

## **OBSERVER RETALIATION: APOLOGY COMPONENTS AFFECT ON OBSERVING CUSTOMERS' REACTIONS**

Todd McClure, University of Central Missouri

Ginger Killian, Rollins College

J. Michael Pearson, Southern Illinois University-Carbondale

### **ABSTRACT**

*The purpose of this paper is to investigate how observing customers' react after witnessing an apology containing four unique components. The present research examines the influence of apology characteristics on observing customers' negative word-of-mouth and return intentions. Four apology components (timeliness, accepting responsibility, initiation, and remorse) were examined.*

### **INTRODUCTION**

The motivation for this study lies in the fact that our culture suggests apologies are appropriate following uncivil acts (Kellerman 2006). Incivility may create crises that potentially inflict significant damage to an organization's reputation with little advanced warning. Workplace incivility is not an unusual phenomenon and may undermine an organization's reputation and create long-term repercussions with observing customers (Porath, MacInnis, and Folkes 2010). In a study examining 9,000 employees, Porath and Pearson (2010) found that 99% of participants had witnessed some form of incivility in the workplace.

Research has shown that individuals evaluate all stimuli regardless of whether they intended to do so (Bargh, Chaiken, Raymond, and Hymes 1996), and incivility in the workplace has detrimental consequences for stakeholders in both internal (i.e. employees) and external (i.e. customers) capacities (Porath et al. 2010). Thus, it is imperative that organizations understand ways of responding when an uncivil exchange is observed by customers in order to effectively and efficiently mitigate observers' retaliatory intentions (e.g. negative word of mouth). Most importantly, a firm's response strategies should demonstrate to both the victim and observing customers that (1) the organization cares about the victim, (2) the actions of the uncivil employee are not reflective of the organization's values and culture, and (3) that similar actions will not be tolerated by the firm. An apology from the uncivil individual to the victim is a common component of a service recovery and has been shown to repair damage caused by the uncivil exchange (Risen and Gilovich 2007; Joireman, Grégoire, Devezer, and Tripp 2013). The present research contributes to existing service failure and recovery literature by 1) understanding observing customers' retaliatory intentions following observation of an uncivil exchange between two employees, and 2) examining the influence of four apology components (timeliness, responsibility, remorse, and self-initiation).

In both marketing and services literatures, apologies represent a form of compensation a firm extends to a victim who has experienced a service failure (Smith, Bolton, and Wagner 1999). Somewhat surprisingly, literature has yet to examine the impact of an apology on those who merely observe the uncivil act and subsequent apology. To better understand how observing customers react after witnessing an apology, this research focuses on the following two research questions: (1) Does an apology (from the uncivil employee to the victim employee) influence an observing customer's likelihood to engage in negative word-of-mouth

or return patronage?; and (2) Which apology characteristics have an influence on an observing customer's likelihood to engage in negative word-of-mouth or return patronage?

## CONCEPTUAL BACKGROUND

### Incivility

Andersson and Pearson (1999) define incivility as “low-intensity deviant behavior with an ambiguous intent to harm a target that violates workplace norms for mutual respect” (p. 457). Porath and Pearson (2010) suggest incivility involves “...inconsiderate words and deeds that violate conventional norms of workplace conduct” (p. 21). Specific instances of workplace incivility vary but often involve treating an employee in a demeaning, disrespectful, or aggressive manner (Dormann and Zapf 2004; Grandey, Dickter, and Sin 2004) that may manifest more frequently as uncivil behavior as opposed to severe acts of aggression (Goldberg and Grandey 2007). Building from previous works (e.g. Andersson and Pearson 1999; Porath and Pearson 2010), the present research defines incivility as “any act by one employee that is directed at and displays a lack of respect for another employee.”

Consumers are ‘moral watchdogs’ (Folger and Skarlicki 2005; Porath et al. 2011). Skarlicki and Kulik (2004) note that “...third-parties care about employee mistreatment... because mistreatment violates moral and social norms” (p. 191). In general, customers do not tolerate uncivil behavior (Huang 2008; Porath et al. 2010, 2011) because they understand it is unfair to the victim and counter to the way people should be treated. Consequently, customers that observe incivility empathize with the victim (Porath and Erez 2009) and may be a source of emotional support for the victim (Henkel et al. 2017). Additionally, Porath et al. (2010) found that observing customers desire to punish uncivil employee and may take it a step further and actively consider punishment against the organization (Porath et al. 2011).

### Theoretical background

Deontic Justice is a judgment about the morality of an outcome, process, or interpersonal interaction (Cropanzano, Goldman, and Folger 2003; Porath et al. 2011) grounded in the belief that “people value justice simply because it is moral” (Colquitt and Greenberg 2001, p. 221). Societal norms suggest that acts of incivility are incongruent with how people should be treated. To determine when a moral violation has occurred, individuals analyze the situation in terms of what *should* have happened (Folger and Cropanzano 1998). Observers of incivility may respond instinctively and heuristically rather than rationally, allowing intuition to guide feelings about what is right or wrong.

