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Principles and Principals: Do Customer Stewardship and Agency Control Compete or Complement When Shaping Frontline Employee Behavior?

This article introduces customer stewardship control (CSC) to the marketing field. This concept represents a frontline employee's felt ownership of and moral responsibility for customers' overall welfare. In two studies, the authors show that CSC is a more encompassing construct than customer orientation, which reflects a frontline employee's focus on meeting customers' needs. They provide evidence that the former is more potent in shaping in- and extra-role employee behaviors. Moreover, they highlight how CSC operates in conjunction with an organization's agency control system: Stewardship's positive influence on in- and extra-role behavior is weaker in the presence of high agency control. They offer actionable advice about how to solve the resulting managerial control dilemma. Finally, the authors show that CSC depends on drivers that reside at the individual level (employee relatedness), the team level (team competence), or both levels of aggregation (employee and team autonomy). These findings show how to effectively design a frontline employee's work environment to ensure optimal frontline performance.

Keywords: frontline employees, stewardship theory, marketing control, in-role behavior, extra-role behavior, multilevel analysis

In the past decade, many examples of mismanagement, ethical misconduct, and the treatment of customers as externalities have severely damaged firms' relational equity with their customers—particularly at the points at which employees interact with customers. In the financial service sector, management contrived customer needs, formalized those needs in guidelines and performance indicators, and incentivized service staff to pursue these outcomes. Frontline workers then displayed behavior aimed at achieving personal goals, and many examples emerged of how customers were sold products that were by no means in their best interest (Smith 2012). In response, stakeholders have urged companies to act more responsibly in serving customers; for example, in the United Kingdom, the 2010 Stewardship Code illustrates practices that can stimulate responsible customer service and safeguard financial consumers' interests (Financial Reporting Council 2010).

Recent theorizing on managerial control systems (i.e., how customer contact employees are governed) also recognizes that the nature of current control paradigms is at the heart of self-centered frontline behavior and therefore may need to be reconsidered (Kwortnik, Lynn, and Ross 2009). Traditional control systems are rooted in agency theory, which regards employees as rational, opportunistic actors and advises managers to control them formally through monitoring and rewarding, in line with clear, preset goals (Eisenhardt 1989). However, it may not be possible to align formal performance indicators with heterogeneous customer interests in a dynamic service environment. In service-oriented firms such as Zappo's, Southwest Airlines, Lands' End, and the Ritz-Carlton, employees go to great lengths to address customer needs and "violate" preset performance parameters, such as average handling time (Durham 2011; Gallo 2007; Taylor 2008). Such actions are not driven by agency instruments but rather by a deeply instilled sense of accountability for customers' welfare.

A growing consensus among managerial theorists therefore implies that synergies between employees' performance goals and customer interests are possible if control systems regard frontline employees as stewards of customers (Block 1996; Davis, Schoorman, and Donaldson 1997; Hernandez 2008, 2012; Tosi et al. 2003). Rather than controlling employee behavior with rules and monitoring, stewardship theorists assert that perceptions of problem ownership and responsibility underlie employees' determination to perform because they become vested in customer outcomes. In this case, relationships between employees and their customers are characterized by a sense of moral responsibility that is not formally imposed but originates in a covenantal relationship between the two parties (Caldwell and Karri 2005; Hernandez 2012). The felt responsibility exerts substantive informal influence on employees' behavior. Thus, employee self-regulation by stewardship principles may be a viable alternative to agency control.

Despite increasing studies on stewardship governance, a debate continues about whether control systems based on principles (i.e., stewardship) compete with or are complementary to control systems that favor principals (i.e., agency) (Albanese, Dacin, and Harris 1997; Davis, Schoorman, and Donaldson 1997). Few empirical studies offer guidance about how control systems relate to specific types of employee behavior. Furthermore, it remains unclear whether a central focus on customer welfare is conceptually and empirically distinct from the widely used construct of customer orientation (CO). Research also has not explored which aspects of the organizational context are conducive to stewardship control. Therefore, the general aim of this study is to introduce the concept of customer stewardship control (CSC), identify its antecedents, and demonstrate that it is a more encompassing construct than CO in terms of explaining employee behavior. More specifically, we pursue three main research contributions.

First, we define CSC as a frontline employee's felt ownership of and moral responsibility for customers' overall welfare. It can be embedded in marketing control theory as an informal control mechanism because it is initiated by employees (Hartline, Maxham, and McKee 2000). Extant marketing control studies that consider informal controls together with formal counterparts tend to report ambiguous results about effects on individual performance (e.g., Challagalla and Shervani 1996; Cravens et al. 2004), perhaps because their often generic performance measures commingle different service employee behaviors. In contrast, we relate informal (i.e., customer stewardship) and formal (i.e., agency) controls to in-role behaviors (IRBs) and extra-role behaviors (ERBs) and thereby provide a finer-grained analysis of the behavioral effects of marketing controls. We thus also empirically address the broader debate about whether agency and stewardship principles are competing or complementary.

Second, we argue that CSC is conceptually distinct from other constructs. We focus specifically on CO and argue that CSC is a more encompassing construct. Whereas CO represents a focus on meeting customers' needs (Donavan, Brown, and Mowen 2004), stewardship is a broader concept that reflects employees' felt ownership of and moral responsibility for customers' overall welfare. Our results show that CSC is a more potent driver of IRB and ERB.

Third, in line with self-determination theory (Ryan and Deci 2000), we propose autonomy, competence, and relatedness of employees and teams as predictors of CSC. In addition to advancing stewardship theory, this approach adds to marketing control theory, in which scholars note that informal controls entail different levels of aggregation (Jaworski 1988) but have generally employed individual-level analyses. We take a multilevel approach to identify the most effective drivers of CSC because we acknowledge that perceptions of control mechanisms often are influenced by team structures (De Jong, De Ruyter, and Lemmink 2004). We show that shared team-level perceptions of the work environment explain additional variance in CSC perceptions, beyond individual-level drivers.

Figure 1 presents the conceptual model that is central to this article. We proceed to examine this by presenting two studies. In Study 1, we show how CSC and agency control differentially relate to employee behavior and compare the predictive ability of CSC and CO. In Study 2, we determine the antecedents of CSC.

Theoretical Framework

Conceptual Roots

Agency and stewardship theory are two key, inextricably linked theories used to describe the relationships between an organization's management and its stakeholders (Davis, Schoorman, and Donaldson 1997; Tosi et al. 2003). Agency theory posits that external controls (e.g., monitoring, rewards) are necessary to prevent managers from acting opportunistically; stewardship theory holds that their interests can be aligned with those of shareholders, such that managers' personal efforts benefit not only their individual interests but others' welfare as well (Hernandez 2008). Although agency theory has a long-standing history in academic research, the notion of stewardship is fairly recent in organizational and marketing literature. Theorists continue to define and conceptually distinguish stewardship from related concepts.

The foundations of stewardship can be traced to the notion of covenantal relationships (Hernandez 2012), which reflects a sense of moral responsibility between two actors that ties them to an implicit obligation not to take advantage of each other (Caldwell and Karri 2005). Employees act in the best interests of the other(s) in the relationship because they perceive that behaviors that fit their moral compass have a greater utility than individualistic, self-serving behaviors (Davis, Schoorman, and Donaldson 1997). Because these behaviors benefit the collective rather than the individual, employees may bridge competing strategic goals, such as priorities for quality service versus transactional efficiency.

