simple idea that customer resources might be irrelevant, our findings demonstrate that the strength of the relationship between customer-oriented behaviour and customer satisfaction largely depends on employees' perception that customer is a resource to achieve their goals.

Our study also provides managers with managerial implications. First, the findings show that empathic FLEs are more likely to engage in extra miles to serve customers, which in turn enhance customer satisfaction. Managers should build a solid foundation for developing and implementing effective recruitment and training initiatives, especially in the areas of empathy. Empathy-focused training is needed on how FLEs can recognize customers' explicit and implicit needs and respond to them during the transaction process. Second, our findings also show that FLEs value customer empathy and support that help them better serve customers. Thus, managers should pay attention on the role that social bonds play in bettering the employee-customer relationships.

5.2. Limitations and future research

The first limitation of the present study is the fact that the data used for testing the employee-customer empathy model were cross-sectional. Although we took a dyadic approach in data collection, causation might be reciprocal. Future studies could rely on longitudinal designs to overcome the unavoidable pitfalls of cross-sectional data. Furthermore, field experiment studies could also be conducted in real-life settings. Second, the current research was conducted in the stock markets, thus limiting the generalizability of the findings. In addition, our focal measure of service performance is customer satisfaction. Future research could have a follow-up study to find out whether our findings also hold in the long run.

Finally, our study is limited as to whether the situation on the financial markets (e.g. financial crisis) would affect the results of the research. Prior research has shown that the down-turn economic situation negatively influences the relationship between employees and customers in the service sectors (Monferrer-Tirado et al., 2016). Specifically, it shifts the trust and customers' perceived quality to the service personnel. Hence, it would be expected that an economic downturn might reduce customers' satisfaction with the service providers (Monferrer-Tirado et al., 2016). As the effect of the economic situation can only be captured with longitudinal data (Coviello and Jones, 2004), this

Table 4
Structural model results.

Exogenous variables	Endogenous model				
	Model 1	Model 2		Full Model	
	Customer satisfaction with FLEs	Customer-oriented behaviour	Customer satisfaction with FLEs	Customer-oriented behaviour	Customer satisfaction with FLEs
Employee empathy	.17**(2.81)	.31**(5.35)	.11 (1.63)	.27**(4.95)	.02 (0.29)
Customer-oriented behaviour			.18**(2.66)		.30**(4.88)
Customer empathy				.20**(2.62)	
Employee empathy* Customer empathy				.26**(4.11)	
Customer resources					.30**(4.32)
Customer-oriented behaviour*Customer resources					.16**(2.64)
Control variables					
FLEs age	.32**(6.14)		.33**(6.35)		.35**(7.46)
Customer age	.20**(3.93)		.21**(3.80)		.22**(3.76)
Relationship duration	.26**(5.28)		.25**(4.77)		.19**(3.30)
R-square	.31	.09	.33	.18	.42

Note: **p < 0.01.

situation had not been addressed within the present research. However, as our data were collected and analysed during the stable economic period in an emerging market (i.e. Vietnam) (International Monetary Fund, 2019), we expect that there is a stable relationship between service employees and customers.

Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.jretconser.2020.102141.

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