

Do Customers and Employees Enjoy Service Participation? Synergistic Effects of Self- and Other-Efficacy

Extant research confirms the importance of value cocreation through customer participation (CP), but relatively little is known about whether and how it creates an enjoyable experience for customers and service employees and the consequential outcomes of this positive affective experience. This study applies the concept of flow as an overarching framework and draws theoretical support from social cognitive theory, particularly its extension (i.e., the conceptual model of relational efficacy beliefs), to examine how customers and employees derive enjoyment from CP conditional on their perceived efficacy of themselves (self-efficacy [SE]) and their partners (other-efficacy [OE]) in financial services. Empirical results from 223 client–financial adviser dyads confirm that participation enjoyment, in addition to economic and relational values, mediates the impact of CP on participants' satisfaction evaluations, with SE positively moderating CP's impact on participation enjoyment. The synergistic effect of SE and OE on participation enjoyment also differs for clients versus financial advisers: Even incongruent levels of SE and OE can enhance participation enjoyment as long as they help validate role expectations of the respective participants.

Keywords: customer participation, value cocreation, participation enjoyment, self-efficacy, other-efficacy, financial services

Customer participation (CP) in the service production and delivery process is gaining credence in both academic writing and real-world practices because it is believed to help customers achieve higher service quality and more service control (Dabholkar 1990; Xie, Bagozzi, and Troye 2008) and to benefit firms through increased customer satisfaction and productivity gains (Mills and Morris 1986). The service-dominant logic (Vargo and Lusch 2004, 2006) further encourages the exploration of CP as a competitive advantage (Bendapudi and Leone 2003). This new logic suggests viewing customers as proactive cocreators rather than passive receivers of value and urging companies to take up the role of facilitators of the value cocreation process (Payne, Storbacka, and Frow 2008). Specifically, a key premise of this logic is that “CP alone is not the key to customer satisfaction but that value cocreation is what matters” (Chan, Yim, and Lam 2010, p. 49). In their study on the mediating role of two extrinsic values (economic and relational), Chan, Yim, and Lam (2010) find that CP offers economic benefits such as customized services, better qual-

ity, and more control to customers and strengthens relational bonds between customers and employees, but it also increases employees' job stress. The mediating role of value cocreation at least partly explains previous mixed and inconsistent findings (e.g., Bendapudi and Leone 2003; Cermak, File, and Prince 1994; Ennew and Binks 1999) on the effect of CP on customer satisfaction and loyalty.

However, participation can also be intrinsically attractive to customers who derive enjoyment from participating in service delivery with or without the usual incentives of discounts or improved service quality (Bateson 1985; Bitner et al. 1997; Dabholkar 1990). Service research also suggests that service customers require not only extrinsic but also intrinsic rewards or psychological benefits (e.g., fun, enjoyment) as motivations for participation in self-service or coproduction service tasks (Dabholkar 1990; Dabholkar and Bagozzi 2002; Etgar 2008; Schneider and Bowen 1995). These findings are consistent with the premise of experiential consumption research (Arnould and Thompson 2005; Holbrook and Hirschman 1982), which stresses the importance of considering the hedonic pursuit of pleasure in the experience of consumption that is considered intrinsically rewarding. Taken together, although recent research (e.g., Chan, Yim, and Lam 2010) has confirmed the cocreation of utilitarian or extrinsic values through CP, still little is known about whether and how CP can create psychological benefits (i.e., an enjoyable experience) for customers and service employees and the consequential outcomes of this positive affective experience.

Furthermore, CP has arguably created a challenging situation for both customers and employees, who must take

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responsibility for their new roles and tasks in various service contexts (e.g., health insurance service [McKee, Simmers, and Licata 2006], online self-service [Van Beuningen et al. 2009], financial services [Chan, Yim, and Lam 2010]). Customers' and employees' ability and skills in dealing with the challenges brought on by CP thus introduce an issue of confidence and perceived capability (or efficacy) in participating, which, according to flow theory (Csikszentmihalyi 1975, 1990), affects the creation of an enjoyable experience. "Flow" is an experiential state characterized by enjoyment or experience of the activity as intrinsically rewarding. Enjoyable activities provide value; they offer an experience that people performing the activities for their own sake will feel satisfied with, try to maintain, and strive to repeat (Belk, Ger, and Askegaard 2000). The flow state is more likely to be achieved when perceived challenges are commensurate with perceived capacities for actions (Csikszentmihalyi and LeFevre 1989; Nakamura and Csikszentmihalyi 2002).

Although recent studies on customers' attitudes toward self-service technologies¹ (Meuter et al. 2005; Van Beuningen et al. 2009) and service participation (McKee, Simmers, and Licata 2006; Xie, Bagozzi, and Troye 2008) have examined self-appraisal of capabilities, or self-efficacy (SE), they have treated it primarily as an antecedent to CP. This is in contrast with its prevalent treatment as a moderator in other literature, such as health/occupational health/stress (e.g., Jex and Bliese 1999; May et al. 1997), organizational behavior/management (e.g., Dierdorff, Surface, and Brown 2010), and education (e.g., Pinquart, Silbereisen, and Juang 2004). An examination of the moderating role of efficacy in the cocreation of values through CP is also important from the perspective of fostering continuous CP because it involves viewing it as a persistent, rather than short-term, behavior.

More important, the limited focus of extant marketing studies on only the role of SE in CP is no longer appropriate because customers' and employees' participation in service coproduction necessitates interdependent relationships between parties. In relational contexts that require the effort of two parties for successful performance (e.g., professional services), both parties' SE likely interacts dynamically with their other-efficacy (OE) beliefs—a person's beliefs about his or her partner's ability to perform particular behaviors—to influence their behaviors and attitudes (Bandura 1982; Lent and Lopez 2002). For example, when a client's lack of confidence that her suggestions will be helpful to her financial adviser (low SE) is compensated by her confidence in the financial adviser's ability to handle her suggestions and identify suitable investments (high OE), she may still enjoy the participating process. Therefore, it is crucial to distinguish SE and OE and examine both their separate and interacting effects on value cocreation through CP.

Lent and Lopez's (2002) conceptual framework of relational efficacy beliefs is particularly relevant for studying

CP in complex and high-credence services with dyadic interactions involving both customers and employees in close relationships (e.g., patient–doctor, client–financial adviser). This conceptual framework not only argues for the importance of considering a network of efficacy beliefs about the self (i.e., SE) and the other (i.e., OE) to illuminate interpersonal functioning in close relationships but also proposes exploring their synergistic effects, particularly in terms of the consequences arising from discrepancies between these efficacy beliefs. Understanding the effects of these discrepancies is important because they could vary depending on the role-specific (e.g., client vs. financial adviser) normative expectations of the parties. However, to the best of our knowledge, neither these proposed synergistic effects nor their variations due to expectations of the parties have been examined in any literature.

In an attempt to address these research gaps, we adopt flow theory to propose and test a model of customers and service employees deriving enjoyment from CP conditional on their perceived efficacy about themselves and their partners in the context of financial services. "Customer participation" refers to the extent to which customers expend time and effort to share information, provide suggestions, and get involved in decision making during the service production and delivery process (Auh et al. 2007; Bolton and Saxena-Iyer 2009; Chan, Yim, and Lam 2010). We select financial services as our research context because it offers opportunities for cocreation of both extrinsic and intrinsic values through CP (Allen and McGoun 2000; Chiu et al. 2005; Payne, Storbacka, and Frow 2008).

This study contributes to the literature, particularly in relation to recent studies on CP in services, in the following ways. First, it confirms the significant role of enjoyment (an intrinsic value), in addition to and separate from extrinsic values, in mediating CP and its consequential service outcomes. This endeavor helps fill a gap in value cocreation by complementing the recent work of Chan, Yim, and Lam (2010), which predominately focuses on examining utilitarian or extrinsic values cocreated through CP, with an experiential perspective (Etgar 2008). Creating an enjoyable participation experience for customers and employees is critical for value cocreation (Payne, Storbacka, and Frow 2008) because value is only created when an offering is experienced (Pralhad and Ramaswamy 2004; Vargo and Lusch 2004). Understanding how CP drives participation enjoyment for both customers and employees also should help managers meet the experiential needs of both groups for effective CP.

Second, this study represents a first attempt in the service literature to examine how customers' and employees' relational efficacy beliefs moderate the extent to which CP enhances their enjoyment and the consequential outcomes. The proposed model with a focus on the cocreation of intrinsic value of enjoyment and the moderating effects of efficacy is also theoretically grounded in the concept of flow that a good match between the level of challenges (e.g., those brought on by CP) and a consumer's skills generates an enjoyable state (Csikszentmihalyi 1990; Csikszentmihalyi and LeFevre 1989). This application of flow theory also extends and enriches previous findings on the

¹"Self-service technologies" refer to technological interfaces (e.g., automated teller machines, Internet banking) that enable customers to produce services without any service employee involvement (Meuter et al. 2005).

boundary conditions of value cocreation of CP, from dispositional or trait-based factors, such as cultural values (Chan, Yim, and Lam 2010), to the state- or task-based factor of efficacy to participate. Relational efficacy beliefs are more manageable and practical from a company's perspective because they can be influenced more readily through company actions, such as education and training (Parker 1998).