Stewardship scholars outline responsibility and psychological ownership as the underlying motives that align the interests of different stakeholders (Block 1996; Davis, Schoorman, and Donaldson 1997). Employees who feel responsible for work outcomes fulfill role obligations in exchange for collective recognition and a reinforcement of their work ideology (Hernandez 2012). Behaviors that fail

FIGURE 1
Conceptual Framework

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Conceptual Framework
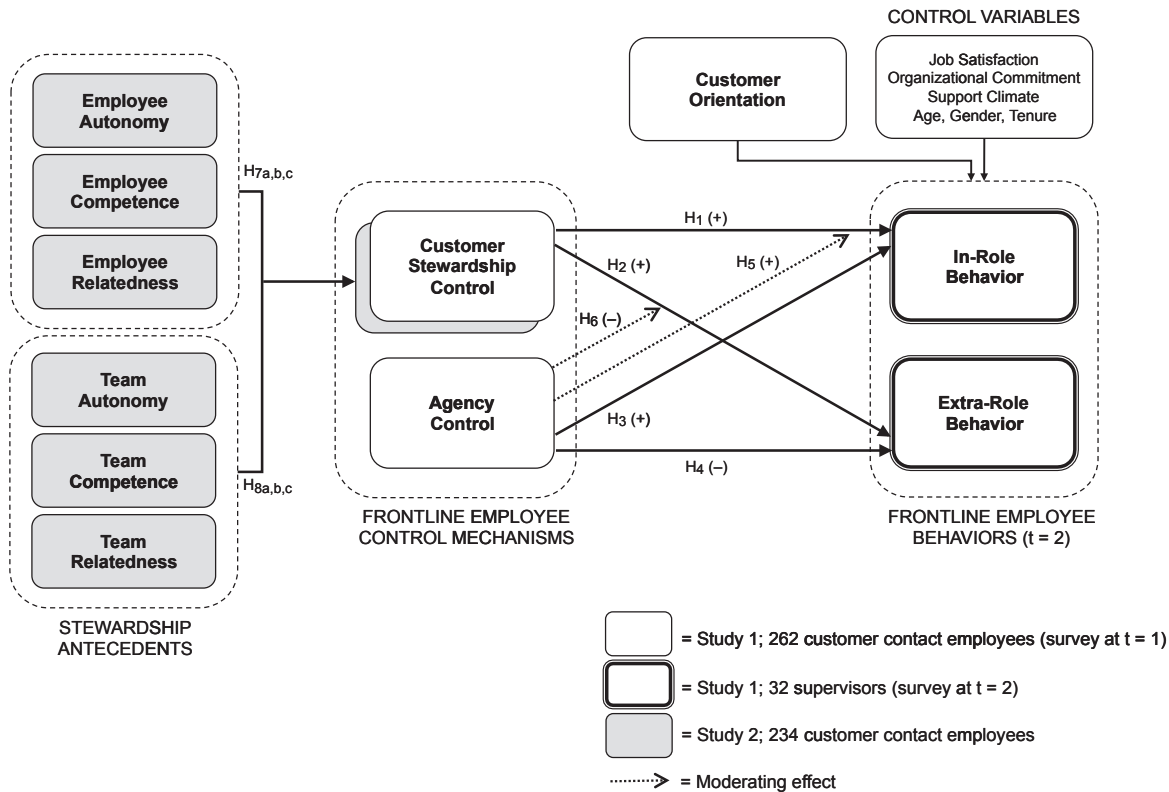
to advance the welfare of others and do not align with one's ideology are corrected through self-regulation (Tosi et al. 2003). Stewardship also embraces the idea of service to and improvement of managed assets (Block 1996). Psychological ownership—which exists in the absence of any formal assignment of ownership—makes employees perceive others' interests as their own. Workers are intrinsically motivated to avoid exposing others to undue harm or loss when they share their interests (Hernandez 2008; Pierce, Kostova, and Dirks 2001).

Given its other-regarding focus, stewardship theory may be particularly valuable for understanding the interactions among frontline employees, their customers, and their organization (De Ruyter, De Jong, and Wetzels 2009; Hernandez 2008). We propose that a governance strategy based on stewardship principles is most effective when frontline employees develop covenantal relationships with their most proximal entity: their customers.

CSC and Related Concepts

As with many embryonic research streams, stewardship shares conceptual territory with related concepts. This section compares and contrasts those concepts with CSC, in an attempt to clarify how they relate and obtain more detailed insights into the added value of the stewardship concept.

Customer orientation. Research on CO takes place at both the organizational (Kennedy, Goolsby, and Arnould 2003; Kohli and Jaworski 1990) and the individual (Brown

et al. 2002; Donavan, Brown, and Mowen 2004; Thomas, Soutar, and Ryan 2001) levels of analysis. The latter stream relates most closely to CSC because it channels the interpersonal contact between employees and customers. Among individual-level studies, some scholars view CO as a set of behaviors that workers display to identify and meet customer needs and interests (Bettencourt and Brown 2003; Homburg, Müller, and Klarmann 2011b), while others conceptualize it as an employee's predisposition to meet customer needs in an on-the-job context (Brown et al. 2002; Donavan, Brown, and Mowen 2004), or as a work value that guides employees' job perceptions and attitudes (Zablah et al. 2012). Regardless of CO's conceptualization, we consider stewardship a more encompassing construct that is more suitable to shape frontline employee behaviors because of its focus on customer welfare.

Other concepts. Servant leadership, total quality management, and organizational identification are also related conceptually to CSC, but with some clear differences. Table 1 provides an overview of their commonalities and differences.

Study 1

Behavioral Outcomes of Agency and Customer Stewardship Control

Frontline employee behaviors. Previous studies that investigate the impacts of formal and informal controls on

TABLE 1
CSC and Related Concepts

	CO (Predisposition)	CO (Behavior)	CO (Organization Level)
Definition	"An employee's tendency or predisposition to meet customer needs in an on-the-job context" (Brown et al. 2002, p. 111)	"Behavior that is designed to build the customer's satisfaction and satisfy customer needs over the long term" (Rozell, Pettijohn, and Parker 2004, p. 407)	"The sufficient understanding of one's target buyers to be able to create superior value for them continuously" (Narver and Slater 1990, p. 21)
Antecedents (selected studies)	Activity (Brown et al. 2002); agreeableness (Brown et al. 2002; Licata et al. 2003); instability (Brown et al. 2002); job resourcefulness (Licata et al. 2003); learning orientation (Harris, Mowen, and Brown 2005)	Gender (Franke and Park 2006); emotional intelligence (Rozell, Pettijohn, and Parker 2004); experience (Franke and Park 2006); organizational commitment (Pettijohn, Pettijohn, and Taylor 2002); organizational identification (Wieseke et al. 2007); job satisfaction, sales skills (Pettijohn, Pettijohn, and Taylor 2002)	Leader commitment (Kennedy, Goolsby, and Arnould 2003); customer performance feedback (Kennedy, Goolsby, and Arnould 2003); interdepartmental coordination (Kennedy, Goolsby, and Arnould 2003); technological turbulence (Calantone, Harmancioglu, and Droge 2010)
Outcomes (selected studies)	Altruism (Donavan, Brown, and Mowen 2004); burnout (negative; Babakus, Yavas, and Ashill 2009, 2011); job satisfaction (Babakus, Yavas, and Ashill 2009; Donavan, Brown, and Mowen 2004; Rod and Ashill 2010); organizational commitment (Donavan, Brown, and Mowen 2004; Rod and Ashill 2010); person–job fit (Babakus, Yavas, and Ashill 2011); self-rated performance (Brown et al. 2002; Licata et al. 2003; Yavas and Babakus 2010); work satisfaction (Harris, Mowen, and Brown 2005)	Customer attitude toward salesperson (Homburg, Müller, and Klarmann 2011b); customer attitude toward products (Homburg, Müller, and Klarmann 2011b); customer loyalty (Homburg, Müller, and Klarmann 2011a); customer value (Blocker et al. 2011); employee service performance (Brady and Cronin 2001); job satisfaction (Franke and Park 2006); physical goods quality (Brady and Cronin 2001); sales performance (Homburg, Müller, and Klarmann 2011b); self-rated performance (Franke and Park 2006; Rozell, Pettijohn, and Parker 2004); servicescape quality (Brady and Cronin 2001)	Adaptive selling confidence (Román and Iacobucci 2010); business performance (Deshpandé, Farley, and Webster 1993); customer-qualification skills (Román and Iacobucci 2010); customer trust toward the firm (Luo, Hsu, and Liu 2008); customer commitment toward the firm (Luo, Hsu, and Liu 2008); customer satisfaction (Gray et al. 1998); customer loyalty (Gray et al. 1998); customer-related responsiveness (Homburg, Grozdanovic, and Klarmann 2007); innovation consequences (Grinstein 2008); intrinsic motivation, role ambiguity (Román and Iacobucci 2010)
How it differs from CSC	Customer orientation is a relatively stable, individual surface trait that influences attitudes and job behaviors through a focus on meeting customer needs (Flaherty et al. 2009; Licata et al. 2003). In contrast, CSC is a more encompassing construct that focuses on customers' overall welfare rather than needs. It can be implemented by managerial actions such as building team structures.	Customer orientation represents behaviors; CSC represents feelings of responsibility and ownership that influence behaviors through self-regulatory processes. It therefore reflects an informal control mechanism.	Whereas CO is a firm-level concept, representing an organizational climate or organization-wide skills, CSC is an individual-level concept representing an informal self-control mechanism.