Deontic justice is experienced by both unaffiliated third parties and victims (Folger 2001; Rupp and Bell 2010). In the present study, an observing customer who observes an employee act uncivilly to another employee will have a strong desire to see the uncivil employee held accountable for the unjust actions. By extension and association, the observing customer's desire for accountability will extend to the firm as well, being as the firm has employed the individual with questionable morals. The study also seeks to understand the reactions of observing customers, when the victim receives a sincere apology from the uncivil employee and the observing customer feels that the uncivil employee has done the moral, right thing.

### Dependent Variables

Research on customer retaliation primarily adopts the perspective of a customer who has been the victim of a poor service experience (Funches, Markley, and Davis 2009; Grégoire

and Fisher 2008). Justicebased models assert that a service failure represents a violation of some norm, motivating customers to pursue measures of restoring fairness (Grgoire and Fisher 2008). The present research suggests that observing customers who seek to retaliate against the uncivil employee or the firm will choose one of two alternatives: fight or flight, either of which may have a significant impact on future firm performance.

O'Reilly and Aquino (2011) suggest that an individual's behavior in response to observing an injustice is motivated by one of two goals (Higgins 1997, 1998): approach or avoidance. If the approach motivation is activated, the observer will be motivated to "fight" by punishing the uncivil individual and/or supporting the victim. In cases where the avoidance motivation is activated, the observer will enact a "flight" stance and will be motivated to remove him or herself from the situation. The enacted motivation will guide the observing customer's behavior in response to the uncivil incident.

Word-of-mouth is a common behavioral response examined in the services literature (e.g. Grégoire and Fisher 2008; Hirschman 1970). Positive word-of-mouth communicates to a firm and others that an organization has satisfied or exceeded expectations, but negative wordof-mouth typically expresses a customer's dissatisfaction with an organization, often intended to protect others from a similar sub-standard experience.

Negative word-of-mouth is defined as a customer's efforts to share his or her experience, and to denigrate a service firm to friends and family (Grégoire and Fisher 2008). Research has shown that negative word-of-mouth does not always come from the victim (Porath et al. 2011). This study also found support for the notion that incivility in a service environment can be profoundly detrimental to customers' service experience and may lead to a deteriorating customer-firm relationship or more severe negative consequences (Huang 2008).

Research has also shown that both victims and observers of incivility in the workplace feel less committed to the organization (Pearson and Porath 2005) and would consider actions that denigrate the firm or push others away from the firm (Porath et al. 2011). Patronage Reduction is defined as efforts to reduce the frequency of his or her visits, spend less per visit, and/or to frequent competitors more intensively (Grégoire and Fisher 2006). Somewhat surprisingly, observers may be less forgiving of a perpetrator than the victim, even going so far as to avoid the uncivil individual altogether (Green, Burnette, and Davis 2008). In line with this study, Grégoire and Fisher (2008) suggest that customers may avoid a firm because he/she does not want to repeat the negative experience.

## **Independent Variables**

Marketing literature on apologies is rather limited, and often includes an apology only in dichotomous terms: present or absent (e.g. Smith et al. 1999; Tax, Brown, and Chandrashekar 1998; Wirtz and Mattila 2004); sincere or insincere (Basford, Offermann, and Behrend 2014). An apology is a common and socially responsible type of behavior that follows some act of indiscretion (Schlenker 1980). Conventional wisdom would suggest that an apology after a transgression is an important step in the reconciliation process (Fehr and Gelfand 2010). Apologies promote forgiveness (Exline, Baumeister, Bushman, Campbell, and Finkel 2004), improve trust (Kim, Ferrin, Cooper, and Dirks 2004), help repair damaged relationships (Tomlinson, Dineen, and Lewicki 2004), and communicate that similarly offensive behaviors will not occur in the future. In the present research, we define an apology as a statement or expression of regret or acknowledgement of an offensive act.

Apologies can be an effective form of service recovery, potentially turning an angry victim into a relatively satisfied one (Bradley and Sparks 2009; Davidow 2003). However,

the mere presence of an apology may not be sufficient to mitigate the negative effects of an act of incivility. Arguably more critical than whether or not an apology is offered is how an apology is delivered. Apologies differ and their delivery can have a profound impact on how well the apology is received (Roschk and Kaiser 2013). Thus, exploring an apology's structure and delivery in order to assess the effect on an observing customer's retaliatory intentions is worthwhile.

Although apologies vary greatly across situations, past research has provided evidence that comprehensive apologies are more likely to result in forgiveness (Darby and Schlenker 1982; Scher and Darley 1997). This research investigates the relative importance of four critical factors commonly associated with a sincere apology: timeliness, remorse, initiation, and responsibility. While the number of possible characteristics of an apology is lengthy, this study focuses on the four previously mentioned because of their inclusion in earlier work on apologies (Fehr and Gelfand 2010; Jehle, Miller, Kimmelmeier, and Maskaly 2012; Roschk and Kaiser 2013) and because an observing customer can easily identify and distinguish between each of the characteristics.