Third, this is the first marketing study to distinguish efficacy about oneself (SE) and one's partner (OE) and to consider them from the perspectives of both the customer and the service employee. This effort extends the examination of efficacy in service participation from a single-party perspective to a multiparty, interdependent relationship perspective. Moreover, examining the synergistic effects of SE and OE, particularly the consequences of congruence and incongruence between these efficacy beliefs, sheds new light on the unexplored but critical impacts of participants' role expectations. This study not only considers the effects of high and low efficacy but also explores the differential impacts of efficacy discrepancies on customers and employees based on their different normative role expectations.

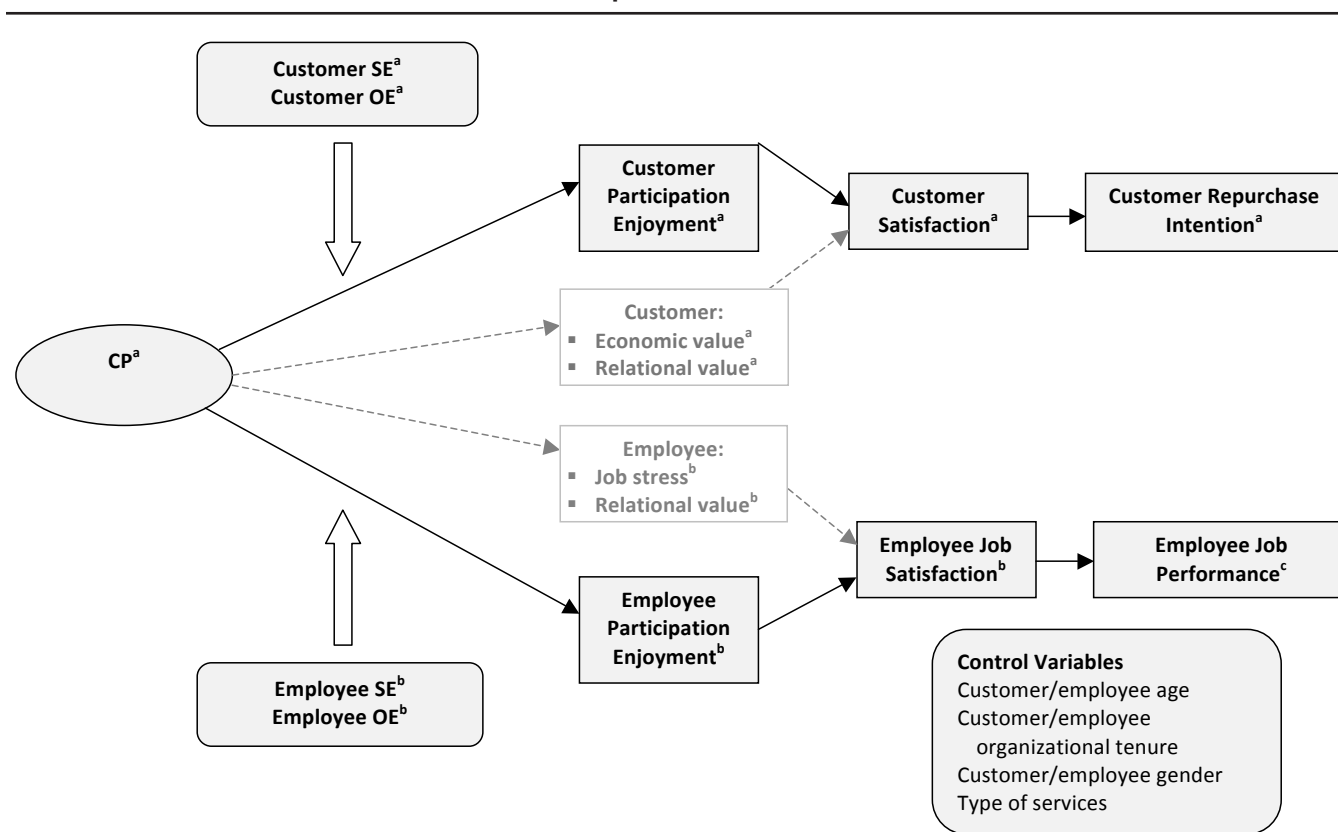
Finally, this study extends the application of flow theory in marketing by going beyond the limited context of online behaviors (e.g., Mathwick and Rigdon 2004; Novak, Hoff-

man, and Yung 2000). This application corroborates previous findings that customers can derive enjoyment from participating in financial services (e.g., Chiu et al. 2005; Payne, Storbacka, and Frow 2008) and also reinforces the key premise of flow theory that possession of efficacy on oneself and/or one's partner is a necessary condition for achieving a flow experience or enjoyment through CP for both customers and service employees.

Theoretical Background and Hypotheses

Our conceptual model (Figure 1) depicts how CP enables customers and service employees to cocreate the intrinsic value of participation enjoyment, in addition to extrinsic values (i.e., relational value for both customers and employees, economic value for customers, and job stress for employees), which then affects their satisfaction and behavioral outcomes. The cocreation of participation enjoyment is further conditional on their efficacy beliefs (SE and OE) of participation. The model is founded on the service-dominant logic (Vargo and Lusch 2004), which advocates a CP-value cocreation link and applies the concept of flow (Csikszentmihalyi 1990; Nakamura and Csikszentmihalyi 2002) as an

FIGURE 1
Conceptual Framework



^aResponses recorded from customers.

^bResponses recorded from service employees.

^cResponses recorded from supervisors.

Notes: Solid arrows denote the hypothesized relationships examined in this study; dotted arrows denote relationships examined in prior research but not the focus of our study.

overarching framework to conceptualize the relationships among CP, participation enjoyment, and efficacy beliefs. It also draws theoretical support from the conceptual model of relational efficacy beliefs (Bandura 1982; Lent and Lopez 2002) to justify the examination of OE, in addition to SE, and the synergistic effects of these efficacy beliefs on the cocreation of an enjoyable experience through CP.

Economic and Relational Values

Early research has argued that CP should deliver value to both customers and firms (Dabholkar 1990; Mills and Morris 1986). However, findings on the effect of CP on customer satisfaction and loyalty are often mixed and inconsistent (e.g., Bendapudi and Leone 2003). Motivated by the value cocreation premise of the service-dominant logic, Chan, Yim, and Lam's (2010) study represents a recent attempt to examine the effectiveness of CP in cocreating economic and relational values for both customers and employees. Their study contributes to the literature by establishing that CP drives performance outcomes (i.e., customer satisfaction, employee job satisfaction, and employee job performance) through the creation of these values. Specifically, CP offers customers economic values (i.e., higher quality, more customized services, and more control) and strengthens the relational bond between customers and employees, but it also increases employees' job stress and reduces their job satisfaction. Nevertheless, previous research on CP, including Chan, Yim, and Lam's (2010) study, has predominantly focused on the cocreation of extrinsic values of an economic and relational nature. However, CP can also be intrinsically attractive to both customers and employees who can derive enjoyment simply from their experience of participation (Bateson 1985; Belk, Ger, and Askegaard 2000; Dabholkar 1990). Thus, the cocreation of intrinsic value or an enjoyable experience remains an important missing link in research on CP and value cocreation. In this study, we extend Chan, Yim, and Lam's extant model, which proposes mediating roles of economic and relational values, by examining the additional but separate mediating role of participation enjoyment.

Participation Enjoyment

An experiential view of participation. The service-dominant logic (Vargo and Lusch 2004), as well as research supporting the notion of value cocreation, argues that value resides not in the object of consumption but in the experience of consumption (Payne, Storbacka, and Frow 2008) and that value creation is embedded in personalized experience (Prahalad and Ramaswamy 2004). This proposition concurs with previous work on experiential consumption (e.g., Arnould and Thompson 2005; Hirschman and Holbrook 1982; Holbrook and Hirschman 1982), which supplements and enriches the conventional information-processing approach that views customers as involved in a cognitive process of evaluating utilitarian benefits and costs by emphasizing emotional, contextual, symbolic, and nonutilitarian aspects of experiences (Addis and Holbrook 2001). An experience can evoke value either through achieving its intended goal or by providing enjoyment (Babin, Darden,

and Griffin 1994). In contrast with the information-processing perspective, which considers values attainable primarily through the utilitarian benefits provided, the experiential view adopts criteria for successful consumption that are essentially aesthetic in nature and hinge on appreciation of consumption for its own sake (Holbrook and Hirschman 1982).

The prevailing focus on cocreation of extrinsic values in the CP literature is analogous to adopting the information-processing perspective to explain consumer behavior. Although some motives of CP can be attributed to extrinsic values, this perspective neglects an important part of the experience encountered by both customers and employees when they participate in the cocreation process (Etgar 2008; Payne, Storbacka, and Frow 2008)—namely, people who engage in activities for their own sake and can derive enjoyment simply from their experience of participation (Bateson 1985; Belk, Ger, and Askegaard 2000). A fun and enjoyable exchange experience could be created by customers' participation (Dabholkar and Bagozzi 2002) as their role shifts from distanced spectators to coproducers of value (Deighton and Grayson 1995; Vargo and Lusch 2004). Etgar's (2008) conceptual model of the consumer coproduction process specifically identifies psychological values, such as a desire for fun, as a motivational force that encourages consumers to participate in coproduction. Such evidence suggests that "in addition to contributing to their own satisfaction by improving the quality of service delivered to them, some customers simply enjoy participating in service delivery" (Bitner et al. 1997, p. 198).