TABLE 1
Continued

	Servant Leadership	Total Quality Management (TQM)	Organizational Identification
Definition	"An understanding and practice of leadership that places the good of those led over the self-interest of the leader, emphasizing leader behaviors that focus on follower development, and de-emphasizing glorification of the leader" (Hale and Fields 2007, p. 397)	"A company-wide effort seeking to install and make permanent a climate where employees will continuously improve their ability to provide on-demand products and services that customers will find of particular value" (Ciampa 1992, p. xxii)	"Oneness with or belongingness to an entity, where the individual defines him or herself in terms of the entity to which he or she is a member" (Mael and Ashforth 1992, p. 104)
Antecedents (selected studies)	Culture (Van Dierendonck 2011); leader empathy, integrity, competence, and agreeableness (Washington, Sutton, and Feild 2006); motivation to serve (Ng, Koh, and Goh 2008); self-determination (Van Dierendonck, Nuijten, and Heeren 2009)	Elements: a sense of ownership in the product or service delivered to the customer, feeling of codependence, a widespread attitude of wanting to excel and constantly improve, employees regarding their work as meaningful	Communication climate (Smidts, Pruyn, and Van Riel 2001); distributive/procedural justice (Walumbwa, Cropanzano, and Hartnell 2009); manager organizational identification (Wieseke et al. 2009); organization mission fulfillment (Suh et al. 2011); perceived external expertise (Smidts, Pruyn, and Van Riel 2001)
Outcomes (selected studies)	Affect-based trust in leader (Schaubroeck, Lam, and Peng 2011); burnout (negative, Babakus, Yavas, and Ashill 2011); commitment to supervisor (Walumbwa, Hartnell, and Oke 2010); organizational citizenship behavior (Ehrhart 2004); procedural justice climate (Ehrhart 2004; Walumbwa, Hartnell, and Oke 2010); person–job fit (Babakus, Yavas, and Ashill 2011); promotion regulatory focus (Neubert et al. 2008); self-efficacy, service climate (Walumbwa, Hartnell, and Oke 2010); team potency, team performance (Hu and Liden 2011)	Brand purchase value (Tsai 2005); operating income (Hendricks and Singhal 1997); sales growth (Barron and Paulson Gjerde 1996); stock price performance (Hendricks and Singhal 2001)	Affective commitment (Suh et al. 2011); continuous improvement (Lee 2004); CO (Wieseke et al. 2007); employee performance (Wieseke et al. 2009); promise accuracy (Celsi and Gilly 2010); value congruence (Celsi and Gilly 2010); voluntary learning behavior (Walumbwa, Cropanzano, and Hartnell 2009)
How it differs from CSC	Servant leadership describes the relationship between a leader and followers; CSC takes the employee–customer interface as a point of departure. A servant leader makes employees perform desirable behaviors because they "want to give something back in return for the leader's supportiveness" (Ehrhart 2004, p. 70). Stewards are governed by aligning their interests with those of the customer, which intrinsically motivates them to protect customer welfare.	Stewardship reflects a specific employee-held sense of responsibility and ownership for customer's overall welfare, but TQM cannot be represented by one or just a few concepts; it involves the application and synthesis of many methods. In addition, stewardship regulates employees through a self-induced control mechanism based on their covenantal relationship with the customer. In contrast, TQM has a more inward-looking perspective; employees develop a sense of ownership toward their company's problems, not the customer's.	Organizational identification reflects a feeling of organizational membership that builds self-esteem and motivates people to think and act on the basis of organizational shared norms rather than individual interests. However, internal norms do not necessarily benefit the customer's welfare. In contrast, CSC has an outward-looking perspective because employees feel accountable for the customer, not only the organization of which they perceive themselves to be members.

employee performance reveal ambiguous findings. Challagalla and Shervani (1996) report lower individual performance in response to formal control mechanisms; Lusch and Jaworski (1991) and Jaworski, Stathakopoulos, and Krishnan (1993) report insignificant effects; and Cravens et al. (2004) find performance peaks in the presence of both types of control. These inconclusive results may reflect their inconsistent operationalizations of performance. For example, Cravens et al. aggregate self-rated behavioral and outcome components of performance, but Challagalla and Shervani combine self-ratings of goal attainment ("quickly generating sales") and helping behavior ("assisting your sales supervisor").

To disentangle the different processes and outcomes, we distinguish between IRB and ERB (MacKenzie, Podsakoff, and Ahearne 1998; Netemeyer, Maxham, and Pullig 2005). With IRB, workers fulfill formally required tasks by displaying "expected employee behaviors in serving the firm's customers" (Bettencourt and Brown 1997, p. 42). Expectations of IRB mainly stem from the explicit responsibilities outlined in job descriptions and performance evaluations forms. For example, employees in customer service centers often must follow service scripts that prescribe and guide customer interactions. Typical standards require employees to answer calls within three rings, reply to e-mails within 24 hours, practice specific opening or closing procedures, update customer data logs, and so on.

In contrast, ERB reflects employees' discretionary efforts that are not captured in formal job descriptions (MacKenzie, Podsakoff, and Ahearne 1998; Netemeyer, Maxham, and Pullig 2005). Bettencourt and Brown (1997) suggest that ERB includes employees' extra efforts to take initiatives that improve service in interactions with customers or conscientious efforts to respond to customer concerns. Therefore, ERB often is the extent to which a service employee "goes the extra mile" for customers during service encounters (Netemeyer, Maxham, and Pullig 2005, p. 132). For example, field service engineers might proactively identify changes in customer behavior or recognize that tweaking an existing product or service would better satisfy the customer's needs (Schepers et al. 2011). They make changes on the spot, though they often are not required to do so according to their job description or service guidelines.

Effects of CSC on frontline employee behavior. By establishing a covenantal relationship with customers, employees become stewards and develop a self-regulatory mechanism in which customer welfare is an important personal objective. Stewards have a clear internal belief about suitable behaviors in service encounters. They understand the importance of adhering to in-role procedures because these are necessary to standardize and safeguard the quality of service delivery across encounters. As stewards feel responsible for the overall welfare of their entire customer base, they perform more in-role tasks.

Job tasks that are not formalized or externally rewarded still could be performed when self-actualization motivates people to move beyond a current state of affairs (Argyris 1973). Because stewardship aligns interests, additional

employee efforts that follow from self-actualization also benefit the customer, in the form of ERB. Moreover, psychological ownership of customer interests provides employees with the belief that they can affect the "owned" object as a result of their personal actions (Hernandez 2012) and increases their willingness to take risks to correct problems more comprehensively (Pierce, Kostova, and Dirks 2001). For example, an employee may realize that a customer solution does not improve customer welfare, even if it matches service prescriptions and generates an income for the organization. When enhancing customer welfare also maximizes individual utility, employees feel motivated to experiment with routines beyond their tried-and-tested service scripts. They may proactively recognize latent customer needs and take actions to adapt the value offer accordingly. Thus:

H$_1$: Frontline employee perceptions of CSC positively influence IRB.

H$_2$: Frontline employee perceptions of CSC positively influence ERB.

Effects of agency control on frontline employee behavior. Agency theory asserts that employees are likely to shirk their responsibilities (Bergen, Dutta, and Walker 1992). Therefore, principals (e.g., managers, owners) may impose formalized control structures, such as the formulation of specific performance goals (Challagalla and Shervani 1996), the installation of a monitoring system (Tosi et al. 2003), or the provision of rewards that tie pay to rule compliance or firm performance (Davis, Schoorman, and Donaldson 1997). We define agency control as the extent to which management imposes goal setting, monitoring, and contingent reward control structures on employees.

Agency control establishes a framework of structures and rules that condition frontline employees to behave according to prescriptions. Employees who perceive high degrees of agency control work to follow formalized managerial directions, in the hope of invoking favorable reactions. However, the strict elicitation of standards and scripts may instill feelings of pressure and surveillance that undermine intrinsic motivation (Deci, Koestner, and Ryan 1999), which prevents employees from spontaneously performing desirable on- and off-the-job behaviors that are not explicitly recognized by the formal reward system. Employees behave because they have to, not because they want to, and are less likely to exhibit discretionary behaviors. In summary,

H$_3$: Frontline employee perceptions of agency control positively influence IRB.

H$_4$: Frontline employee perceptions of agency control negatively influence ERB.

Interactive Effects of Agency and Customer Stewardship Control

Following marketing control literature, the full impact of control mechanisms might be captured only by accounting for the simultaneous use of multiple controls (Jaworski 1988). Proponents of stewardship theory also have emphasized that stewardship outcomes may be contingent on specific organizational structures (Hernandez 2008, p. 122).

We propose that agency control stresses organizational guidelines and structures and therefore moderates the positive effects of CSC on employee behaviors.