*Timeliness.* In some cases, an apology may precede the action that necessitates an apology. For example, a waiter may apologize to a customer if the restaurant is out of a particular menu item before the customer places their order. More often, an apology is a corrective action that follows an egregious act (Bradley and Sparks 2009). Timeliness of an apology is defined as the speed with which the uncivil employee offers an apology following an uncivil incident.

Customers appreciate when a firm responds quickly to a service failure (Blodgett et al. 1997). Lewicki and Bunker (1996) found that in the aftermath of a wrongdoing, the timeliness of an offender's apology is an important element in whether or not restorative action is effective. The timeliness of an apology is an informational cue for both the victim and observers about the wrongdoer's personality, disposition, and retaliatory intentions. A substantially delayed apology may create doubts within the victim that an apology will ever be offered whereas a timely apology shows that the uncivil employee recognizes the wrongdoing while also reducing the time the victim has to make subjective interpretations about the uncivil employee's true intent or disposition.

**H1a:** For an observing customer, witnessing a timely apology reduces the likelihood the observing customer will engage in negative word-of-mouth about the firm.

**H1b:** For an observing customer, witnessing a timely apology reduces the likelihood the observing customer will reduce his or her patronage with the firm.

*Responsibility.* Scher and Darley (1997) note that "admission of responsibility....is a necessary feature of an apology because it conveys to the listener that the speaker is aware of the social norms that have been violated and therefore conveys that the speaker will be able to avoid the offense in future interactions" (p. 129). In a qualitative study by Basford (2013), admitting responsibility was a theme that emerged as contributing to the perceived sincerity of an apology; subjects that recalled their leader accepting responsibility for their actions as part of the apology rated the apology as more sincere than leaders who apologized but did not explicitly acknowledge his or her responsibility. Similarly, an observing customer is likely to view an apology that includes some admission of responsibility as more sincere than one that does not accept responsibility. This study proposes that an uncivil employee's personal acceptance of responsibility will be viewed positively by observing customers.

**H2a:** For an observing customer, witnessing an apology in which the uncivil employee accepts responsibility for his or her uncivil behavior reduces the likelihood the observing customer will engage in negative word-of-mouth about the firm.

**H2b:** For an observing customer, witnessing an apology in which the uncivil employee accepts responsibility for the uncivil behavior reduces the likelihood the observing customer will reduce his or her patronage with the firm.

*Initiation.* Initiation, the third characteristic of an apology, is defined as the impetus for delivering the apology. The notion of initiation is a recurring characteristic of a service recovery effort found in previous research (e.g. Smith et al. 1999). Although an apology is commonly regarded as an appropriate response following an uncivil incident, it is not always the case that the uncivil individual will willingly apologize; some may only apologize if ordered to do so. Initiation of an apology refers to whether or not the perpetrator's apology occurred due to an internal factor (e.g. personal guilt or remorse) or an external factor (e.g. coerced by another party). When a perpetrator is proactive in offering an apology, it communicates to the victim and observers that the uncivil employee feels guilt or remorse for the uncivil action. An apology that is motivated by internal circumstances (i.e. guilt or remorse) should be more effective at reducing negative outcomes as compared to an apology that was motivated by external circumstances (e.g. Jehle et al. 2012).

Schleien, Ross, and Ross (2010) found that children reacted more favorably to a spontaneous (internally motivated) apology as compared to an apology that was extended because the parent ordered the uncivil child to do so (externally motivated). Interestingly, Risen and Gilovich (2007) showed that a victim's perception of the offender remained unchanged for both voluntary and coerced apologies. In contrast, observers respond quite differently to internally versus externally motivated apologies. Prior works found that observers liked the offender less and punished the offender more if the apology was coerced (Darby and Schlenker 1982, 1989) and that only an internally-initiated apology led to an observer's forgiveness of the perpetrator (Risen and Gilovich 2007).

**H3a:** For an observing customer, witnessing an apology that is initiated by the uncivil employee rather than coerced by someone else, reduces the likelihood the observing customer will engage in negative word-of-mouth about the firm.

**H3b:** For an observing customer, witnessing an apology that is initiated by the uncivil employee rather than coerced by someone else reduces the likelihood the observing customer will reduce his or her patronage with the firm.

*Remorse.* Remorse is defined as the feeling of guilt or shame for a wrongful act (Boyd 2011). According to Scher and Darley (1997) an "apology without an expression of remorse generally seems to be perfunctory or formal" (p. 130). In the aftermath of a transgression, a remorseful statement serves as an indicator that the uncivil employee recognizes the behavioral error and acknowledges that he or she should have behaved differently (Boyd 2011). Darby and Schlenker's (1982) study found that apologies with a remorse component reduced the victim's desire to punish the offender. An apology without any expression or indication of remorse may leave both the victim employee and other observing customers to speculate if or when the uncivil employee will engage in similarly offensive or inappropriate behaviors in the

future. An expression of remorse and empathy has been shown to have a positive impact on an apology's effectiveness and perceived sincerity (Roschk and Kaiser 2013). This study posits that a genuine statement of remorse will positively influence the observer's perception of the uncivil employee. By extension, these positive effects will extend to the firm as well, as the uncivil employee is viewed as a representative of the firm.