Enjoyment and the flow experience. The enjoyment construct has been extensively studied in activities ranging from music, games, sports, and exercise to both offline and online human-computer interactions (Chan and Li 2010; Csikszentmihalyi 1975; Trevino and Webster 1992). It has also been used to capture the more experiential nature of an activity and is suggested to be intrinsically rewarding (Kimiecik and Harris 1996). We adapt the definition of enjoyment from previous literature to our context of CP by conceptualizing "customer (employee) participation enjoyment" as a psychological construct that measures a customer's (an employee's) level of positive affective experience as a result of his or her (his or her customer's) participation during the service process that reflects generalized feelings of pleasure, enjoyment, and fun (Babin, Darden, and Griffin 1994; McCarthy, Jones, and Clark-Carter 2008).

The concept of "flow experience" (Csikszentmihalyi 1975), also taken up by experiential consumption research (Holbrook and Hirschman 1982), offers a fruitful framework for exploring the process of cocreating enjoyment through CP. Csikszentmihalyi's (1975, p. 37) work focuses on examining the phenomenon of what he calls "flow experiences ... so enjoyable that ... the doing is the thing." Other researchers have also explored these intrinsically motivated phenomena, including Deci (1975), who labels internal states with the rewarding properties of positive affect as "hedonistic positions," and Calder and Staw

(1975), who describe these states as “pleasurable” and “enjoyable.”

We argue that an enjoyable experience matters in financial services because flow or an enjoyable, intrinsically rewarding experience can occur even in “work” settings, in which extrinsic rewards can themselves justify participation (Nakamura and Csikszentmihalyi 2002). The finance literature also offers the “investing-as-experience” metaphor to suggest that investing can be desirable in and of itself and that investors can derive pleasurable experiences from participating in investing (Allen and McGoun 2000). Previous marketing studies on financial services also show the importance of enjoyment in this context. For example, Chiu et al. (2005) suggest and find that customers perceive hedonic value or enjoyment from interacting with the bank staff. An intrinsically rewarding experience will also take on added significance in customers’ evaluations of financial services because performance in financial services (e.g., the true value of investment advice) is uncertain and assessable only over time (Sharma and Patterson 1999). Similarly, other financial services, such as securing a mortgage for a new home, can offer important and emotional encounters for customers because they involve experiential elements, such as in “making their dreams come true” (Payne, Storbacka, and Frow 2008, p. 91). The process of sharing information and making suggestions by customers can also help employees gain a better understanding of customers’ requirements and expectations and make their job easier and the service more successful (Bitner et al. 1997), both of which should ultimately increase employees’ enjoyment of the service process.

From a learning perspective, CP also could create enjoyment for both customers and employees because of the substantial time and effort invested and experiences learned. Studies on learning (Buenz and Merrill 1968) confirm that people who exert a great deal of effort while learning enjoy the learning process more than people who exert little effort. Moreover, CP enables a smoother and immediate exchange of feedback between customers and employees through the active sharing of information and commenting on each other’s views and suggestions, which could facilitate the flow experience of positive feelings and fun (Csikszentmihalyi 1990).

Enjoyment and satisfaction. Evidence also supports the positive effect of participation enjoyment on customer satisfaction and employee job satisfaction. For example, in their studies of consumption emotions, Phillips and Baumgartner (2002) find a positive impact of consumption emotion (e.g., delight, happiness) on satisfaction evaluation. Other marketing researchers (e.g., Oliver 1980) also note that an enjoyable experience with a product or service is a necessary requirement for positive service evaluations and intention to maintain a relationship with the provider. Moreover, studies on technology and virtual communities (e.g., Koufaris 2002) suggest that enjoyment is a critical intrinsic benefit that strengthens users’ positive attitudes toward using computer technology. Shin (2006) finds a strong and positive impact of students’ experiences of enjoyment on their satisfaction with online courses. Chan and Li (2010)

also conclude that people experiencing enjoyment from interacting with other users in a virtual community are more likely to be satisfied and contribute resources to that network. Similarly, employees will evaluate their job positively if they find serving customers inherently enjoyable (Brown et al. 2002). Donavan, Brown, and Mowen (2004) note that a service worker who enjoys serving customers experiences greater job satisfaction. Therefore, we hypothesize the following:

H_{1a}: Customer participation enjoyment mediates the impact of CP on customer satisfaction such that a higher level of CP leads to greater customer satisfaction through the creation of customer participation enjoyment.

H_{1b}: Employee participation enjoyment mediates the impact of CP on employee job satisfaction such that a higher level of CP leads to greater employee job satisfaction through the creation of employee participation enjoyment.

Relational Efficacy Beliefs

Previous research confirms that people tend to report the most positive experience when their perceived capabilities to act match the challenges or opportunities for action (Csikszentmihalyi and Lefevre 1989). Similarly, competence is central to Deci’s (1975) concept of intrinsically motivated behavior in that positive affect is produced when challenges are conquered with the associated feeling of efficacy. Self-efficacy, or the “belief in one’s capabilities to organize and execute the courses of action required to produce given attainments” (Bandura 1997, p. 3), operates as a cognitive mediator of action because people feel more comfortable taking action if they believe they are capable of performing the task (Bandura 1977, 1982). As a domain-specific motivational belief, SE has been classified as a situational variable, separate from more enduring personality traits (e.g., Dierdorff, Surface, and Brown 2010), that can be changed or influenced (Bandura 1977). In situations that demand engaging people in difficult tasks, SE can influence people’s choice of activities (Bandura 1977), serve as a robust performance predictor (e.g., Stajkovic and Luthans 1998), and even determine their attitudes and behaviors (e.g., Ellen, Bearden, and Sharma 1991).

Nevertheless, focusing only on the role of SE in CP could be problematic because the relationship between customers and employees in service coproduction involves interdependent relationships, which means, according to social cognitive theory, that both parties’ perceived capabilities of their partners also matter (Bandura 1997, 2001). In marketing exchanges involving partners in close relationships, Bitner (1990) also shows that customers are more satisfied when they perceive the employees as possessing the ability and competence to solve problems. Examination of both SE and OE is also supported by the conceptual model of relational efficacy belief that Lent and Lopez (2002) propose. This model shifts the focus from SE to a network of interpersonal efficacy beliefs in close social relationships, in which partners are interdependent and have mutual impacts (Berscheid, Gangestad, and Kulakowski 1984). It also underscores the presumption in social cognitive theory about the role of social influences on people’s efficacy

beliefs and behaviors (Snyder and Stukas 1999) and notes the fruitfulness of examining these beliefs from both partners' perspectives in dyadic, close relationship contexts.

Recent studies in the sports context represent the forefront on the roles of SE and OE in relational dyads (e.g., athlete-coach). For example, Jackson, Beauchamp, and Knapp (2007) find separate, significant effects of both SE and OE on relationship satisfaction and commitment. However, no attention has been devoted to empirically examining the potential impacts of congruent and incongruent levels of SE and OE on relational outcomes (Jackson, Knapp, and Beauchamp 2008; Lent and Lopez 2002) or the differential effects of efficacy beliefs for partners with different roles or statuses (Jackson and Beauchamp 2010a).

Lent and Lopez (2002) also introduce other efficacy beliefs, such as relation-inferred SE (i.e., a partner's belief about how his or her efficacy is viewed by the other) or estimations of the other person's SE. Because these conceptualizations represent metaperceptions (or second-order expectations) (Jackson and Beauchamp 2010b; Snyder and Stukas 1999), we exclude them and focus instead on direct perceptions of efficacy beliefs (SE and OE), which we believe are more appropriate starting points for examining emerging issues related to efficacy beliefs and differential effects for partners who play different roles in service cocreation.

Moderating Effects of SE on Customers and Employees

According to flow theory (Csikszentmihalyi 1975, 1990) and research on intrinsically motivated behavior (Deci 1975), feelings of enjoyment emerge if a person perceives a high level of skill in handling the challenges encountered. We therefore anticipate that when the level of CP is high, customers (employees) should feel a higher level of enjoyment if they have a high level of perceived capabilities to participate (handle customers' participation). First, high-SE people tend to engage more, exert more effort, and persist more to overcome task obstacles (Bandura 1997; Lent and Lopez 2002) because their high SE prompts them to set challenging goals (Maddux 1995), which in turn help them achieve more and further strengthen their abilities and efficacies (Locke and Latham 1990). This virtuous cycle of positive self-beliefs and persistent engagement enables high-SE people to enjoy their undertaking (Webb 2000). In contrast, people who are less efficacious settle for less and deny themselves the opportunity to fully enjoy their participation (McKee, Simmers, and Licata 2006).

Second, gaining a sense of control over the service process and the final outcome could contribute to enjoyment (Chan, Yim, and Lam 2010; Dabholkar 1990; Schneider and Bowen 1995) if people have confidence in their ability to use that control effectively (Schaubroeck and Merritt 1997). People who judge themselves as inefficacious will dwell on their personal deficiencies, magnify the severity of possible threats, worry about perils, and, in turn, experience high levels of cognitively generated distress (Bandura 1982).

