

LINK BETWEEN WORK MOTIVATION AND PROACTIVE SERVICE  
BEHAVIORS:  
EXAMINING THE MODERATING ROLE OF SERVICE-ORIENTED LEADERSHIP

By

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A thesis submitted to the

School of Graduate Studies

Rutgers, The State University of New Jersey

In partial fulfillment of the requirements

For the degree of

Master of Science

Graduate Program in Industrial Relations and Human Resources

Written under the direction of

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New Brunswick, New Jersey

May, 2019

ABSTRACT OF THE THESIS

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Thesis Director:

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Building on self-determination theory and person-situation interaction framework, I developed a multilevel model to investigate the influences of intrinsic motivation and extrinsic rewards on prosocial service behavior and proactive selling behavior among frontline employees. Furthermore, this study examined whether service-oriented leadership moderated the effects of intrinsic motivation and extrinsic rewards on proactive work behaviors. Testing by a sample of 42 sales teams in a retail company in China, statistical results indicated that intrinsic motivation was positively related to both prosocial service behavior and proactive selling behavior. Moreover, a team leader's service-oriented leadership behavior was positively associated with frontline employees' both prosocial service behavior and proactive selling behavior. However, contrary to my hypothesis, extrinsic rewards were negatively associated with prosocial service behavior. Furthermore, service-oriented leadership appeared to moderate the relationship between extrinsic rewards and proactive service behaviors.

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## INTRODUCTION

Management studies have paid growing interest to components that are conducive to organizational performance by aligning employee behaviors with organizational goals. Related to the financial performance of service organizations (Bowen & Waldman, 1999), customer service experience and satisfaction have been recognized as important indicators of organizational effectiveness in the service context (Liao & Chuang, 2004; Parasuraman, Zeithaml, & Berry, 1988). Specifically, frontline employees play a particularly crucial role in shaping service quality and customer experience because their attitudes and behaviors serve as the primary representatives of service organization and salient communication sources for customers (George & Bettenhausen, 1990; Heskett et al., 1997; Pettijohn et al., 2002; Zeithaml, Berry, & Parasuraman, 1998). Through their day-to-day work activities, these employees offer customers service-related information, match customers' needs with appropriate products, establish and maintain customer relationships, and provide high-quality service (Borucki & Burke, 1999; Raub & Liao, 2012; Solomon, Suprenant, Czepiel, & Gutman, 1985), thus directly influencing organizational performance and customer satisfaction (Bettencourt, Brown, & MacKenzie, 2005). Researchers suggest that service organizations need an in-depth understanding of managerial practices that motivate and empower frontline employees to develop self-initiated positive work behaviors and facilitate high-quality service delivery (Raub and Liao, 2012; Lee et al., 2006; Liao & Chuang, 2004; Martin et al., 2018; Zhou, Chen & Wu, 2018; ). Importantly, the highly diverse customer needs and flexible customer interactions increase the complexity of formalized role requirements (Griffin,

Neal, & Parker, 2007; Sasser, Olsen, & Wyckoff, 1978) and call for “the need for role flexibility” of frontline employees (Raub & Liao, 2012; p.652). As such, employee proactivity, which highlight employee’s self-initiated intention to address customers’ needs in varied situations, is an important aspect to shape customer service experience.

The management literature on service work has primarily focused on employees’ formalized service performance (e.g., Johnson, 1996; Liao & Chuang, 2004; Schneider et al., 1998). Interestingly, a small but growing stream of studies have begun to explore the predictors of front-line service employees’ proactive work behaviors (e.g., Hong et al., 2016; Rank et al., 2007; Raub & Liao, 2012). In this study, I followed Raub and Liao (2012) and Rank et al., (2007) to define employee proactive service behaviors as “self-starting, long-term oriented and forward-thinking” service behaviors. Specifically, I include prosocial service behavior and proactive selling behavior in this study, which are characterized by employee’s proactivity of helping customer and employee’s proactivity of promoting additional selling, respectively (Bettencourt & Brown, 1997; Johnson & Friend, 2015). The two forms of proactive service behaviors are similar concerning the nature of extra-role behavior aimed at high-quality service. On the other hand, these behaviors are featured by their own priorities. Prosocial service behavior is directed at external customers, referred as employee “discretionary behaviors of a helping nature” and generally not rewarded by organizational incentives (Ackfeldt & Wong, 2006, p.728). On the contrary, proactive selling behavior is directed at organizational benefits by selling additional products to existing customers and can be rewarded by designed incentives (Johnson & Friend, 2015). Engaging in these forms of proactive service behaviors, employees are likely to take initiative to collect customer information,