**H4a:** For an observing customer, witnessing an apology in which the uncivil employee expresses remorse for his or her uncivil behavior reduces the likelihood the observing customer will engage in negative word-of-mouth about the firm.

**H4b:** For an observing customer, witnessing an apology in which the uncivil employee expresses remorse for the uncivil behavior reduces the likelihood the observing customer will reduce his or her patronage with the firm.

## METHODOLOGY

### Study Design

This research project examines the influence of apology characteristics on an observer's retaliatory intentions. Participants were presented a scenario whereby customers observe an uncivil incident between two employees in a restaurant setting. This scenario was chosen inasmuch as dining is a commonly occurring service environment where observation of employee interactions is likely. Each participant read a series of scenarios created by manipulating two levels for each of the four apology components (timeliness, remorse, responsibility, and initiation). A full factorial design consisting of four treatments and two levels per treatment required 16 scenarios ( $2^4$ ). Given the two settings for each scenario (restaurant context: upscale or casual), 32 scenarios were required.

Unlike many studies that rely on the number of participants to increase power, the number of scenarios is the primary driver of increased power (Karren and Barringer 2002). The goal is to present enough scenarios to yield realistic results without having too many scenarios that might lead to participant fatigue. Participants were randomly assigned by Qualtrics into one of two experiment settings (Casual vs. Upscale) and asked to answer all scenarios (16) related to the setting. Internal validity is addressed through random assignment by Qualtrics by decreasing systematic error and balancing the number of subjects per experimental setting. Thus, any difference between the groups is a result of the manipulations or by chance.

### Instrument

ANOVA allows for a study to determine if any differences exist between combinations of treatment variables. In this study, restaurant context (upscale/casual) was manipulated between subjects to test the effects of apology components across different settings. Restaurant context was consistent across scenarios for each participant. (A sample scenario is provided in Appendix A.)

The treatment variable levels included in the instrument were established in prior literature. The timeliness construct has primarily been conceptualized in the service failure and recovery literature as a dichotomous variable of timely/untimely (e.g. Blodgett et al. 1997; Davidow 2003). For this study, we included the same timely/untimely dichotomous treatment. Responsibility has been included in earlier works (e.g. Tomlinson et al. 2004), also as a dichotomous variable of accepted responsibility/did not accept responsibility; we utilized the same descriptors in our scenario. Initiation was included in the service failure and recovery

literature as a dichotomous variable of spontaneous/coerced (e.g. Jehle et al. 2012; Risen and Gilovich 2007), and thus remained the same in our instrument. The final treatment variable, remorse, is typically found as a dichotomous variable of expressed remorse/did not express remorse (Boyd 2011; Lazare 2004), and therefore was included similarly in the present study. 5-point Likert scales were utilized to measure the dependent variables. The items measuring the dependent variables (negative word-of-mouth, patronage intentions) were adapted from scales previously created by Grégoire and Fisher (2008) and Grégoire et al. (2009). To reduce participant fatigue, single items were chosen to represent each dependent variable.

### **Sample**

Participants were recruited using Amazon's Mechanical Turk (MTurk). A total of 374 participants attempted the study. The average completion time for each participant was 11 minutes, with a standard deviation of 3 minutes. Participants greater than 2 standard deviations from the mean were excluded, resulting in 76 participants being removed. An additional 28 were excluded due to failing the check questions (22) or completing all scenarios (6). Thus, the analysis was performed on the remaining 270 completed responses.

### **Analysis**

After reading each scenario, participants indicated their intention to engage in each retaliatory behavior on a scale of one to seven that ranged from "very unlikely" to "very likely." A single-item measured each of the retaliatory behaviors: 1) negative word-of-mouth and 2) return intentions. To adjust the data in order to reduce the impact of an overpowered study, we calculated an average for each subject's response for the eight high and eight low questions. Dummy coding was used to determine which questions portrayed each of the apology characteristics as high/low. Once this process was completed, the one-way analysis of variance (ANOVA) technique was used to determine whether the dichotomous groups have statistically different dependent means for each treatment level (Tabachnick and Fidell 2007). ANOVA was also used to compare the dependent variable means of each treatment between blocking variable groups.

## **RESULTS**

Hypothesis 1 examined the influence of an apology's timeliness on an observing customer's negative word-of-mouth (NWOM) or patronage reduction intentions. There were no significant differences in NWOM intentions for an observing customer who witnessed a timely as compared an untimely apology ( $F_{1, 538} = 3.469$ ,  $p = .063$ , partial  $\eta^2 = .006$ , observed power = .460). The analysis for Hypothesis 1b revealed a statistically insignificant difference ( $F_{1, 538} = 2.606$ ,  $p = .107$ , partial  $\eta^2 = .005$ , observed power = .364). These  $\eta$  results suggest that an apology's timeliness may not have a significant impact on an observing customer's NWOM or patronage intentions.