Third, customers actively learn about and customize their own service outputs through participation. Those who are more efficacious might feel more comfortable taking the role of "partial employee" and enjoy their participation experience (McKee, Simmers, and Licata 2006). Their high SE produces adaptive emotional states, so they can cope better with challenging or threatening situations induced by CP (Maddux 1995) and use their cognitive resources to search for solutions to problems rather than reflect on their inadequacies (Wood and Bandura 1989).

Fourth, contact employees who possess high SE about handling customers' participation likely create favorable service encounters (Gist and Mitchell 1992; Hartline and Ferrell 1996) by exerting more effort, being more persistent, and learning to cope with task-related obstacles (Bandura 1977; Gist 1987; Van Beuningen et al. 2009). Therefore, they should perceive more enjoyment from CP because they are more capable of both coping with demanding situations (e.g., increased input uncertainties, unexpected requests) and effectively responding to the customers' expressed needs by providing them immediate and valuable feedback during the service encounter (Hartline and Ferrell 1996).

Taken together, customers (employees) with high SE are likely to derive more enjoyment from their (their customers') participation because they feel more capable of handling challenges brought on by CP, sense more fun, and experience less distress. Thus, we expect the following:

- H_{2a}: Customer SE of participation moderates the effect of CP on customer participation enjoyment such that high customer SE strengthens the positive effect of CP on customer participation enjoyment.
- H_{2b}: Employee SE of participation moderates the effect of CP on employee participation enjoyment such that high employee SE strengthens the positive effect of CP on employee participation enjoyment.

Synergistic Effects of SE and OE

People in close relationships do not always rely exclusively on personal or proxy agency to achieve desired outcomes (Bray et al. 2001). If relationship partners work together to effect outcomes, and thus exercise both types of agency, they should seek out partners they view as efficacious and refrain from working with those they perceive as less competent (Lent and Lopez 2002). Therefore, judgments of both SE and OE should play important roles in shaping motivations and experiences (Bray et al. 2001; Lent and Lopez 2002).

Moderating effects of congruent levels of SE and OE. If successful performance requires partners to work together effectively, it is advantageous for both partners to possess favorable beliefs about their own and their partner's competence (i.e., "I can do my part, and my partner can do her part"; Lent and Lopez 2002). In financial services, success demands that clients and financial advisers exchange information and jointly make decisions about financial planning (Auh et al. 2007). Partners who are confident of their own and their partners' capabilities to participate are more likely to persist in, derive more value from, and enjoy the collaboration.

High levels of SE and OE also contribute to better task performance. Patients' OE beliefs in their doctors' capabilities supplement their own SE in helping them manage symptoms and overcome serious illness (Thompson et al. 1993). A combination of high SE and OE also promotes class attendance among novice exercisers (Bray et al. 2001). Christensen et al. (1996) further suggest that patients' perceptions of their own efficacy increase their adherence to prescribed treatments more if they also have confidence in the expert judgment and actions of their providers. Although these studies do not directly test the joint effect of high levels of SE and OE on people's feelings of enjoyment, we suggest that participants should find a positive task performance enjoyable. Many studies, including those on customers' use of self-services (e.g., Dabholkar and Bagozzi 2002), also have shown a strong relationship between successful performance and self-reported enjoyment (Deci and Ryan 1985). In contrast, those who are convinced of inefficacy should feel uncomfortable and will not enjoy the task of service coproduction (Bandura 1982). Therefore:

H_{3a}: Customer participation has (i) a positive effect on customer participation enjoyment when customers have high levels of customer SE and customer OE and (ii) a negative effect on customer participation enjoyment when they have low levels of customer SE and customer OE.

H_{3b}: Customer participation has (i) a positive effect on employee participation enjoyment when employees have high levels of employee SE and employee OE and (ii) a negative effect on employee participation enjoyment when they have low levels of employee SE and employee OE.

Moderating effects of incongruent levels of SE and OE.

Two questions emerge in a setting of incongruent levels of SE and OE. First, do high SE and low OE produce the same results as low SE and high OE, for either customers or employees? Second, are the moderating effects of incongruent levels of SE and OE the same for customers and employees? We refer to role expectancy validation and violation to address these questions.

Any interaction between parties contains learned and consistent behavior patterns (e.g., a financial service involves clients and financial advisers), such that each participant has a particular role and certain expectations of his or her partner's role (Broderick 1999; Solomon et al. 1985). Accurate mutual comprehension of role expectations is a prerequisite for a satisfying interaction experience because knowledge of doing the right thing and of partners playing their expected roles (i.e., role expectancy validation) creates successful interactions with others and satisfaction with performance (Solomon et al. 1985). Inconsistency with role expectations (i.e., role expectancy violation)—namely, when a party steps out of his or her role or the parties do not share common role definitions—leads to negative dyadic experience and performance (Bartholow et al. 2001; Solomon et al. 1985). For example, a doctor may bristle at a patient who tries to provide a self-diagnosis (Schneider 1980). Such expectancy violations of one partner can cause the other partner to experience greater affective arousal

(Bartholow et al. 2001) and develop unfavorable evaluations (Kernahan, Bartholow, and Bettencourt 2000) because unexpectedness can be a source of intense negative emotions and physiological reactions (Clore, Schwarz, and Conway 1994).

Role expectancy violations also reduce mindlessness and mandate increased cognitive activity to form an evaluation (Bargh and Thein 1985; Bartholow et al. 2001) because they create more situational uncertainty (Wyer, Sherman, and Stroessner 2000). The need to expend effort to predict a partner's uncertain behavior decreases the time available for task activities (Bartholow et al. 2001; Strangor and McMillan 1992). Thus, interacting with expectancy-violating partners taxes people's working memory and attentional resources, which can result in performance impairments in cooperative tasks (Mendes et al. 2007).

In financial services, both clients and financial advisers likely hold conventional role expectations of themselves and their partners. Clients expect financial advisers to act as knowledgeable, competent, and experienced service providers, while they take the default role of a service recipient (McClure 2003). Therefore, clients should attend closely to the efficacy of their financial advisers. Incongruent levels among clients, such as low customer SE and high customer OE, then might validate their role expectations for both themselves and their partners. These incongruent but complementary appraisals of SE and OE could still function well because strong expectations of the efficacy of a partner may help compensate for lower SE (Lent and Lopez 2002). For example, clients may have satisfying therapy experiences, even if they feel inefficacious about their own abilities, because they are optimistic about the therapist's competence (Lent and Lopez 2002). Bray et al. (2001) also suggest that high OE toward instructors helps people overcome their own inefficacy and successfully perform strenuous aerobic workouts. Thus, customers with low SE should still derive enjoyment from CP, as long as they have high OE beliefs about the service employees.

H₄: Customer participation has a positive effect on customer participation enjoyment when customers have low customer SE and high customer OE.

Yet clients likely consider high customer SE and low customer OE a role expectancy violation. Clients' high customer SE may motivate them to exert more effort, but they may attain less enjoyment from their participation when they perceive financial advisers as lacking the capability to cocreate. A "typical" financial adviser seemingly should be knowledgeable about and competent in coproducing the services (McClure 2003). The cognitive dissonance created by a role expectancy violation could lead to frustration or anger (Festinger 1957). High customer SE and low customer OE also might create inequity perceptions among clients because these conditions violate the norm of reciprocity in social exchanges (Blau 1964). Therefore, they should impair the effect of CP on customer participation enjoyment.

H₅: Customer participation has a negative effect on customer participation enjoyment when customers have high customer SE and low customer OE.

Role expectancy validation/violation is equally applicable to employees, though with an opposite effect. That is, low SE and high OE among employees should attenuate the effect of CP on their enjoyment; employees may not enjoy CP at all or even derive negative enjoyment from it. Employees' inefficacy disconfirms their roles as expert service providers and creates inconsistency in their beliefs about expected and actual role performance, which may lead to frustration and depression (Martinko and Gardner 1982), especially if they perceive high OE among customers whose traditional role is to receive services. Such discrepancies may drive employees to adopt a negative self-view because their sense of being an expert is threatened by the comparison with their customers (Festinger 1954). This notion of social comparison is consistent with Bonito's (2002) argument that people respond negatively to others' successes as a result of interpersonal comparison. Thus, their enjoyment will be hampered throughout the service process. Employees' low SE is also exposed when interacting with customers who actively participate in the service process, leading to more negative outcomes (e.g., frustration, low self-esteem). Discrepancies between SE and OE may create negative affect and relationship termination because those with more confidence in their partners than in themselves expect their partners to leave (Jackson, Knapp, and Beauchamp 2008).

Conversely, if employees perceive high SE and low OE among customers, they can still attain enjoyment from CP. They sense more consonant beliefs about their roles because they can rationalize the low efficacy of customers according to their expected role as service recipients. Kerr and Brunn (1983) find that when other people's (maximum) output is limited by their innate inability (e.g., women are stereotypically considered weaker than men on effort exertion tasks), participants do not mind taking up others' reduced efforts. Thus, any type of participation by customers to facilitate value cocreation is an "extra bonus" for employees. Furthermore, the act of social comparison with inefficacious customers may help employees feel better about their coproduction abilities and thus enjoy the process more (Bonito 2002). In our study context, employees with high SE should enjoy associating with inefficacious customers who help them feel competent in comparison and put themselves in situations that increase opportunities to display their competence (Bandura 1992; Maddux 1995). Thus, we posit the following:

H₆: Customer participation has a negative effect on employee participation enjoyment when employees have low employee SE and high employee OE.