understand customer needs, and promote additional selling to achieve a high-quality service delivery. Supported by previous service literature that frontline employees' proactivity is a salient approach to delight customers and promote customer satisfaction (Bettencourt & Brown, 1997; Price et al., 1995), it is therefore vital to understand the antecedents of proactive service behaviors.

Given the discretionary nature of proactive service behavior, it appears that these behaviors primarily depend on employee motivation, compared to their ability and skills (Bettencourt & Brown, 1997; Organ, 1990). Drawing on self-determination theory (Deci & Ryan, 2000), I propose that employee proactive service behaviors are driven by both intrinsic motivation and extrinsic rewards. Self-determination theory argues that employees allocate their work efforts based on both intrinsic and extrinsic motivation, reflecting different reasons of which individual direct and sustain conducts (Dysvik & Kuvaas, 2012; Porter & Lawler, 1968). Extant empirical evidence has recognized that individual motivational states are proximal antecedents of employee proactive behaviors (Parker et al., 2010), focusing on an employee's intrinsic motivation to be proactive specifically. Nevertheless, the role of extrinsic rewards, which are used in organizations ubiquitously to motivate employees for favorable behaviors, has not been investigated. Employees possess fundamental concerns regarding the rules of extrinsic rewards to determine their level of extra energy and efforts in serving customers in the service context (Bettencourt & Brown, 1997). Therefore, I propose that both employee intrinsic motivation and organizational extrinsic rewards should be positively related to employee engagement in proactive service behaviors.



Further guided by the person-situation interaction framework (Pervin, 1989), situations are shown to provide salient environmental signals to encourage employees to engage in proactive behaviors (Frese & Fay, 2001; Schmitt, Eid, & Maes, 2003; Wu et al., 2018). Leadership behaviors are one of the most salient situational factors found to be positively associated employee engagement in discretionary behaviors (e.g., Burke et al., 2006; Chen & Bliese, 2002; Walumbwa et al., 2010). However, few studies have examined the influence of leadership behaviors on employee proactivity. For an exception, Hong et al. (2016) investigated the influence of empowering leadership on personal initiative, but their focus was on leader's exemplary behaviors of taking independent and forward-thinking actions, ignoring the impact of leader's effective behaviors specific to context (e.g., service-oriented leadership in service context) on employee proactive behaviors. Specifically, consistent with the argument that climate is better conceptualized with a specific referent (Schneider et al., 1998), service-oriented leadership, which particularly emphasizes leader's commitment to service quality (Schneider et al., 2005), may be particularly relevant and influential to employee proactive service behaviors. Importantly, to examine the linkage between service-oriented leadership and proactive service behaviors can add to service literature that the role of leadership behaviors specific to a context in cultivating employee proactive service behaviors. As such, I hypothesize that service-oriented leadership sets up a proactive customer-concerned role model and develops a supportive context for service delivery, thereby motivating employees to proactively service customers. Furthermore, I also investigated how different contextual factors designed to motivate employees (e.g. extrinsic rewards and leadership behaviors) interact to influence employee proactive

service behaviors, which few studies have paid attention to. Accordingly, I propose that service-oriented leadership moderates the relationship between work motivation (intrinsic motivation and extrinsic rewards) and proactive service behaviors.