Hypothesis 2 examined the extent to which the uncivil employee accepted responsibility for his/her behavior would influence an observing customer's NWOM or patronage reduction intentions. Results from hypothesis 2a indicate significant differences between responsibility acceptance levels on an observing customer's NWOM ( $F_{1, 538} = 7.762$ ,  $p = .006$ , partial  $\eta^2 = .014$ , observed power = .794). Mean NWOM scores were higher for observing customers after witnessing an apology in which the uncivil employee *accepts responsibility* ( $M = 3.296$ ,  $SD = .984$ ) as compared to witnessing an apology in which the uncivil employee *did not accept responsibility* ( $M = 3.048$ ,  $SD = 1.079$ ).

In support of hypothesis 2b, significant differences between the responsibility levels on patronage reduction intentions were found ( $F_{1, 538} = 6.686$ ,  $p = .010$ , partial  $\eta^2 = .012$ , observed power = .733) with respondents in the *accepts responsibility* category ( $M = 3.227$ ,  $SD = .950$ ) reporting higher means scores than those in the *did not accept responsibility* category ( $M = 3.006$ ,  $SD = 1.037$ ).

Hypothesis 3 considered whether the influence of an apology being initiated by the uncivil employee or someone else (e.g. manager) would impact an observing customer's NWOM and patronage intentions. Results show significant differences exist between the initiation levels related to NWOM ( $F_{1, 538} = 9.850$ ,  $p = .002$ , partial  $\eta^2 = .018$ , observed power = .880), supporting hypothesis 3a.

Supporting hypothesis 3b, results show a statistically significant difference in patronage intentions ( $F_{1, 538} = 15.061$ ,  $p = .027$ , observed power = .000, partial  $\eta = .972$ ) for individuals who witnessed an apology initiated by the uncivil employee compared to those who witnessed an apology initiated by the manager. Respondents reporting higher mean scores after witnessing an apology *initiated by the uncivil employee* ( $M = 3.285$ ,  $SD = .954$ ) than after witnessing an apology *initiated by the manager* ( $M = 2.949$ ,  $SD = 1.056$ ).

An uncivil employee's self-initiation demonstrates a level of sincerity that is inherently expected as the moral, right response following an uncivil response. Uncivil behaviors are offensive to observers, though we as a society do recognize our own propensity to act inappropriately from time to time. When an unacceptable behavior occurs, deontic justice suggests that observers and victims expect the offender to react in a way that restores balance to the social interaction. A self-initiated apology demonstrates that the individual is cognizant of the social infraction and personally desires to repent (Folger 2001).

Hypothesis 4 postulated that an apology containing a specific statement of remorse would have an influence on an observing customer's retaliatory intentions. Significant differences indeed exist between the two remorse levels of the independent variable ( $F_{1, 538} = 9.622$ ,  $p = .002$ , partial  $\eta^2 = .018$ , observed power = .872), supporting hypothesis 4a. Respondents reported higher mean NWOM scores after witnessing a remorseful apology ( $M = 3.310$ ,  $SD = .980$ ) as compared to witnessing an unremorseful apology ( $M = 3.034$ ,  $SD = 1.081$ ), suggesting that a remorseful apology does influence an observing customer's intention to share NWOM about the firm.

Consistent with hypothesis 4b, the analysis revealed a statistically significant difference ( $F_{1, 538} = 10.466$ ,  $p = .001$ , partial  $\eta^2 = .019$ , observed power = .898) in patronage intentions for individuals who witnessed a remorseful apology as compared to the observing customer scenarios that did not include a remorse component. Respondents reported higher mean scores after witnessing an apology with a statement of remorse ( $M = 3.255$ ,  $SD = .954$ ) than after witnessing an apology without a statement of remorse ( $M = 2.978$ ,  $SD = 1.033$ ).

Remorse is a central component in restoring a sense of deontic justice. Observers seek an overt demonstration that the uncivil individual recognizes the inappropriateness of the social interaction. Delivery of a remorseful apology also informs observers and the victim that the behavior is not a central component of the uncivil individual's demeanor. Finally, the remorseful component demonstrates to others that the behavior will not continue and should not be considered as reflective of the organizational culture.

## **DISCUSSION & MANAGERIAL IMPLICATIONS**

This study empirically demonstrates the influence of four distinct apology characteristics on an observing customer's NWOM and patronage intentions after witnessing

an act of employee incivility directed at another employee. This study originally hypothesized that each of the four apology characteristics would have a mitigating effect on an observer's future retaliatory intentions. Our results found support for a majority of the hypotheses, suggesting that observing customers are less likely to engage in NWOM or reduce their patronage after witnessing an apology from an uncivil employee that 1) accepts responsibility, 2) is self-initiated, and 3) expresses remorse.