H₇: Customer participation has a positive effect on employee participation enjoyment when employees have high employee SE and low employee OE.

Satisfaction Evaluations and Behavioral Outcomes

Finally, we consider the contribution of CP, through participation enjoyment, to two ultimate performance outcomes: customers' repurchase intention and employees' job performance. Repurchase intention is the most widely used indi-

cator of customer loyalty in recent marketing research (e.g., Castano et al. 2008; Chandon, Morwitz, and Reinartz 2005; Morgan and Rego 2006; Wagner, Hennig-Thurau, and Rudolph 2009). In parallel, the importance of employee job performance has dominated research in the field of organizational behavior (e.g., Janssen and Van Yperen 2004). In line with previous research, we expect customer satisfaction and employee job satisfaction to exert a positive impact on customers' future intention to use the firm's services and employees' job performance, respectively (Chan, Yim, and Lam 2010; Cronin and Taylor 1992; Oliver 1980; Oliver and Swan 1989). Thus:

H₈: Customer satisfaction has a positive effect on customer repurchase intention.

H₉: Employee job satisfaction has a positive effect on employee job performance.

Methodology

Financial services provide an appropriate context for our study because an intrinsically rewarding experience matters in these services (Allen and McGoun 2000; Payne, Storbacka, and Frow 2008; Sharma and Patterson 1999). These services also require teamwork by both clients and financial advisers (Auh et al. 2007; Chan, Yim, and Lam 2010). A lack of confidence or efficacy in either party likely limits the effectiveness of their coproduction of successful service outcomes (Van Beuningen et al. 2009). These clients and financial advisers engage in close relationships and invest considerable time, effort, and personal resources in their partnerships, such that the relational beliefs we examine are particularly relevant (Lent and Lopez 2002).

Sample and Sampling Procedures

The data for this study come from 223 matched pairs of customers of financial services and service employees of a large multinational bank in Hong Kong. The employee respondents worked in various divisions, including loans (22%), insurance (17%), financial planning (29%), and asset/fund management (32%). Selected employees were asked to fill out one "employee" questionnaire for each of their "active" customers with whom they had business transactions during the data collection period.² This questionnaire included measures of employee SE and OE, participation enjoyment, job stress and relational value arising from CP, and job satisfaction. Of the 376 selected employees, 246 returned usable questionnaires for at least one active customer (65% response rate). We then sent a customer questionnaire to the active customers of each of the 246 employee respondents. This questionnaire included measures of CP, customer SE and OE, participation enjoyment, economic and relational values cocreated through CP, satisfaction, and repurchase intention. Of the 1869 customer respondents, 953 returned usable questionnaires (51%

²We excluded customers with less than one year's tenure with the bank because they may not have had sufficient interactions with the selected employees; each selected employee served 5–11 active customers during the survey period.

response rate). We then matched corresponding usable questionnaires from customer and employee respondents to form customer–employee dyads.³ Finally, we retained only unique customer–employee dyads by randomly selecting only one dyad per employee. As a result, we used 223 unique customer–employee dyads in our data analysis. Both the customer and employee surveys are designed to assess perceptions of one-to-one corresponding service experiences between each pair of employee and customer accumulated over their multiple interactions, rather than after a single transaction. This approach is consistent with the service-dominant logic (Vargo and Lusch 2004), which states that in value cocreation, customers and service providers must engage in relational exchanges, often for extended periods, beyond the transaction.

To assess nonresponse bias, we compared the data from customer and employee respondents with company data pertaining to the population of similar customers and employees, respectively, and found no significant differences in terms of age, gender, and tenure. The employee (customer) respondents had a mean age of 33.6 (37.2) years and mean tenure of 5.1 (3.8) years, and 64% (52%) were women. We also separately collected employees' job performance ratings by their immediate supervisors from the company record. These ratings were made at approximately the same time we conducted the employee survey.

Measure Operationalization

The original questionnaire was prepared in English and translated into Chinese by means of standard back-translation methods (Brislin 1980). We pretested the questionnaire with 30 employees and 20 customers and asked them to comment on any items they found ambiguous or difficult to understand; no major changes to the items were required. The Appendix provides the scales for measuring the model constructs and measurement reliability and validity. In terms of discriminant validity, we first ran chi-square difference tests for all constructs in pairs to test whether the restricted model (correlation fixed at 1) was significantly worse than the model with correlation estimated freely. All chi-square differences were significant. Following Fornell and Larcker's (1981) criterion, we then examined whether the shared variances between all possible pairs of constructs were lower than the average variance extracted (AVE) for the individual constructs. For each construct, the AVE was higher than its highest shared variance with other constructs, in support of discriminant validity. All items, unless otherwise indicated, use a five-point Likert scale (1 = "strongly disagree," and 5 = "strongly agree"). The items mostly come from previous research, with minor wording modifications to fit our study context. Table 1 lists the descriptive statistics of the key constructs.

Following Auh et al. (2007) and Chan, Yim, and Lam (2010), we adopted a self-reported behavioral approach to capture customers' level of participation in the service

process. We measured the extent to which a customer invests time and effort to share information, provide suggestions, and get involved in decision making during the service production and delivery process. We adapted the customers' SE scale from Riggs et al.'s (1994) personal efficacy belief scale, with four items that measured customers' beliefs in their ability and confidence to perform the participation task. The same SE scale measured the employees' beliefs in their ability and confidence to respond to customers' participation. For the OE measurement, we used the same four items but amended them to refer to "rate this customer" (for employee OE) and "rate this employee" (for customer OE). The customer (employee) participation enjoyment items measured customers' (employees') level of positive affective experience with their own (their customers') participation that reflects feelings such as enjoyment and fun (Csikszentmihalyi 1990; Kimiecik and Harris 1996; Koufaris 2002). We adapted measures for customers' and employees' economic and relational values from Chan, Yim, and Lam (2010). We measured customer economic value with items that capture its main characteristics of better service quality, customized services, and more control. We measured customer and employee relational value with items that represent a better relationship, better connection, and relational approval. We assessed employee job stress with items covering key job stressors of nervousness, role conflict, and increased problems. Last, for measures of customer satisfaction, repurchase intention, employee job satisfaction, and job performance, we adopted items from previous literature with minor modifications to fit our context (e.g., Chan, Yim, and Lam 2010; Hartline and Ferrell 1996).

We included age, gender, organizational tenure of customers and employees, and the types of services involved as control variables. Previous experiences, as reflected by age and job tenure, are the most influential efficacy cues. Schwoerer and May (1996) argue that older employees possess more stable SE beliefs than younger employees for shaping their work behavior because their cumulative, direct work and life experiences provide a basis for these beliefs. Moreover, tenure has been increasingly recognized as relevant for understanding work outcomes (Bedeian, Farris, and Kacmar 1992). In terms of gender, men report higher levels of enjoyment and higher perceptions of their competence than women (Carroll and Loumidis 2001). Finally, we also controlled for the type of services because different services might require different levels of expertise from the participants and affect their perceived enjoyment differently.

Results

Measurement Model Tests

Using confirmatory factor analysis with LISREL 8 (Jöreskog and Sörbom 1993), we assessed the validity of the 15-factor constructs of CP, customer SE and OE, employee SE and OE, customer and employee participation enjoyment, customer economic value, employee job stress, customer and employee relational value, customer satisfaction, employee job satisfaction, customer repurchase intention, and employee job performance. The 15-factor model

³For example, the case of an employee returning questionnaires on four of his or her active customers and three of these customers returning questionnaires on this employee provides three matched pairs of questionnaires.

TABLE 1
Descriptive Statistics

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. CP	3.41	.79	(.91)														
2. Customer SE	3.54	.82	.14	(.92)													
3. Customer OE	3.38	.78	.10	-.12													
4. Employee SE	3.42	.77	.14	.08	(.90)												
5. Employee OE	3.33	.72	.09	.10	.09	(.90)											
6. Customer economic value	3.61	.77	.37	.12	.10	.04	(.88)										
7. Employee job stress	3.30	.72	.31	.08	.08	.14	.10	(.90)									
8. Customer relational value	3.46	.78	.40	.13	.09	.05	.04	.41	(.91)								
9. Employee relational value	3.24	.77	.28	.09	.05	.11	.10	.12	.17	(.89)							
10. Customer participation enjoyment	3.80	.76	.33	.24	.18	.22	.15	.26	-.18	.28	(.94)						
11. Employee participation enjoyment	3.56	.84	.35	.22	.18	.20	.14	.20	-.25	.20	.26	(.90)					
12. Customer satisfaction	3.76	.78	.28	.18	.16	.15	.14	.32	.21	.36	.16	.55	(.91)				
13. Employee job satisfaction	3.48	.80	.30	.17	.14	.16	.14	.10	-.36	.08	.20	.44	.50	(.88)			
14. Customer repurchase intention ^a	3.47	.74	.36	.28	.34	.32	.43	.38	.09	.32	.23	.47	.42	.57	.42	—	
15. Employee job performance ^a	3.52	.97	.32	.22	.30	.31	.21	.12	-.05	.14	.16	.21	.24	.54	.53	.31	—

^aSingle-item measure.