First, under CSC, employees may be motivated to adhere to role-prescribed tasks because this ensures a baseline level of service quality. If obedience to these rules is not strictly monitored, the frontline worker must infer the relevance of service standards from his or her responsibility for customers' welfare. Goal-setting theory (Latham and Locke 2002) suggests that prescribed goals may serve a directive function in such situations because they allow employees to focus their attention and effort on goal-relevant, rather than goal-irrelevant, activities. The strict elicitation and monitoring of standards thus provides guidance when the unstructured context of a service encounter fails to do so. Such an agency-controlled condition intensifies customer stewards' motivation to align their obligation to protect and improve customer welfare with working to meet organizational rules. Thus, we expect that agency control leverages the positive effect of CSC on IRB and hypothesize the following:

H5: As agency control increases, the positive relationship between CSC and IRB becomes stronger.

Second, we hypothesize that an increase in CSC is associated with additional employee efforts to go the extra mile for the customer. However, with increasing agency control, an ever-larger share of personal resources cannot be deployed for ERB because time and effort are needed for formal reporting to supervisors (Netemeyer, Maxham, and Pullig 2005). An employee who feels responsible for customer welfare but must explicitly follow and acknowledge managerial markers therefore experiences a narrower window of opportunities to display ERB. In addition, enhanced levels of agency control focus an employee's attention on formal goals to a greater extent and reduce the salience of other ways in which an employee can help a customer, such as exploring new pathways and providing "out of the box" customer solutions (Vecchio, Justin, and Pearce 2008). Thus, when agency control increases, an increase in CSC transforms into ERB to a lesser extent because an employee's attention is less focused on going the extra mile.

H6: As agency control increases, the positive relationship between CSC and ERB becomes weaker.

Method

Research setting. We collected data over a six-month period from employees and managers of a medical equipment manufacturer's European customer contact center. Employees in the contact center answer customer inquiries about product usage, initiate recovery measures after product failures, provide information about the product line, and offer unsolicited help and advice. Employees can contact customers by telephone, e-mail, social media, and home (e.g., patients) or office (e.g., physicians, hospitals, universities) visits. In the first stage, we asked four managers for their understanding of employees' ERB; they consistently characterized it as the proactive identification of customer problems or changes in product usage.

In the second stage, we collected quantitative data from customer contact employees and their supervisors. To avoid reverse causality and endogeneity concerns, we collected employee perceptions of the control mechanisms at t = 1, then gathered supervisors' behavioral ratings at t = 2, six months later, in accordance with supervisors' semiannual, formal staff appraisal cycles. After an initial pretest, 298 customer contact employees (75% response rate) participated in the survey. For 88% of this sample, we could collect supervisor ratings on employee IRB and ERB. The final matched sample thus consisted of 262 employees and 32 supervisors.

Sample characteristics. Of the 262 responding employees, 42% were men. In addition, 15% were younger than 26 years of age, 39% were 26–35 years, and 46% were 36 years or older; their average organizational tenure was 4.2 years. Moreover, 30% had associate's degrees, 36% bachelor's degrees, and 34% graduate degrees. Among the supervisors, 72% were men; 8% were 26–35 years of age, 60% were 36–45 years of age, and 32% were 46 years or older; and 81% of them had been with the company for five years or more.

Measurement. We used multi-item scales from existing research whenever possible, and we provide a list of the items for our core constructs and their psychometric properties in Table 2. Construct-level correlations for all constructs are in Table 3. The scores all came from a confirmatory factor analysis (CFA), using the robust maximum likelihood estimator in AMOS17. This analysis showed satisfactory global fit measures: $\chi^2(585) = 1182.5$, confirmatory fit index (CFI) = .93, Tucker–Lewis index (TLI) = .92, and root mean square error of approximation (RMSEA) = .06. All items loaded significantly on the hypothesized latent variables, and the composite reliability (CR) values were all greater than .7. All constructs adhered to the commonly applied Fornell and Larcker (1981) criterion, in support of discriminant validity. More specifically, CSC and CO were distinct measures as the average variances extracted (AVEs) (.68 and .63 respectively) exceeded their squared correlation (.23). In addition, Table 4 shows a principal component analysis with Oblimin rotation; the five CSC and the five CO items loaded on separate components, and all cross-loadings were below .4, providing further evidence of convergent and discriminant validity of the scales.

Employees indicated their (dis)agreement with each statement using a seven-point Likert-type scale. We established the five CSC items by studying theoretical sources (Block 1996; Davis, Schoorman, and Donaldson 1997) and conducting interviews with four managers and eight frontline employees. Our operationalization reflects employees' internal perceptions, which previous studies have indicated is the correct way to capture self-regulatory informal controls (e.g., Flaherty, Arnold, and Hunt 2007). Our philosophy for capturing agency control was based on theoretical considerations, so we conceptualized three dimensions of agency control: goal setting, captured with items from Parasuraman, Berry, and Zeithaml (1991) and Kazanjian and Rao (1999); monitoring, assessed with four items from Jaworski and MacInnis (1989); and contingent reward,

TABLE 2
Study 1: Measures and Measurement Criteria

Variable	Factor Loading	CR	AVE
CSC		.91	.68
I feel a sense of responsibility for the customer.	.87		
I feel a sense of accountability for the customer.	.86		
I sense that the customers I serve are MY customers.	.83		
I feel a sense of ownership of the customer's problems.	.76		
I feel responsible for customer welfare.	.79		
Agency Control: Goal Setting		.87	.63
My company has a formal process for setting the quality of service goals for employees.	.76		
My supervisor sets specific quality of service goals.	.85		
There are explicit, internally published objectives for service employee performance.	.76		
My supervisor uses established rules and procedures by which goals for service delivery are determined.	.80		
Agency Control: Monitoring		.90	.69
The extent to which I follow established service procedures is critically monitored.	.68		
The procedures to accomplish a given service task are explicitly regulated.	.91		
My immediate boss modifies my work procedures when desired results are not obtained.	.80		
Feedback on how to accomplish my performance goals is frequently communicated to me.	.91		
Agency Control: Contingent Rewards		.89	.68
My supervisor…			
•Provides incentives and rewards at all levels for service quality, not just productivity.	.84		
•Lets us celebrate excellent service through service reward systems.	.85		
•Makes clear what one can expect to receive when performance goals are achieved.	.77		
•Expresses satisfaction when I meet expectations.	.83		
CO		.89	.63
I try to figure out a customer's needs.	.86		
I have the customer's best interests in mind.	.71		
I try to find out which kinds of products or services would be most helpful to customers.	.72		
I recommend products or services that are best suited to solving problems.	.86		
I take a problem solving approach in selling products or services to customers.	.80		
In-Role Behavior (IRB) *(rated by supervisors)*		.82	.53
Within the last 6 months, how often did this employee...			
•Meet formal performance requirements when serving customers?	.74		
•Perform all those tasks for customers that were required of him/her?	.78		
•Adequately complete all expected customer service behaviors?	.65		
•Help customers with those things that are required of him/her?	.74		
Extra-Role Behavior (ERB) *(rated by supervisors)*		.88	.66
Within the last 6 months, how often did this employee...			
•Go above and beyond the "call of duty" when serving customers?	.83		
•Willingly go out of his/her way to make a customer satisfied?	.80		
•Help customers with problems beyond what was expected or required?	.84		
•Voluntarily assist customers by going beyond job requirements?	.77		

which consists of four items adapted from Lytle, Hom, and Mokwa (1998) and Bass and Avolio (2000). We assessed CO with five items from Thomas, Soutar, and Ryan (2001).

Supervisors rated subordinates' IRB and ERB[1]; they could do so accurately because the company featured a transparent office layout, held semimonthly "jour fixes," and transmitted information from in-house trainers and mystery callers. We used the scale by Bettencourt and Brown (1997) to assess IRB and four questions proposed by Netemeyer, Maxham, and Pullig (2005) to measure ERB. The response options ranged from 1 ("never") to 7 ("as often as possible"). At the outset of the survey, we provided specific information and examples of what we understood as IRB (e.g., answer calls within three rings, maintain per-

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[1]Because each supervisor rated more than one employee, we tested for possible statistical dependence in our data by computing an intraclass correlation statistic (ICC) that reflects the percentage of the total variance that can be attributed to differences across groups (James, Demaree, and Wolf 1993). The ICCs for all variables, except CSC, were insignificant (IRB = .03, ERB = .09, and agency = .07). The absence of significant values for IRB and ERB indicated that supervisor-related response motifs or biases, if they existed, did not affect our results. The ICC(1) for CSC was .19 ($p < .05$)—relatively low but still indicative that frontline employees under a particular supervisor tend to converge slightly in their assessments of the team's level of stewardship. Therefore, we tested our hypotheses twice, first using hierarchical linear modeling and then using structural equation modeling. Because these analyses led to similar results, but the latter methodology accounted for covariance structures in latent constructs captured by multiple items, we report only the structural equation modeling results.