This study contributes to the existing marketing literature by exploring how the characteristics of an apology influence the retaliatory intentions of observing customers. This study considers an alternative perspective from previous works by considering four distinct, yet common, characteristics of an apology and how each component influences the retaliatory intentions of an observing customer. Specifically, we found that although apology timeliness is commonly recognized as an important factor in determining an apology's sincerity, it appears to have little significance for observing customers. However, when an offender accepts responsibility for their behavior, initiates the gesture, and projects a sense of remorse, observing customers are less likely to react negatively toward the firm.

### **Managerial implications**

The results of this study inform marketers of the value in considering apologies as a multi-faceted act. For onlookers, an apology offers insight into the offender's character as well as the organizational culture.

Consequently, employee behavior in the presence of customers provides information on the larger organizational culture. As a result, managers should recognize that when employees behave in an uncivil manner, observing customers are likely to hold the firm accountable.

While timeliness was not found to be significant, the timeliness of an apology may still have an impact on an observing customer's retaliatory intentions. If an apology is delayed considerably, the observing customer may miss the apology altogether, which may suggest to the observing customer that an apology was not rendered. The absence of an apology may imply that the organizational culture does not adhere to moral and social norms. Our findings suggest that an apology that is coerced from a manager does not have a positive influence on an observing customer's NWOM or patronage intentions; managers should be cautioned in coercing a uncivil employee to apologize, as observing customers may view the apology as insincere. With regard to responsibility, managers should encourage employees to take responsibility for their actions and hold employees accountable. While a manager may not seek to become a referee between employees, accepting responsibility for behaviors is important to maintaining a positive organizational culture.

Employment hiring practices that focus on an employee's moral identity and social etiquette may provide insight into how employees may affect the organizational culture. Due to the nature of a service environment, employees work in close proximity with one another and disagreements are not uncommon. When these disagreements occur, it is important that all parties adhere to moral and social norms in order to maintain a positive organizational culture. An apology that follows a disagreement reinforces a positive organizational culture. Managers should recognize the value of an apology, not only for the victim but also in terms of its effect on observing customers. Managers could instruct employees on social etiquette, including the merits of including each of the apology characteristics.

## LIMITATIONS AND FUTURE RESEARCH

### Limitations

This study recognizes a number of limitations related to the study design and planned methodology. This study includes only scenario-based experiments in a restaurant context. The chosen research design resulted in a number of limitations including 1) generalizability and 2) external validity. Due to the singular context (restaurant), the findings may not be generalizable to other service contexts such as an airline, when other factors (e.g. loyalty programs) may play a role in retaliatory intentions such as patronage.

Experimental designs increase internal validity, though external validity may be limited due to the contrived nature of the experiment. Future research could use different settings and methodologies to replicate and extend the present findings. In order to test each variable while holding all other variables constant, this research relied on experimental analysis, which introduces its own set of challenges regarding the realism of the scenario. Although the severity manipulation was tested for realism and severity was captured as a bipolar variable (high versus low), actual situations may fall somewhere along a spectrum of low to high severity. Each uncivil situation is different and managers must evaluate the severity, risks, and benefits associated with each situation.

With regard to participant fatigue, the number of independent and dependent variables related to this particular study may be a limiting factor. A pre-test was conducted with a test group to ensure that the instrument was understood. Verbiage was modified for clarification based on feedback from the pre-test participants. In reality, subjects are not presented with multiple options, which vary the combination of apology components. Moreover, presenting the series of apology characteristics in rapid succession may not accurately present a realistic scenario in which a customer may be asked to make a behavioral assessment. Thus, presenting the apology characteristics in a different format (e.g. video) may enhance the subject's ability to accurately evaluate his/her own retaliatory intentions.

### Future Directions

This unique study lends itself to a number of future directions. Future directions could examine the verbal components of *how* an apology was delivered to the victim. Additional examination of verbal cues such as intensity of the uncivil action (normal speaking level vs raised voice) and tone of the discourse (passive aggressive vs aggressive) merit further examination. Porath et al. (2011) also suggested that context of incivility (e.g. employee competence, mocking others) may influence an observer's desire for deontic justice. While organizations are aware of high intensity incivility (e.g. aggression and violence), low intensity incivility (e.g. racial slurs, sexist comments) may also warrant further study.

Consumers learn about brands through word-of-mouth (Kuo, Hu, and Yang 2013). As Libai, Bolton, Bugel, de Ruyter, Gotz, Risselada, and Stephen (2010) suggested it is important to understand the differences between (direct) observational learning and (indirect) negative word-of-mouth. A direct comparison of the impact of direct versus indirect learning is needed in order to understand the differential impact of each type of learning. While much research has focused on indirect learning methods (e.g. negative word-of-mouth), direct learning may have a far greater impact on those customers who observe uncivil incidents.