Notes: n = 223. Off-diagonal numbers are correlations between constructs. Correlations greater than .14 are significant at $p < .05$. Correlations greater than .23 are significant at $p < .01$. Numbers in parentheses are coefficient alphas.

yielded a goodness-of-fit index of .95, confirmatory fit index of .94, and root mean square error of approximation of .06 ($\chi^2_{(1, 119)} = 2,751$). The factor loading of each item on its corresponding construct was significant at the .001 level, in support of convergent validity (Anderson and Gerbing 1988). We also tested the fit statistics of 1- to 14-factor models, all of which had significantly worse fit ($p < .01$) than the 15-factor model. These tests support a factor structure that specifies the unidimensionality of the measures.

Hypotheses Testing

To test H_{1a} and H_{1b} on the mediating role of participation enjoyment (and validate the mediating effects of economic and relational values found in Chan, Yim, and Lam's [2010] study), we use the mediation test procedures that Baron and Kenny (1986) recommend.⁴ The results in Table 2, Panel A,

⁴We used average estimates for the constructs in all regression analyses.

show that CP has a significantly positive effect on satisfaction, participation enjoyment, economic value, and relational value for customers. Customer participation enjoyment and economic and relational values also are significantly related to customer satisfaction. When CP and the three cocreated values for customers appear as predictors of customer satisfaction, the effect of CP becomes non-significant ($\beta = .07$, n.s.), while the effects of the three cocreated values remain significant ($\beta_{\text{participation enjoyment}} = .35$, $p < .01$; $\beta_{\text{economic value}} = .38$, $p < .01$; $\beta_{\text{relational value}} = .41$, $p < .01$). These results not only validate the mediating effects of economic and relational values found in Chan, Yim, and Lam (2010) but also suggest the additional significant mediating role of customer participation enjoyment in the relationship between CP and customer satisfaction, in support of H_{1a} . As Table 2, Panel B, shows, similar results for the significant mediating role of employee participation enjoyment, along with the mediating effects of employee job stress and relational value, in linking CP to employee

TABLE 2
Mediation Tests of Customer and Employee Participation Enjoyment

A: Customer Participation Enjoyment						
Variables	Customer Satisfaction	Customer Satisfaction	Customer Participation Enjoyment	Customer Economic Value	Customer Relational Value	Customer Satisfaction
Control Variables						
Customer age	-.05	-.05	-.03	-.03	-.03	-.05
Employee age	-.03	-.05	-.02	-.04	-.03	-.02
Customer organizational tenure	.08	.05	.05	.05	.05	.04
Employee organizational tenure	.02	.06	.05	.05	.06	.03
Customer gender	-.02	-.04	-.02	-.03	-.02	-.03
Employee gender	-.04	-.02	-.05	-.04	-.04	-.04
Type of services	-.05	-.06	-.03	-.03	-.03	-.04
Independent Variables						
CP	.28**		.32**	.37**	.40**	.07
Customer participation enjoyment		.31**				.35**
Customer economic value		.36**				.38**
Customer relational value		.38**				.41**
Total R ²	.11**	.33**	.13**	.15**	.15**	.34**
B: Employee Participation Enjoyment						
Variables	Employee Job Satisfaction	Employee Job Satisfaction	Employee Participation Enjoyment	Employee Job Stress	Employee Relational Value	Employee Job Satisfaction
Control Variables						
Customer age	-.05	-.04	-.03	-.03	-.03	-.05
Employee age	-.03	-.04	-.03	-.04	-.03	-.03
Customer organizational tenure	.06	.07	.05	.05	.05	.03
Employee organizational tenure	.03	.04	.05	.05	.04	.04
Customer gender	-.02	-.03	-.02	-.04	-.03	-.03
Employee gender	-.03	-.03	-.04	-.05	-.05	-.05
Type of services	-.06	-.05	-.03	-.04	-.03	-.04
Independent Variables						
CP	.30**		.33**	.31**	.28**	.07
Employee participation enjoyment		.41**				.44**
Employee job stress		-.34**				-.31**
Employee relational value		.19**				.19**
Total R ²	.12**	.31*	.13**	.12**	.11**	.31**

* $p < .05$ (two-tailed test).

** $p < .01$ (two-tailed test).

job satisfaction emerge, in support of H_{1b} . Thus, we confirm that participation enjoyment is a significant value cocreated through CP in financial services, in addition to and separate from economic and relational values. Taken together, these results confirm a key premise of the service-dominant logic that value cocreation matters and also extend it to the case of employees.

To test the moderating effects of SE on participation enjoyment (H_{2a} and H_{2b}), we employ moderated regression (see Table 3). We enter the control variables in Step 1, main effects in Step 2, and two-way interaction terms in Step 3. To test the joint moderating effects of SE and OE (H_3 – H_7), we enter the three-way interaction terms in Step 4. In H_{2a} , we predict that customer SE moderates the relationship between CP and customer participation enjoyment; Table 3 shows that the two-way interaction ($CP \times$ customer SE) is significant ($\beta = .33, p < .01$). Specifically, for the group of customers scoring high on SE, we find a strong positive relationship between CP and customer participation enjoyment, but no such positive relationship emerges when customers' SE is low, in support of H_{2a} .

In H_{2b} , we also predict that employee SE moderates the relationship between CP and employee participation enjoyment; Table 3 shows that the two-way interaction term of $CP \times$ employee SE is significant ($\beta = .36, p < .01$), in support of H_{2b} . In particular, when employees have high SE, we find a strong positive relationship between CP and employee participation enjoyment. Among employees with

low SE, no relationship emerges between CP and employee participation enjoyment.

Regarding the moderating effects of congruent levels of customer SE and OE and employee SE and OE, Table 3 shows that the hypothesized three-way interactions are significant (customer: $\beta = .40, p < .01$; employee: $\beta = -.42, p < .01$). Following Aiken and West (1991), we used unstandardized regression coefficients to plot the relationship between CP and customer participation enjoyment at low levels (one standard deviation below the mean) and high levels (one standard deviation above the mean) of customer SE, customer OE, employee SE, and employee OE. As the left-hand side of Figure 2, Panel A, shows, CP is positively related to customer participation enjoyment when both customer SE and customer OE are high; however, it is negatively related to customer participation enjoyment when both customer SE and customer OE are low (right-hand side). These results support H_{3a} . Figure 2, Panel B, also presents the results of the three-way interaction among CP, employee SE, and employee OE on employee participation enjoyment. In support of H_{3b} , CP is positively related to employee participation enjoyment when both employee SE and employee OE are high (left-hand side) but negatively related when both employee SE and employee OE are low (right-hand side).

We also hypothesize about the moderating effects of incongruent customer SE and OE and employee SE and OE. As the left-hand side of Figure 2, Panel A, reveals, CP is positively related to customer participation enjoyment

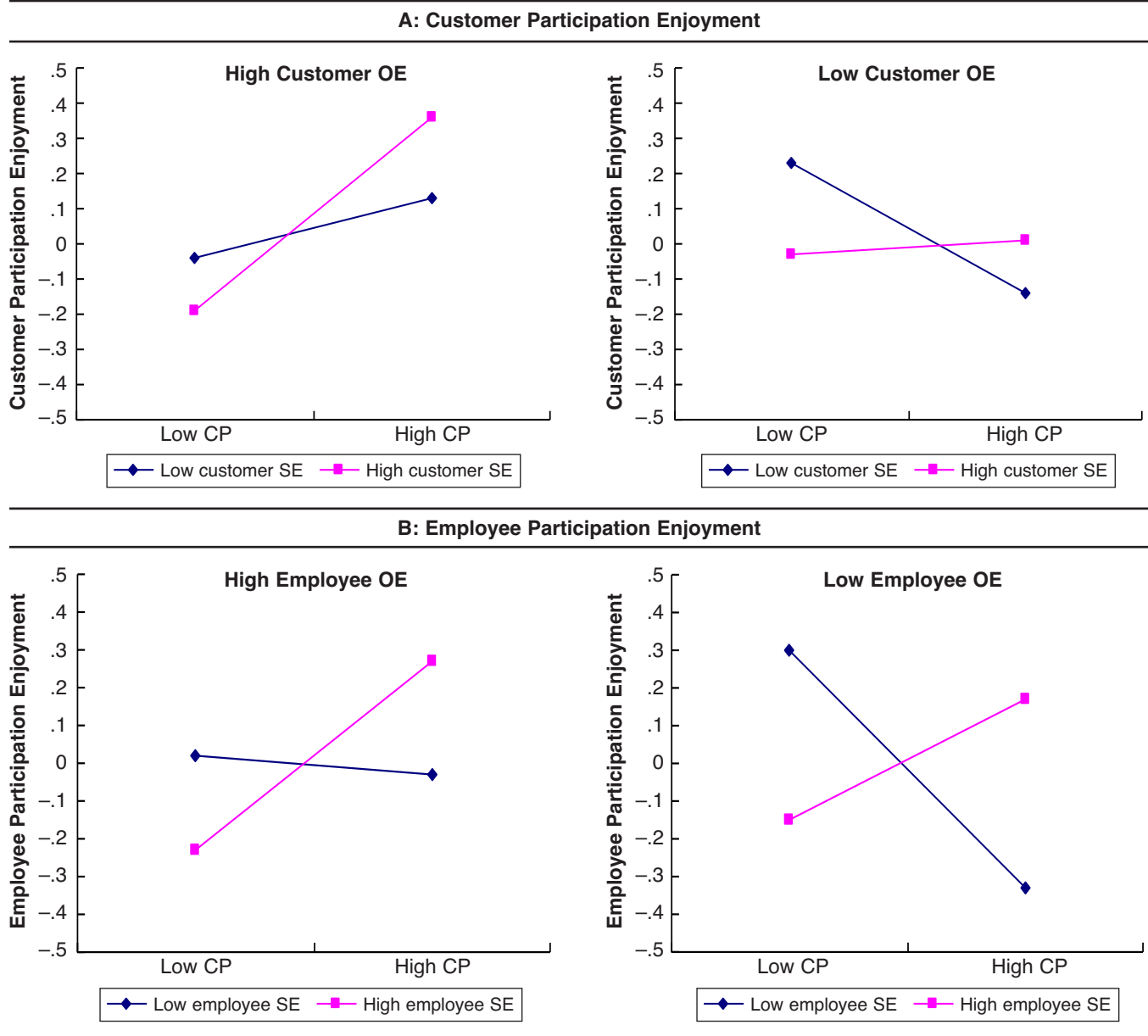
TABLE 3
Results of Moderating Tests of SE and OE on Participation Enjoyment