TABLE 3
Study 1: Means, Standard Deviations, and Correlations

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
Focal Constructs															
1. CSC	4.83	1.29	1.00												
2. AC: goal setting	4.59	1.29	.29**	1.00											
3. AC: monitoring	4.34	1.43	.28**	.76**	1.00										
4. AC: contingent rewards	4.37	1.57	.39**	.74**	.76**	1.00									
5. IRB	5.08	1.22	.29**	.36**	.45**	.41**	1.00								
6. ERB	4.82	1.18	.61**	.27**	.23**	.30**	.25**	1.00							
Control Variables															
7. CO	4.48	1.35	.48**	.18**	.18**	.26**	.18**	.48**	1.00						
8. Job satisfaction	5.43	1.29	.04	.00	.09	.33**	.03	.18**	.12	1.00					
9. Organizational commitment	5.71	.89	.01	-.07	-.03	.10	.30**	.15**	.14*	.21**	1.00				
10. Support climate	5.83	1.34	.12	.13	.15*	.13	.18**	.24**	.23**	.29**	.14*	1.00			
11. Age	33.70	6.23	-.11	-.15*	-.04	.10	.03	.10	.03	.17*	.13	-.06	1.00		
12. Gender	N.A.	N.A.	-.02	-.04	.01	-.05	-.06	-.13	-.15*	-.03	-.06	-.15*	-.07	1.00	
13. Tenure	4.21	5.34	-.19**	-.17	-.17*	-.02	-.07	.04	-.07	.17*	.14*	-.07	.49**	.04	1.00

$* p < .05.$
$** p < .01.$
Notes: N.A. = not applicable. AC = agency control.

TABLE 4
Study 1: CSC and CO Principal Component Analysis

Item	Component	
	1	2
CSC1	.690	.286
CSC2	.680	.368
CSC3	.681	.302
CSC4	.778	.098
CSC5	.794	.099
CO1	−.199	.781
CO2	−.277	.680
CO3	.050	.791
CO4	−.127	.808
CO5	−.017	.858

Notes: Item numbering corresponds to sequence of items in Table 2.

sonal and customer logs) and ERB (e.g., proactively gather new customer insights), according to our interviews. Finally, we controlled for potent alternative predictors of employee behavior: job satisfaction; organizational commitment (three items each; Mowday, Steers, and Porter 1979); support climate (one item: Salanova, Agut, and Peiró 2005); and employees' tenure, age, and gender.[2]

Parceling. We implemented a parceling approach to reduce the inherent complexity introduced by multidimensional constructs in interactions (Coffman and MacCallum 2005). However, we first ensured that the three agency dimensions represented a higher-order construct. A second-order model revealed that all dimensional factor loadings were greater than .7, the correlations were substantive and significant, and each dimension's AVE exceeded the squared correlations with any other dimensions. Therefore, domain-representative parceling emerged as the most appropriate modeling technique (Kishton and Widaman 1994). Our first parcel represented the averaged sum of the first items from each dimension (i.e., goal setting, monitoring, and rewards), the second parcel featured the averaged sum of the second items from each dimension, and so forth. Each dimension contained four items, so we assessed agency control with four parcels.[3] Subsequently, we ran another CFA in which we replaced the three separate four-item dimensions with the four-parcel construct. The parcels displayed greater reliability, drastically reduced random errors, and offered a higher ratio of common-to-unique factor variance. In addition, the disaggregated model achieved a CR of .86, whereas the parcel-based model's CR reached .92. Finally, the CFA indicated a significant increase in fit compared with the initial CFA with separate dimensions $(\Delta\chi^2(235) = 426.1, p < .01)$.

Although many studies cluster formal and informal control situations in quadrants of high-/low-control conditions, their results are heavily influenced by the criterion used to

define the quadrants (Cravens et al. 2004). We therefore modeled the hypothesized moderation effects of agency control by constructing an interaction term with both control mechanisms. We applied the unconstrained maximum information approach that Marsh, Wen, and Hau (2004) advocate. Initially, we mean-centered all items to avoid potential multicollinearity issues and then created multiplication pairs by matching agency parcels and stewardship items by quality. Specifically, we multiplied the highest-loading agency control parcel (AC4, .91) by the highest-loading CSC item (CSC1, .87). The second-highest-loading pair was AC1 (.90) and CSC2 (.86); we also multiplied AC3 (.86) by CSC3 (.83) and AC2 (.76) by CSC5 (.79).

Data Analysis and Results

To test H_1–H_6, we ran a structural equation model that included CSC, agency control, our interaction term, and the control variables. We integrated CO as a predictor of IRB and ERB. We used the robust maximum likelihood estimation procedure. Table 5 summarizes the findings. The global fit statistics point to an acceptable fit of the structural model with the empirical data: $\chi^2(542) = 1108.6$, CFI = .94, TLI = .93, and RMSEA = .06. Overall, our model explained 40.9% of the variance in IRB and 59.3% in ERB.

We found a positive effect of CSC on IRB ($\beta = .18, p < .05$), in support of H_1. The effect on ERB was much larger ($\beta = .47, p < .01$), in strong support of H_2. Agency control positively related to IRB ($\beta = .38, p < .01$), but contrary to our expectations, it did not indicate any significant effects on ERB ($\beta = .06$, n.s.). Thus, H_3 received support, but we must reject H_4. The interaction terms for both controls showed negative effects on IRB ($\beta = −.13, p < .05$) and ERB ($\beta = −.16, p < .01$), which support H_6 but not H_5.[4]

CSC or CO?

In our sample, CO did not influence IRB ($\beta = −.02$, n.s.), but it was positively related to ERB ($\beta = .28, p < .01$). The effects of CSC were more profound. Still, we continued to empirically substantiate that the latter provides additional value beyond the CO construct. We considered the additional variance explained in IRB and ERB when we added CSC to a structural model that included CO and the control variables. To enable an accurate comparison, we excluded the interaction term of stewardship and agency control from these models. We found that the CO-only model explained 35.1% of variance in IRB and 43.8% in ERB. Adding CSC to this model increased the variance explained to 39.4% and 57.5% in IRB and ERB, respectively. Furthermore, a model

[4]To assess whether our parceling procedure affects the pattern of outcomes, we ran an alternative structural model with agency control based on homogeneous parceling. We created one goal-setting parcel, one monitoring parcel, and one reward parcel and again applied the unconstrained maximum-information approach to build the interaction term. As we expected, although the number of degrees of freedom declined, model fit did not improve ($\Delta\chi^2(67) = 48.2$, n.s.). All significant paths from our original analysis remained significant, with the exception of the stewardship–IRB relationship, which approaches significance ($\beta = .15, p = .06$). These findings indicated a consistent pattern across operationalizations.

TABLE 5
Study 1: CSC and Agency Control as Antecedents of IRB and ERB

	Hypothesis	Hypothesized Model		
		β	t-Value	Supported
Hypothesized Path				
CSC → IRB	H_1	.18	1.92	Yes
CSC → ERB	H_2	.47	5.27	Yes
AC → IRB	H_3	.38	4.83	Yes
AC → ERB	H_4	.06	.93	No
AC × CSC → IRB	H_5	−.13	−2.01	No, significant in opposite direction
AC × CSC → ERB	H_6	−.16	−2.57	Yes
CO and Control Variable Paths				
CO → IRB		−.02	−.22	
CO → ERB		.28	3.96	
Job satisfaction → IRB		−.13	−1.44	
Job satisfaction → ERB		.09	1.26	
Organizational commitment → IRB		.38	4.86	
Organizational commitment → ERB		.05	.81	
Support climate → IRB		.04	.52	
Support climate → ERB		.09	1.47	
Age → IRB		.02	.28	
Age → ERB		−.01	−.18	
Gender → IRB		−.04	−.56	
Gender → ERB		−.06	−1.06	
Tenure → IRB		−.03	−.40	
Tenure → ERB		−.04	−.66	
R^2 IRB		.409		
R^2 ERB		.593		

Notes: Table reports standardized coefficients. AC = agency control. Overall fit measures: $\chi^2(542) = 1108.6$, CFI = .94, TLI = .93 and RMSEA = .06.

that fully replaced the CO construct with CSC showed a better global fit than the CO-only model ($\chi^2_{CO}(284) = 602.4$ vs. $\chi^2_{CSC}(284) = 518.5$). In addition, CSC had stronger effects than CO on IRB ($\beta_{CO} = .04$; $\beta_{CSC} = .19$) and on ERB ($\beta_{CO} = .45$; $\beta_{CSC} = .60$) in these two latter models. We therefore conclude that CSC is a significantly stronger predictor of IRB and ERB than CO.