### Contact Author:

Todd McClure

University of Central Missouri [tmccclure@ucmo.edu](mailto:tmccclure@ucmo.edu)

660-864-6165

## REFERENCES

- Andersson, L. M., & Pearson, C. M. (1999). Tit for tat? The spiraling effect of incivility in the workplace. *Academy of management review*, 24(3), 452-471.
- Bargh, J. A., Chaiken, S., Raymond, P., & Hymes, C. (1996). The automatic evaluation effect: Unconditional automatic attitude activation with a pronunciation task. *Journal of experimental social psychology*, 32(1), 104-128.
- Basford, T. E. (2013). Leader apologies: How content and delivery influence sincerity appraisals. *International Journal of Business and Social Science*, 4(5).
- Basford, T.E, Offermann, L. R., & Behrend, T. S. (2014). Please accept my sincerest apologies: Examining follower reactions to leader apology. *Journal of Business Ethics*, 119(1), 99-117.
- Blodgett, J. G., Hill, D. J., & Tax, S. S. (1997). The effects of distributive, procedural, and interactional justice on postcomplaint behavior. *Journal of Retailing*, 73(2), 185-210.
- Boyd, D. P. (2011). Art and artifice in public apologies. *Journal of business ethics*, 104(3), 299-309.
- Bradley, G. L., & Sparks, B. A. (2009). Dealing with service failures: The use of explanations. *Journal of Travel & Tourism Marketing*, 26(2), 129-143.
- Colquitt, J. A., & Greenberg, J. (2001). Doing justice to organizational justice. *Theoretical and cultural perspectives on organizational justice*, 217-242.
- Cropanzano, R., Goldman, B., & Folger, R. (2003). Deontic justice: The role of moral principles in workplace fairness. *Journal of Organizational Behavior*, 24(8), 1019-1024.
- Darby, B. W., & Schlenker, B. R. (1982). Children's reactions to apologies. *Journal of Personality and Social Psychology*, 43(4), 742.
- Darby, B.W., & Schlenker, B. R. (1989). Children's reactions to transgressions: Effects of the actor's apology, reputation and remorse. *British Journal of Social Psychology*, 28(4), 353-364.
- Davidow, M. (2003). Organizational responses to customer complaints: What works and what doesn't. *Journal of service research*, 5(3), 225-250.
- Dormann, C., & Zapf, D. (2004). Customer-related social stressors and burnout. *Journal of occupational health psychology*, 9(1), 61.
- Exline, J. J., Baumeister, R. F., Bushman, B. J., Campbell, W. K., & Finkel, E. J. (2004). Too proud to let go: narcissistic entitlement as a barrier to forgiveness. *Journal of personality and social psychology*, 87(6), 894.
- Fehr, R., & Gelfand, M. J. (2010). When apologies work: How matching apology components to victims' selfconstruals facilitates forgiveness. *Organizational Behavior and Human Decision Processes*, 113(1), 37-50.
- Folger, R. (2001). Fairness as deonance. *Theoretical and cultural perspectives on organizational justice*, 3-33.
- Folger, R., & Cropanzano, R. (1998). *Organizational justice and human resource management* (Vol. 7). sage publications.
- Folger, R., & Skarlicki, D. P. (2005). Beyond Counterproductive Work Behavior: Moral Emotions and Deontic Retaliation Versus Reconciliation.

- Funches, V., Markley, M., & Davis, L. (2009). Reprisal, retribution and requital: Investigating customer retaliation. *Journal of Business Research*, 62(2), 231-238.
- Goldberg, L. S., & Grandey, A. A. (2007). Display rules versus display autonomy: emotion regulation, emotional exhaustion, and task performance in a call center simulation. *Journal of occupational health psychology*, 12(3), 301.
- Grandey, A. A., Dickter, D. N., & Sin, H. P. (2004). The customer is not always right: Customer aggression and emotion regulation of service employees. *Journal of Organizational Behavior*, 25(3), 397-418.
- Green, J. D., Burnette, J. L., & Davis, J. L. (2008). Third-party forgiveness: (Not) forgiving your close other's betrayer. *Personality and Social Psychology Bulletin*, 34(3), 407-418.
- Grégoire, Y., & Fisher, R. J. (2008). Customer betrayal and retaliation: when your best customers become your worst enemies. *Journal of the Academy of Marketing Science*, 36(2), 247-261.
- Grégoire, Y., Tripp, T. M., & Legoux, R. (2009). When customer love turns into lasting hate: the effects of relationship strength and time on customer revenge and avoidance. *Journal of Marketing*, 73(6), 18-32.
- Higgins, E. T. (1997). Beyond pleasure and pain. *American psychologist*, 52(12), 1280.
- Higgins, E.T. (1998). Promotion and prevention: Regulatory focus as a motivational principle. *Advances in experimental social psychology*, 30, 1-46.
- Hirschman, A. O. (1970). *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. Harvard university press.
- Huang, W. H. (2008). The impact of othercustomer failure on service satisfaction. *International Journal of Service Industry Management*, 19(4), 521-536.
- Jehle, A., Miller, M. K., Kemmelmeier, M., & Maskaly, J. (2012). How Voluntariness of Apologies Affects Actual and Hypothetical Victims' Perceptions of the Offender. *The Journal of social psychology*, 152(6), 727-745.
- Joireman, J., Grégoire, Y., Devezer, B., & Tripp, T. M. (2013). When do customers offer firms a "second chance" following a double deviation? The impact of inferred firm motives on customer revenge and reconciliation. *Journal of Retailing*, 89(3), 315-337.
- Karren, R. J., & Barringer, M. W. (2002). A review and analysis of the policycapturing methodology in organizational research: Guidelines for research and practice. *Organizational Research Methods*, 5(4), 337-361.
- Kellerman, B. (2006). When should a leader apologize and when not?. *Harvard business review*, 84(4), 72-81.
- Kim, P. H., Ferrin, D. L., Cooper, C. D., & Dirks, K. T. (2004). Removing the shadow of suspicion: the effects of apology versus denial for repairing competence-versus integrity-based trust violations. *Journal of applied psychology*, 89(1), 104.
- Kuo, Y. F., Hu, T. L., & Yang, S. C. (2013). Effects of inertia and satisfaction in female online shoppers on repeatpurchase intention: The moderating roles of word-of-mouth and alternative attraction. *Managing Service Quality: An International Journal*, 23(3), 168-187.
- Lazare, A. (2004). *On apology*. Oxford University Press.
- Lewicki, R., & Bunker, B. (1996). Developing and maintaining trust in work relationships. Trust in organizations: Frontiers of theory and research, 114.