	Customer Participation Enjoyment				Employee Participation Enjoyment			
Step 1: Control Variables								
Customer age	-.02	-.02	-.02	-.02	-.03	-.04	-.01	-.04
Employee age	-.03	-.03	-.03	-.03	-.03	-.03	-.03	-.04
Customer organizational tenure	.05	.05	.05	.05	.05	.04	.06	.05
Employee organizational tenure	.05	.04	.05	.05	.05	.05	.05	.05
Customer gender	-.05	-.05	-.05	-.05	-.04	-.04	-.04	-.03
Employee gender	-.02	-.03	-.02	-.02	-.02	-.02	-.02	-.02
Type of services	-.03	-.03	-.03	-.03	-.03	-.04	-.05	-.04
Step 2: Independent Variables								
CP	.32**	.24**	.21**	.18**	.33**	.19**	.20**	.18**
Customer SE		.11	.08	.08				
Customer OE			.08	.05				
Employee SE						.08	.08	.07
Employee OE							.08	.04
Step 3: Two-Way Interaction Terms								
CP × customer SE (H _{2a})		.33**	.31**	.20*				
CP × customer OE			.30**	.29**				
Customer SE × customer OE			-.20**	-.20**				
CP × employee SE (H _{2b})						.36**	.31**	.28**
CP × employee OE							.08	.07
Employee SE × employee OE							.25**	.24**
Step 4: Three-Way Interaction Terms								
CP × customer SE × customer OE (H _{3a} , H ₄ , H ₅)				.40**				
CP × employee SE × employee OE (H _{3b} , H ₆ , H ₇)								-.42**
Total R ²	.13	.18	.23	.28	.13	.17	.22	.26
ΔR ² at last step		.05**	.05**	.05**		.04**	.05**	.04**

* $p < .05$ (two-tailed test).

** $p < .01$ (two-tailed test).

FIGURE 2
Three-Way Interactions



when customers have low customer SE and high customer OE, in support of H₄. However, CP has no effect on customer participation enjoyment (simple slope: $b = .08$, $t = .98$, $p > .10$) when customers have high customer SE and low customer OE (right-hand side). This finding implies that incongruence only attenuates the effect of CP, to the point that customers derive no enjoyment from their participation in the service process. We thus cannot confirm H₅; it might be that high customer SE motivated customers to exert more effort in their participation and evoked higher enjoyment, which offset the negative effect on enjoyment due to role expectancy violation of the employees. Moreover, CP negatively affects employee participation enjoyment when employees have low employee SE and high employee OE (left-hand side of Figure 2, Panel B), but this effect is not significant (simple slope: $b = -.09$, $t = 1.04$, $p >$

.10). Because this incongruence level of efficacy beliefs does not generate negative enjoyment for employees, we cannot confirm H₆. The negative effect of role expectancy violation (low employee SE and high employee OE) might not be as strong as we expected; it only attenuates the positive effect of CP on employee participation enjoyment to a negative, but not significant, level. Consistent with H₇, CP is positively related to employee participation enjoyment when employees have high employee SE and low employee OE (right-hand side of Figure 2, Panel B). Finally, regression results confirm that customer satisfaction (H₈) and employee job satisfaction (H₉) positively affect customer repurchase intention ($\beta = .50$, $p < .01$) and employee job performance ($\beta = .48$, $p < .01$), respectively.⁵

⁵We do not present these regression results in a separate table because of space consideration.

Discussion

The prevailing focus of CP research on the cocreation of utilitarian values and the sole impact of SE fails to recognize other benefits associated with the psychological experience and the interplay of efficacy beliefs between customers and employees, and thus it precludes the exploration of strategies designed to manage and/or influence customers' and employees' efficacy beliefs for the effective cocreation of hedonic or intrinsic values through CP. This study aims to complement extant research by ascertaining the effectiveness of CP for both customers and service employees from an experiential perspective. It applies the concept of flow and adopts the theoretical framework of relational efficacy beliefs to guide the development of hypotheses to test the cocreation of enjoyment for customers and employees through CP conditional on their separate and joint efficacies of participation. In doing so, this study further contributes to both the CP and efficacy literature streams by examining the synergistic effects of SE and OE, including congruence and incongruence levels of these efficacy beliefs, in close relationships (Lent and Lopez 2002). The finding that these relational efficacy beliefs, as boundary conditions, separately and jointly affect the cocreation of enjoyment for both customers and employees is instrumental for identifying strategies to enhance the benefits of CP.

We find that a high level of SE helps create a positive relationship between CP and participation enjoyment for customers and employees, whereas such a positive relationship does not emerge when SE is low. This moderating effect of SE on the relationship between CP and participation enjoyment is arguably more significant than its role as an antecedent to CP, because enjoyment of participation provides important cocreated values that affect both customer and employee satisfaction. Customers and employees with more confidence in their capabilities to participate in the service cocreation process perceive more value from CP, feel more comfortable, and are more willing to put more effort into overcoming difficulties or obstacles encountered than those with low SE.

Customers' OE beliefs also explain unique variance in their participation enjoyment, beyond that explained by their SE alone. Clients who believe that their financial advisers have a high level of efficacy to respond to their participation enjoy the service process more. Clients' perceived efficacy of their financial advisers also complements their own SE in determining whether they derive enjoyment from their participation, which highlights the importance of assessing customers' OE beliefs when studying CP.

Customers and employees derive the most (least) enjoyment from CP when both partners possess congruent high (low) levels of SE and OE. Because the cocreation of value is a universal, key benefit of CP (Chan, Yim, and Lam 2010), our results confirm expectations that the maximum value of CP arises only if both customers and employees have confidence in themselves and their partners and can work together in service production and delivery. If customers and employees instead are inefficacious and feel the same way about their partners, they probably should not

engage in participation; they are not likely to enjoy and may even be dissatisfied with their experience.

Incongruent appraisals of SE and OE, however, can work in some circumstances. Incongruent but complementary efficacy beliefs, such as when customers perceive low SE and high OE or employees perceive high SE and low OE, can enable both partners to derive enjoyment from CP. Incongruent levels of SE and OE also induce asymmetric effects when the dyad members (e.g., client–financial adviser) perform different tasks and assume different roles. If customers and employees still enjoy CP because one partner's high efficacy compensates for the other partner's low efficacy, both parties' perceptions of capabilities should validate, rather than violate, their expectations of role scripts. In the context of financial services, clients expect professional guidance and advice from their financial advisers, so their perceptions of their partner's efficacy are critical for determining their participation enjoyment. In contrast, financial advisers should have more expertise in providing financial services and be less reliant on their clients to sustain their participation enjoyment.

Managerial Implications

Confirming the significant role of enjoyment in CP and the importance of managing both customers' and employees' SE and OE offers new opportunities to enhance value cocreation by engaging customers and employees in service coproduction. Our findings suggest several implications for service companies to maximize the cocreation of values through CP.

Adopt a holistic view of value cocreation through CP. Creating a positive experience in participation is especially important because it affects customer satisfaction and other consequential outcomes (Payne, Storbacka, and Frow 2008; Vargo and Lusch 2004); however, relying on the cocreation of utilitarian values alone is unlikely to work satisfactorily (e.g., Etgar 2008). Managers who want to successfully involve customers in participation should also explore opportunities for creating experiential or hedonic values and ascertain the relative importance of various motivational drivers that contribute to customer satisfaction as a result of their participation in the service process.