The Control Dilemma: Additional Analyses

Managers face a dilemma when they try to secure optimal frontline employee behavior. Agency control, at least in our sample, was far more effective than CSC for securing IRB ($\beta = .38$ vs. $\beta = .18$), but only stewardship control related significantly to ERB ($\beta = .47$ vs. $\beta = .06$, n.s.). Their negative interaction effect indicates that applying both control mechanisms would counteract the positive effects of each, which creates a control dilemma for managers. Therefore, we investigate whether the dissynergistic interaction effects might be alleviated by specific manager or employee characteristics.

We built on a behavioral model of charismatic leadership to identify a salient managerial trait (Conger and Kanungo 1998). That is, charismatic leaders articulate an attractive vision for the organization and guide followers by establishing strong emotional connections. We used four measurement items (Conger and Kanungo 1998). In addition, social cognitive theory suggests a salient follower trait, self-efficacy, defined as "people's judgments of their capabilities to organize and execute courses of action required to attain designated types of performances" (Ban-

dura 1986, p. 391). To measure self-efficacy, we used three items from Spreitzer (1995).

We employed multiple-group analysis to test the moderating effects of charismatic leadership and self-efficacy on dissynergistic relationships. First, we split our initial sample into two subsamples at the median charismatic leadership value (3.65). Two other subsamples reflected the median split of self-efficacy scores (4.67). Second, we calculated a base model in which we freely estimated the structural path to be moderated and an alternative model in which this path was fixed. A moderation effect would exist if we were to observe a significant chi-square change in the comparison of these two models.

We found compelling results, as we detail in Table 6. A charismatic leader nullified the dissynergistic effect on ERB, such that the positive coefficient in the high-charisma group was insignificant ($\beta = .09$, n.s.), but the difference with the low-charisma group ($\beta = -.20$, $p < .05$) was significant ($\Delta\chi^2(1) = 4.9$, $p < .05$). High stewardship and agency control did not negatively affect IRB for employees with high self-efficacy ($\beta = .11$, n.s.), but employees reporting low self-efficacy suffered this dissynergistic effect on IRB ($\beta = -.24$, $p < .05$), and the difference indicated a significant chi-square change ($\Delta\chi^2(1) = 4.3$, $p < .05$). The pattern for ERB was similar, though the difference observed was not significant.

Discussion

We conclude that CSC helps drive ERB and may even augment the effects of agency control on IRB among self-

Moderating Variable	Structural Relationships	Moderator Group	N	β	Δχ²/Δd.f.
Charismatic leadership	AC × CSC → IRB	Low	140	−.19*	2.6
		High	122	.03	
	AC × CSC → ERB	Low	140	−.20*	4.9*
		High	122	.09	
Self-efficacy	AC × CSC → IRB	Low	138	−.24*	4.3*
		High	124	.11	
	AC × CSC → ERB	Low	138	−.27*	1.9
		High	124	.05	

*$p < .05$.
**$p < .01$.
Notes: Table reports standardized coefficients. AC = agency control.

efficacious employees. Furthermore, it explains variance in IRB and ERB beyond CO. Considering this key role as a driver of service behavior on the front line, we extend insights into its nomological network by exploring in Study 2 how organizations might implement CSC. We build on self-determination theory (Ryan and Deci 2000) to derive stewardship antecedents; that is, self-regulation in an informal control framework might suggest individual interpretations of the service environment but also likely depends on shared collective perceptions (Jaworski 1988). Previous studies of marketing control structures have focused almost exclusively on individuals; Study 2 contributes to extant literature by accounting for team-level variance to explain perceptions of CSC.

Study 2

Individual-Level Antecedents of CSC

Intrinsic motivation is a prerequisite for employees to adopt an other-regarding focus (Davis, Schoorman, and Donaldson 1997). It involves a "natural inclination toward assimilation, mastery, spontaneous interest, and exploration" that is essential in many service situations (Ryan and Deci 2000, p. 70). Intrinsic motivation also leads to behavioral self-regulation, an essential stewardship mechanism that initiates when behavior deviates from efforts to advance customer welfare. Self-determination theory postulates three innate psychological needs (Deci, Koestner, and Ryan 1999; Ryan and Deci 2000): autonomy, competence, and relatedness. When met, intrinsic motivational processes may stimulate employees to self-regulate their actions, in line with the moral obligation to protect customer welfare in the covenantal relationship.

First, employee autonomy refers to the degree to which an employee has the power to make decisions, plan work activities, and adapt to changing conditions (Kirkman and Rosen 1999). Proponents of stewardship theory note that "a steward's autonomy should be deliberately extended to maximize the benefits of a steward" (Block 1996, p. 25). Autonomy increases frontline employees' growth opportunities and encourages them to accept full responsibility for customer problems. Pierce, Kostova, and Dirks (2001) suggest that psychological ownership of a customer's problem occurs when people are in charge of problem identification

and solution. In contrast, an employee told exactly what to do is more likely to disregard the covenantal customer relationship and blame his or her manager or the organization for customer dissatisfaction.

Second, a competent frontline employee might experience customer stewardship because he or she possesses all the relevant information and required skills to solve a customer problem. Service employees with more knowledge about past and present customer issues develop an internal locus of control; they perceive more influence over outcomes and take more responsibility for addressing customer needs than their uninformed counterparts (Bandura 1986). Employees who can handle a wide range of service situations also are more likely to attribute service outcomes to themselves rather than to external sources (Hui and Toffoli 2002). Such competence encourages employees to accept responsibility because they are more confident that they can fulfill the demands that stem from the covenantal relationship with customers.

Third, employee relatedness—or connectedness to others in the organization—encourages a sense of responsibility for tasks performed (Sekiguchi, Burton, and Sablynski 2008). Relatedness is associated with feelings of emotional and content-related support, which makes frontline employees more willing to be accountable for their service outcomes because they believe mistakes will not be held against them personally. Being embedded in the network of the organization should cause employees to feel a morally established obligation to major actors in the network (Hernandez 2008). Frontline workers perceive customers as major stakeholders and are more likely to take ownership of problems. Therefore, we hypothesize the following:

H7: (a) Employee autonomy, (b) employee competence, and (c) employee relatedness positively influence frontline employee perceptions of CSC.

Team-Level Antecedents of CSC

As more companies organize frontline operations into teams, team-level phenomena increasingly influence stewardship control beliefs, beyond individual-level antecedents. Team members converge in their perceptions of their team's work circumstances and establish shared team norms, so we can distinguish individual- and team-level conceptualizations of stewardship antecedents. This separation is meaningful; an

employee who effectively carries out a specific task but belongs to an otherwise unsuccessful team may have a high sense of individual competence and a low sense of team competence.

Research has stressed the power of psychosocial elements at the team level (e.g., De Jong, De Ruyter, and Lemmink 2004); therefore, we posit that team-level conceptualizations of the predictor variables explain additional variance in individual employees' stewardship perceptions. Specifically, in autonomous teams, work structures that facilitate growth and personal development arise because the whole team, rather than a hierarchical leader, takes responsibility for performance (Stewart 2006). The elimination of inequality and hierarchy motivates frontline employees to grow and take ownership of customer problems, rather than adhere to agency guidelines. In competent teams, members also are confident that their colleagues are skilled and knowledgeable, which makes satisfying customers more likely, reduces the risk of a service failure, and makes team members more willing to be accountable for customers' overall welfare (Hui and Toffoli 2002). Finally, teams that feel strongly related to the organizational network recognize the meaningfulness of their activities, so team members are more likely to respond with greater persistence and motivation because they take direct responsibility for handling customer requests and complaints (Kirkman and Rosen 1999). Therefore, we hypothesize the following:

H_8: (a) Team autonomy, (b) team competence, and (c) team relatedness positively influence frontline employee perceptions of CSC.

Method

Research setting. We selected a large, international car manufacturer as the empirical setting to test H_7 and H_8. Frontline employees in the customer contact center receive questions and complaints from various sources, including end consumers, affiliated dealers, and service intermediaries, through different channels, such as telephone, e-mail, social media, and a designated information system. They are responsible for answering customer inquiries, giving (un)solicited help and advice, and taking care of organizational follow-up efforts. Employees also perform customer and competitor intelligence functions by proactively visiting car exhibitions, dealerships, and fan club days to observe up-to-date customer experiences.

Sample characteristics. We distributed 437 questionnaires to frontline employees in Western Europe; we received 234 usable questionnaires, for a response rate of 53.5%. The respondents represented 35 teams, and 58% were men, 23% were younger than 26 years, 51% were 26–35 years of age, and 26% were 36 years or older. Nine percent of the respondents had high school degrees or less, 32% had associate's degrees, 31% had bachelor's degrees, and 28% had graduate degrees. Their average organizational tenure was 5.1 years.