- Libai, B., Bolton, R., Bugel, M.S., de Ruyter, K., Gotz, O., Risselada, H., & Stephen, A. T. (2010). Customer-to-Customer Interactions: Broadening the Scope of Word of Mouth Research. *Journal of Service Research*, 13(3), 267-282.
- O'Reilly, J., & Aquino, K. (2011). A model of third parties' morally motivated responses to mistreatment in organizations. *Academy of Management Review*, 36(3), 526-543.
- Pearson, C. M., & Porath, C. L. (2005). On the nature, consequences and remedies of workplace incivility: No time for "nice"? Think again. *The Academy of Management Executive*, 19(1), 7-18.
- Porath, C. L., & Pearson, C. M. (2010). The cost of bad behavior. *Organizational Dynamics*, 39(1), 64-71.
- Porath, C. L., & Erez, A. (2009). Overlooked but not untouched: How rudeness reduces onlookers' performance on routine and creative tasks. *Organizational Behavior and Human Decision Processes*, 109(1), 29-44.
- Porath, C. L., MacInnis, D., & Folkes, V. (2010). Witnessing incivility among employees: Effects on consumer anger and negative inferences about companies. *Journal of Consumer Research*, 37(2), 292-303.
- Porath, C. L., MacInnis, D., & Folkes, V. (2011). It's Unfair Why Customers Who Merely Observe an Uncivil Employee Abandon the Company. *Journal of Service Research*, 14(3), 302-317.
- Risen, J. L., & Gilovich, T. (2007). Target and observer differences in the acceptance of questionable apologies. *Journal of personality and social psychology*, 92(3), 418.
- Roschk, H., & Kaiser, S. (2013). The nature of an apology: An experimental study on how to apologize after a service failure. *Marketing Letters*, 24(3), 293-309.
- Rupp, D. E., & Bell, C. (2010). Retribution, moral self-regulation and self interest in the decision to punish: A moral motives extension of the deontic model of justice.
- Scher, S. J., & Darley, J. M. (1997). How effective are the things people say to apologize? Effects of the realization of the apology speech act. *Journal of Psycholinguistic Research*, 26(1), 127-140.
- Schleien, S., Ross, H., & Ross, M. (2010). Young children's apologies to their siblings. *Social Development*, 19(1), 170-186.
- Schlenker, B.R. (1980). *Impression management: The self-concept, social identity, and interpersonal relations* (pp. 21-43). Monterey, CA: Brooks/Cole Publishing Company.
- Singh, J., & Wilkes, R.E. (1996). When consumers complain: A path analysis of the key antecedents of consumer complaint response estimates. *Journal of the Academy of Marketing Science*, 24(4), 350-365
- Skarlicki, D. P., & Kulik, C. T. (2004). Third-party reactions to employee (mis) treatment: A justice perspective. *Research in organizational behavior*, 26, 183-229.
- Smith, A. K., Bolton, R. N., & Wagner, J. (1999). A model of customer satisfaction with service encounters involving failure and recovery. *Journal of marketing research*, 35, 63-72.
- Tabachnick, B. G., & Fidell, L.S.(2007).*Experimental designs using ANOVA*. Thomson/Brooks/Cole.
- Tax, S.S., Brown, S.W., & Chandrashekar, M. (1998). Customer evaluations of service complaint experiences: implications for relationship marketing. *The Journal of Marketing*, 60-76.

- Tomlinson, E.C., Dineen, B.R., and Lewicki, R.J. (2004). The road to reconciliation: Antecedents of victim willingness to reconcile following a broken promise. *Journal of Management*, 30(2), 165-187.
- Wirtz, J., & Mattila, A. S. (2004). Consumer responses to compensation, speed of recovery and apology after a service failure. *International Journal of Service Industry Management*, 15(2), 150-166.