Help customers cultivate enjoyable experience from their participation. Customer participation could be viewed as a new task for both customers and employees, in which enjoyment could be cultivated by providing training or education about their new roles and responsibilities (Jones 1986). Recruiting employees who are more customer oriented would help because they are more likely to show a commitment to responding to customers' participation for its own sake (Brown et al. 2002). However, recruiting for attitude may not be sufficient unless training for skills is implemented in parallel to enhance employees' skills in handling customers' participation.

Foster customers' (and employees') SE of participation. Both customers' and employees' SE of participation are domain-specific, task-based motivational beliefs rather than personality traits (e.g., Dierdorff, Surface, and Brown 2010); therefore, they can be changed or influenced. In line

with the fields of counseling and psychotherapy, founded on the premise of influencing clients' efficacy beliefs, service firms wanting to improve the effectiveness of CP could formulate strategies to either add to customers' and employees' perceived competence and capabilities to participate or design the service process in such a way that customers and employees are still able to participate in cocreation efficiently and effectively even without congruent high levels of efficacy (Bandura 1977; Beck 1967; Strecher et al. 1986).

Helping customers recognize the success of their participation could be an effective strategy because personal performance accomplishments are influential in determining and modifying people's SE beliefs (Bandura 1997; Lent and Lopez 2002). Firms could hold regular investment seminars to provide opportunities for novice customers to learn from experienced investors to gradually take on a value cocreator role. The probability of successful CP also increases when participation is manageable and easy and appropriate customer education and training is available in the form of detailed, customer-friendly instructions or aids (McKee, Simmers, and Licata 2006). Employees could also help bolster customers' SE through positive verbal persuasion (e.g., "You did a great job") because self-appraisals often form in response to the evaluative reactions of significant others, particularly in more complex, interpersonal contexts in which social cues are salient indicators of performance (Bandura 1982; Lent and Lopez 2002).

Similar methods could be used to bolster employees' SE. First, clear communication and accurate descriptions of the tasks necessary to coproduce services can help employees assess complex demands, properly regulate their effort, and reduce faulty assessments of their efficacy (Stajkovic and Luthans 1998). Second, praise and positive reinforcement from supervisors could be highly credible and effective for enhancing employees' perceptions of their task capability (Gist 1987). Third, firms should work to build an efficacious workforce through selection and training, goal setting, and on-the-job coaching (Bandura 1997; Jex and Bliese 1999).

Enhance customers' OE beliefs. Customers derive less enjoyment from working with employees they perceive as inefficacious. A high level of customers' OE also helps compensate for customers' own perceptions of inefficacy. These two effects underscore the important role of employees in influencing CP. Service firms could adopt two possible means to enhance customers' OE. First, they could intentionally convey positive, realistic efficacy-related messages about employees to customers, such as by displaying certificates or performance awards or providing a third party's (e.g., supervisors) positive comments or praises, to enhance customers' perceptions of the efficacy of their employee partners (Jackson, Knapp, and Beauchamp 2008). Second, employees could demonstrate a strong motivation and readiness to coproduce with customers because people rely on these cues to form perceptions of their partners' efficacy (Bonito 2002; Jackson, Knapp, and Beauchamp 2008; Snyder and Stukas 1999). However, the motivation and readiness shown by employees must be genuine; false pretenses could negatively affect customer satisfactions and loyalty (Hennig-Thurau et al. 2006).

Redesign job to match customers' and employees' efficacy. Ideally, firms should match customers and employees with high SE and OE to produce maximum mutual participation enjoyment. Firms should also facilitate continuous collaborations between these matched customer–employee dyads and avoid job rotations that contribute to their breakup. Assigning only employees with high levels of SE to serve actively participating customers, regardless of their level of efficacy belief, could be another effective strategy and promote mutual participation enjoyment for both parties. For example, banks could assign tasks that require more active CP, such as asset/fund management, to more efficacious employees and assign counter services to less efficacious employees.

Limitations and Further Research

Several limitations should be considered when interpreting the results and designing further research. First, we examine the cocreation of participation enjoyment and the moderating role of relational efficacy beliefs in a particular type of close relationship (i.e., client–financial adviser dyads); further research should explore similarities and differences in results across service contexts. Systematic differences would offer an opportunity to identify boundary conditions of our proposed framework and hypotheses. Second, although enjoyment is a relevant positive, affective experience created through CP in financial services (Allen and McGoun 2000; Payne, Storbacka, and Frow 2008; Sharma and Patterson 1999), other experiential or hedonic values, such as excitement, are also likely to emerge and await exploration in service contexts. Third, SE and OE are first-order efficacy perceptions and arguably have more direct effects in close relationships. Further research should investigate the roles of other second-order perceptions and ascertain their relationships to SE and OE to contribute to a fuller understanding of their nature within dyadic contexts. Fourth, further research could enrich the measurements of the ultimate behavioral outcomes for both customers and employees by adopting multi-item measures. Finally, this research adopts a cross-sectional survey approach to study the role of efficacy in CP. Longitudinal designs would be valuable for understanding the development of relational efficacy beliefs over the long lifespan of dyads to allow for inferences of causality with respect to SE and OE and the direction of the theorized relationships, such as the impact of enjoyment on customers' future level of participation.

Appendix Measurement Items and Validity Assessment

CP (Customers)

Cronbach's $\alpha = .91$; composite reliability (CR) = .91; average variance extracted (AVE) = .66; highest shared variance with other constructs (HSV) = .48

1. I spent a lot of time sharing information about my needs and opinions with the staff during the service process.
2. I put a lot of effort into expressing my personal needs to the staff during the service process.

3. I always provide suggestions to the staff for improving the service outcome.
4. I have a high level of participation in the service process.
5. I am very much involved in deciding how the services should be provided.

Customer SE (Customers)

Cronbach's α = .92; CR = .94; AVE = .79; HSV = .42

1. I have confidence in my ability to participate effectively.
2. I do not doubt my ability to participate effectively.
3. I have excellent participation skills and ability.
4. I am proud of my participation skills and ability.

Employee SE (Employees)

Cronbach's α = .90; CR = .92; AVE = .75; HSV = .51

1. I have confidence in my ability to respond to customers' participation effectively.
2. I do not doubt my ability to respond to customers' participation effectively.
3. I have excellent skills and ability in responding to customers' participation.
4. I am proud of my skills and ability in responding to customers' participation.

Customer OE (Customers)

Cronbach's α = .90; CR = .91; AVE = .72; HSV = .44

1. I have confidence in his/her ability to respond to my participation effectively.
2. I do not doubt his/her ability to respond to my participation effectively.
3. He/She has excellent skills and ability in responding to my participation.
4. I am proud of his/her skills and ability in responding to my participation.

Employee OE (Employees)

Cronbach's α = .88; CR = .91; AVE = .71; HSV = .38

1. I have confidence in his/her ability to participate effectively.
2. I do not doubt his/her ability to participate effectively.
3. He/She has excellent participation skills and ability.
4. I am proud of his/her participation skills and ability.

Customer Participation Enjoyment (Customers)

Cronbach's α = .90; CR = .89; AVE = .67; HSV = .48

1. I enjoy the service process with my participation very much.
2. The service process with my participation is very enjoyable.
3. The service process with my participation can be described as fun.
4. I take great pleasure in the service process with my participation.

Employee Participation Enjoyment (Employees)

Cronbach's α = .90; CR = .89; AVE = .67; HSV = .50

1. I enjoy the service process with this customer's participation very much.

2. The service process with this customer's participation is very enjoyable.
3. The service process with this customer's participation can be described as fun.
4. I take great pleasure in the service process with this customer's participation.

Customer Economic Value (Customers)

Cronbach's α = .90; CR = .89; AVE = .67; HSV = .51

- My participation helps me (1) receive higher quality services; (2) receive more customized services; (3) receive more control over the service quality.

Customer Relational Value (Customers)

Cronbach's α = .89; CR = .92; AVE = .70; HSV = .51

- My participation helps me (1) build a better relationship with the service provider; (2) receive relational approval from the service provider; (3) connect better with the service provider.

Employee Job Stress (Employees)

Cronbach's α = .91; CR = .89; AVE = .71; HSV = .50

- This customer's participation (1) makes me nervous; (2) creates more problems for me; (3) makes me work under conflicting directives.

Employee Relational Value (Employees)

Cronbach's α = .94; CR = .90; AVE = .74; HSV = .45

- This customer's participation helps me (1) build a better relationship with the customer; (2) do a better job to serve his or her needs; (3) connect better with the customer.

Customer Satisfaction (Customers)

Cronbach's α = .91; CR = .88; AVE = .65; HSV = .42

1. I am satisfied with the services provided.
2. This bank is a good bank to do business with.
3. The service of this bank meets my expectations.
4. Overall, I am satisfied with this bank's service.

Employee Job Satisfaction (employees)

Cronbach's α = .88; CR = .90; AVE = .70; HSV = .46

1. I am satisfied with working at this bank.
2. This bank is a good employer to work for.
3. I like working in this bank.
4. Overall, I am satisfied with my job.

Customer Repurchase Intention (Customers)

- How likely would you engage in a variety of other services provided by this bank in the future? (1 = "very unlikely," and 5 = "highly likely")

Employee Job Performance (Supervisors)

- How would you rate the overall performance of this employee? (1 = "need to improve," and 5 = "excellent")

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