Measurement. We operationalized all constructs with multi-item scales; respondents indicated their (dis)agreement with a set of statements using a seven-point Likert scale. We assessed CSC with five items identical to those we employed in Study 1. Three items adapted from Thomas and Tymon (1993) served to assess employee autonomy. We measured employee competence with three items, adapted from Baard, Deci, and Ryan (2004). We operationalized employee relatedness with three items proposed by Holman, Epitropaki, and Fernie (2001). We also adapted the individual-level scales to reflect the team level of analysis, with the team as the referent, which should prevent any scale-related bias in our analyses.

We conducted an individual-level CFA to assess measurement properties. We found good global fit: $\chi^2(209) = 559.9$, CFI = .96, TLI = .95, and RMSEA = .08. We also added an unmeasured latent methods factor to our CFA and set the correlations with all other latent constructs to 0 (Podsakoff et al. 2003). The resultant change in model fit was not significant, and all factor loadings for the latent variables remained significant. Therefore, common method bias was not a significant concern. We provide the factor loadings, composite reliabilities, and AVEs in Table 7; the correlations are available in the Web Appendix (www.marketingpower.com/jm_webappendix).

Data Analysis and Results

We calculated group means for team autonomy, team competence, and team relatedness to estimate team-level effects in our conceptual framework. To justify data aggregation to higher levels, we first calculated the $r_{wg(j)}$ statistic and the ICC(1) coefficient; we found a high degree of consistency in the individual ratings within groups, as well as reliable group means. We applied multilevel regression analysis to test H_7 and H_8 by estimating the effects at different levels of analysis simultaneously. We employed MLwiN software and used iterative least squares estimation to obtain the parameter estimates. In all analyses, we centered the predictor variables on their grand mean. Finally, we included age, tenure, education, workload (number of hours worked per week), and group size as control variables.

In Table 8, we list the results of our multilevel analyses. Employee autonomy related to CSC but was only borderline significant in our full model ($\beta = .16$, t = 1.90). In an individual-level only model and an extended model, this relationship did reach significance. Therefore, we find support for H_{7a}, though care should be taken in its interpretation. Employee competence displayed an insignificant coefficient ($\beta = -.08$, n.s.), so we must reject H_{7b}. However, employee relatedness exhibited a strong relationship with stewardship control ($\beta = .21$, $p < .01$), in support of H_{7c}. At the team level, team autonomy and team competence had significant, positive relationships with perceived CSC ($\beta = .29$, $p < .05$; $\beta = .29$, $p < .01$, respectively), in support of H_{8a} and H_{8b}. In contrast, we reject H_{8c}, because the group-level coefficient of team relatedness was not significant ($\beta = -.12$, n.s.). Adding the group-level antecedents to the individual-level model significantly improved model fit ($\Delta\chi^2(8) = 38.3$, $p < .01$), and the amount of variance explained at the group level was higher than that at the individual level ($\Delta R^2 = 13.2\%$). Thus, the between-group differences explained additional variance in individual stewardship perceptions, beyond the within-group differences. Additional analyses

TABLE 7
Study 2: Measures and Measurement Criteria

Construct/Item	Factor Loading	CR	AVE
Employee Autonomy		.90	.84
I can select different ways to do my work.	.82		
I make my own choices without being told by management.	.87		
I have a considerable amount of independence and freedom to decide how to go about my work.	.89		
Employee Competence		.93	.81
I feel very competent when I am at work.	.90		
Most days I feel a sense of accomplishment from working.	.91		
When I am working I often do not feel very capable. (reverse scored)	.89		
Employee Relatedness		.92	.79
I think that my work fits into the "bigger picture" of my organization.	.90		
I feel that the different parts of my organization fit together.	.93		
I think that my work closely relates to that of others.	.84		
Team Autonomy		.90	.75
In our team, we can select different ways to do our work.	.88		
In our team, we make our own choices without being told by management.	.90		
In our team, we have a considerable amount of independence and freedom to decide how to go about our work.	.82		
Team Competence		.88	.72
Our team feels very competent.	.86		
Most days, our team feels a sense of accomplishment from working.	.87		
Our team does not feel very capable. (reverse scored)	.81		
Team Relatedness		.87	.69
In our team, we think that our work fits into the "bigger picture" of our organization.	.83		
In our team, we feel that the different parts of my organization fit together.	.85		
In our team, we think that our work closely relates to that of others.	.82		
Customer Stewardship Control		.90	.64
I feel a sense of responsibility for the customer.	.82		
I feel a sense of accountability for the customer.	.85		
I sense that the customers I serve are MY customers.	.79		
I feel a sense of ownership of the customer's problems.	.76		
I feel responsible for customer welfare.	.80		

appear in the Web Appendix (www.marketingpower.com/jm_webappendix).

Discussion

Stewardship does not emerge from formal rules but can be facilitated by organizational structures that help leaders encourage followers to act on a felt ownership of and moral responsibility for customers' overall welfare. With Study 2, we have identified key antecedent structures and revealed that service employees who feel related to the organizational network and are allowed to act autonomously perceive higher levels of CSC. Study 2 also confirms that accounting for team-level perceptions helps explain additional variance in CSC perceptions. Team autonomy and team competence relate most strongly to CSC.

General Discussion

With this article, we introduce the informal control mechanism of CSC and show that it is more potent in shaping frontline service employee behaviors than CO. We highlight how CSC operates in conjunction with agency control and investigate its multilevel antecedents. Our findings offer several key insights.

CSC Versus Agency Control

We find differential effects of the two control types. Agency control primarily drives IRB, and though CSC explains additional variance, it is not as influential as its formal counterpart. While CSC is a strong predictor of ERB, agency control does not significantly influence this behavior. With regard to their interaction, we find that agency control weakens the effect of CSC on IRB, in contrast to our expectations. Under CSC, employees *informally* establish rules of appropriate behavior in relational exchanges, but their predictive power toward employees' IRB diminishes when reward and monitoring substitute these stewardship effects. Agency control also negatively moderates the effect of CSC on ERB, as we expected. These two dissynergistic interaction effects suggest that employees waste valuable resources coping with divergent control structures, possibly at the expense of the customer, who then receives poorer or inconsistent service over time.

Overcoming the Control Dilemma

As a second important finding, we conclude that optimally guiding frontline employees to perform with a combination of agency and CSC requires two organizational conditions.

TABLE 8
Study 2: Antecedents of CSC

	Individual-Level Model		Full Model		Extended Model		Hypothesis	Supported
	β	t-Value	β	t-Value	β	t-Value		
Individual Level								
Employee autonomy	.22	2.53	.16	1.90	.18	2.38	H_{7a}	Yes
Employee competence	–.06	.85	–.08	1.23	–.05	.82	H_{7b}	No
Employee relatedness	.31	3.42	.21	2.70	.18	2.52	H_{7c}	Yes
Team Level								
Team autonomy			.29	2.30	.34	2.73	H_{8a}	Yes
Team competence			.29	3.64	.31	3.41	H_{8b}	Yes
Team relatedness			–.12	.98	–.10	.87	H_{8c}	No
Cross-Level Interactions								
Team competence × employee relatedness					–.15	2.22		
Team competence consensus					–.07	.73		
Team competence consensus × employee autonomy					.16	2.30		
Control Variables (Individual Level)								
Age	.11	1.65	.14	2.06	.15	2.13		
Tenure	–.21	3.00	–.21	3.00	–.20	2.86		
Education	.06	.95	.01	.19	.01	.21		
Work load	.01	.09	–.02	.22	–.01	.17		
Control Variables (Group Level)								
Age			–.11	1.04	–.14	1.31		
Tenure			.01	.10	.03	.27		
Education			–.01	.12	–.03	.38		
Workload			.05	.46	–.02	.21		
Group size			–.04	.58	–.03	.44		
R^2	.234		.366		.389			
Increase in model fit: –2 × Log(likelihood)			38.3 (8 d.f.)*		6.74 (3 d.f.)			

*$p < .01$.
Notes: Standardized coefficients.

First, frontline workers may regard agency governance over their covenantal customer relationships as a sign of managerial distrust, but charismatic leaders could mitigate this issue. They should be sensitive to employees' needs and able to explain why they impose a combination of controls (Conger and Kanungo 1998). They also can stimulate employees to derive meaning and direction from their work, which may make formal reporting seem less burdensome and alleviate perceptions of resource depletion, such that workers are more willing to go the extra mile for customers. Second, highly self-efficacious employees feel more confident in their abilities and therefore invest more resources in situations characterized by an unclear frame. These employees can better comprehend the parallel between behavioral heuristics inferred from service encounters and manager-initiated guidelines, which makes them better able to work according toward principles and principals concurrently.

CSC Versus CO

In addition to outlining the conceptual differences between CSC and CO, this study unveils three major empirical differences. First, CSC enhances employee's IRB, but CO does not. This may be due to the more comprehensive focus on the customer's welfare in the context of covenantal relationships. This instigates employees to embrace task responsibilities that may not address meeting customer needs directly but safeguard the quality of service provision over different encounters, such as conscientiously maintaining personal and customer logs. Second, with regard to ERB, CSC emerged as a far better predictor than CO. This is reflected in a much larger effect size ($\beta_{CO} = .28$ vs. $\beta_{CSC} = .47$) and a superior fit of the structural model containing CSC but not CO. Finally, adding CSC to a CO-only model enhanced the explanatory power of our model toward both behaviors of interest, but especially with regard to ERB. We believe that these results merit more scholarly and practitioner interest for CSC.

CSC: Antecedents at Multiple Levels

Finally, we reveal that social group structures facilitate the implementation of CSC among frontline workers. The social dimension makes employees more aware of their responsibilities, toward not only customers but also the organization. The autonomy of a team to function as an independent unit and the general level of competence within the team offer strong determinants of individual CSC perceptions. Team autonomy encourages employees to share responsibility for their performance toward customers, rather than shifting liability to supervisors. Employees also are more willing to be accountable for customer outcomes if they trust their peers to do a good job. Conversely, doubt about counterparts' competence prompts a self-protection mechanism that puts self-interest first, before stewardship considerations. Individual motivations also drive employee perceptions of CSC. Employees who feel related to the organizational network of managers, colleagues, teams, and customers recognize how their work contributes and better balance the interests of stakeholders.

Limitations and Further Research

Additional avenues for research mirror the limitations of this study. Our samples do not feature repeated measures of stewardship, because the employee control structures were relatively stable in both organizations we studied. Further studies could investigate the development of customer stewardship over time, possibly by applying qualitative techniques. In addition, we propose that a control structure involves significant evaluative elements and constitutes a psychological or perceptual state, rather than an objective reality. Relationships between frontline employees and their managers should be assessed individually, rather than on a one-to-many basis, because unstructured work may produce different individual interpretations. Additional studies might contrast employee and managerial perspectives on controls. Finally, research might test the generalizability of our findings in other settings; it is unclear whether these effects hold across different service categories.

Managerial Implications

Managing frontline employees effectively entails important challenges, especially as customer contacts proliferate, grow more unstructured, and take place outside company-sponsored channels (e.g., social media) and beyond the control of marketers. Many firms find it increasingly difficult to develop formal employee guidelines to keep up with these trends. Our study shows that firms do not need to rely exclusively on formal control systems. Managers can educate frontline employees to focus on customers' overall welfare; we offer several actionable suggestions.

First, managers should not consider their control actions in isolation. Although agency control makes employees work within specified service scripts and CSC prompts them to go the extra mile to satisfy the customer, the combination of both systems erodes their effectiveness. We propose two implementation strategies. To start with, managers should recruit and retain self-efficacious employees, who tend to adhere to role-prescribed behavior. These employees then can participate in recruitment and training, act as role models, and help less confident customer contact employees prioritize common objectives. In addition, frontline managers must "walk the talk" by displaying flair and charisma; their attitudes and actions can overcome employee distrust and perceptions of resource depletion in response to combined controls. Managers can learn to be charismatic through training by group-based case studies, perspective-taking exercises, and role-playing scenarios (Morhart, Herzog, and Tomczak 2009).

Second, although stewardship implies that employees take self-regulative responsibility for customers, managers must create the social environment and structures for stewardship to emerge. The social context should nurture three basic needs: (1) autonomy, (2) competence, and (3) relatedness. We find that it is more effective to make the team, rather than the individual, autonomous, which requires cross-training team members in various skills and routines and encouraging the team to self-manage by assuming responsibility for customer outcomes. Providing autonomy

also requires a redistribution of accountability at various organizational levels. This does not have to be complex, however. For example, the consumer electronics retailer Best Buy helps customers directly through Twitter-enabled service. To ensure employee accountability, each tweet includes a signature that identifies the personal Twitter account of that employee; a similar strategy might work with a team signature.

Competence also should be stimulated at the team level. Efficient procedures to gather and disseminate information may increase information exchange and thus the level of competence in a team. One option is to implement groupware technology that enables employees to share information about who does what to solve a particular customer case and archive cases of stewardship excellence. Such a tool also should increase employees' sense of connection to the organization, which constitutes the third important condition for implementing CSC. Rather than a team connection, managers should nurture individual employee relatedness, perhaps by improving information exchange or involving frontline workers in back-office operations. When they realize how customer feedback is processed, employees should gain a better understanding of organizational processes and thereby increase their perceptions of the meaningfulness of their job and their organizational relatedness.

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Principles and Principals: Do Customer Stewardship and Agency Control Compete or Complement When Shaping Frontline Employee Behavior?

Jeroen Schepers, Tomas Falk, Ko de Ruyter, Ad de Jong, Maik Hammerschmidt

Web Appendix

ITEM WORDINGS OF CONSTRUCTS NOT IN TABLE 1

Charismatic leadership (Conger and Kanungo 1998)
1. My supervisor has a vision that he tries to achieve with creative ideas.
2. My supervisor permanently creates new ideas to make this organization ready for the future.
3. My supervisor is able to motivate me by articulating effectively the importance of what I am doing.
4. My supervisor is an exciting public speaker.

Self-efficacy (Spreitzer 1995)
1. I am confident about my ability to do my job.
2. I am self-assured about my capabilities to perform my work activities.
3. I have mastered the skills necessary for my job.

Support climate (Salanova, Agut, and Peiro 2005)
1. I am provided with tools, technology, and other resources to support the delivery of quality work and service.

Job satisfaction (Hackman and Oldham 1975)
1. Generally speaking, I am very satisfied with this job.
2. I am generally satisfied with the kind of work I do in this job.
3. I frequently think of quitting this job. (reverse coded)

Organizational commitment (Mowday, Steers, and Porter 1979)
1. I find that my values and the organization's values are very similar.
2. I am proud to tell others that I am part of this organization.
3. I really care about the fate of this organization.

STUDY 2 MEANS, STANDARD DEVIATIONS, AND CORRELATIONS

	1	2	3	4	5	6	7	8	9
Focal constructs									
1. Customer stewardship control		.79**	.75**	.74**	.21	.05	.35*	.29	-.24
2. Autonomy	.37**		.56**	.72**	.43*	.19	.42*	.30	-.21
3. Competence	.10	.35**		.66**	.21	.12	-.09	.17	-.12
4. Relatedness	.39**	.55**	.25**		.30	.10	.17	.20	-.24
Control variables									
5. Age	.13	.18**	.12	.24**		.73**	-.04	.44**	-.23
6. Tenure	-.03	.23**	.15*	.29**	.47**		-.19	.52**	-.11
7. Education	.07	.10	.08	.04	-,09	-.11		.28	-.15
8. Workload	.14*	.24**	.11	.39**	.29**	.33**	-.10		-.08
9. Group size	-.08	-.14*	-.08	-.03	-.13*	-.02	-.01	.04	

p < .05.
**p* < .01.
Notes: Coefficients below the diagonal represent individual-level correlations (N = 234); coefficients above the diagonal represent group-level correlations (N = 35).

CROSS-LEVEL INTERACTIONS: ADDITIONAL ANALYSES

The divergent findings between individual- and team-level phenomena raise the question of whether variables at different levels interact in their relationships with customer stewardship control. We therefore explored the existence of significant cross-level interactions in our multilevel model and display the results in the "Extended model" column in Table 7.

The interaction of team competence and employee relatedness was associated negatively with customer stewardship control. If a frontline employee operates in a team whose members feel highly competent to do their work, his or her relatedness to the organization is less relevant in relation to customer stewardship control perceptions. In highly competent teams, individual members are capable of encouraging their colleagues to act as good customer stewards; they take a motivational role in the employee's network and connections with others in the organization.

To analyze potential interaction effects further, we model within-team consensus by taking the reverse-coded standard deviations of team autonomy, team competence, and team relatedness. We find that the interaction of team competence consensus and employee autonomy relates positively to customer stewardship control. In a team environment in which members strongly agree about their competences, the individual freedom to make decisions and choices may relate more strongly to customer stewardship control, because individual employees are not hindered by the dissenting opinions of their colleagues. They are more willing to take responsibility and ownership of the customer's problem, because it is less likely that other members will hold suboptimal performance against them, or alternatively, shirk in recognition of their accomplishments.