The present study extends the existing literature in several ways. First, this study contributes to the management literature on service work by synthesizing prosocial service behavior in service literature and proactive selling behavior in marketing literature, broadening the indicators of proactivity in the service context. Proactive selling strategy, focused by marketing literature, has been adopted widely by service organizations (Kumer et al., 2008; Kamakura et al., 1991). However, most of the existing research concentrated on establishing precise customer database, but ignoring the role of frontline employees and their proactive efforts in proactive selling behaviors. To broaden the indicators of employee proactivity in service context, we can grasp a more complete picture of employee proactive service activities that may influence organization-customer relationships greatly. Second, this study advances the knowledge of proactive behavior predictors by investigating intrinsic motivation and extrinsic rewards jointly. This complements extant proactivity literature that typically emphasizes the impact of intrinsic motivation on proactive behaviors (Hong et al., 2016; Parker et al., 2010) while generally overlooking the role of extrinsic rewards. Finally, this study extends service literature by proposing service-oriented leadership as a new predictor of proactive service behaviors and exploring its interaction effect with work motivation on proactive service behaviors. Such investigations can add to service literature concerning the joint impacts of different contextual and individual factors of motivation on employee proactive efforts. Taken together and consistent with the person-situation interaction framework, this study

examines whether employee proactive service behaviors are jointly driven by both individual characteristics (intrinsic motivation) and situational characteristics (extrinsic rewards and service-oriented leadership).

## **THEORETICAL FRAMEWORK AND HYPOTHESES**

### **Employee Proactive Service Behaviors**

Proactivity refers to “employees’ ability and willingness to approach their work roles in an active and forward-thinking way” (Raub & Liao, 2012, p. 652), which is generally not required by job descriptions (Van Dyne & Le Pine, 1998). Applied to the service context, the proactivity for serving customers requires employees to take initiative to anticipate and satisfy customers’ needs and further facilitate service interactions (Rank et al., 2007). Such unsolicited customer service behaviors have been documented as positively associated with customer satisfaction (Bitner, Booms, & Tetreault, 1990; Frese & Fay, 2001; Raub & Liao, 2012), customer perception of service quality (Bettencourt & Brown, 1997; Bitner et al., 1990), customer loyalty, and organizational performance (Pettijohn et al., 2002; Reynolds & Arnold, 2000). As such, frontline employees’ engagement in proactive service behaviors is particularly crucial for the performance of service organizations (Bowen & Waldman, 1995; Podsakoff & Mackenzie, 1997; Parker, Williams, & Turner, 2006; Parasuraman et al., 1988).

In the current study, I capture employee proactive service behavior in terms of prosocial service behavior and proactive selling behavior. Employee prosocial service behavior, generally defined as extra-role service behavior (Bettencourt & Brown, 1997; Payne & Webber, 2006), represents employees’ customer orientation and helpful behaviors toward customers to fulfill their needs proactively (Saxe & Wietz, 1982; Schwepker, 2003). Prosocial service behavior has alternatively been conceptualized as service-oriented organizational citizenship behavior (OCB) (Payne & Webber, 2006; Schneider et al., 2005; Sun et al., 2007) and extra-role service behavior (Bettencourt &

Brown, 1997; Bettencourt et al., 2001; Chow et al., 2015; Podsakoff & MacKenzie, 1994). Frontline employees who commit to prosocial service behavior will proactively serve customers' needs from the customer perspective and aim at customer-oriented conduct to increase service quality and customer satisfaction, despite the necessary effort for such behavior (Ackfeldt & Wong, 2006; Frese & Fay, 2001). Prosocial service behavior requires not only employees' efforts and time to discern customers' needs but also their customer and product knowledge to achieve the best match between customer and product/service. Prosocial service behaviors are proposed to result in a positive customer perception of service delivery (Bettencourt & Brown, 1997). Many studies have shown that employee customer orientation is important for customer satisfaction (Franke & Park, 2006; Homburg et al., 2011). The fact that frontline employees' prosocial service behavior can significantly enhance customer's service experience and promote long-term relationships with customers has also been documented (Schultz & Good, 2000) in that this customer-oriented behavior promotes the greatest customer satisfaction (Schneider et al., 2005) and signals that a firm places a priority on customers (Bettencourt & Brown, 2003; Lee et al., 2006; Parasuraman et al., 1988).

However, a bundle of marketing literature has tended to focus on proactive selling behavior as another important indicator of an employee's proactivity in the service context, which is ignored in management studies. Employee proactive selling behavior refers to selling additional products to existing customers to increase performance (Johnson & Friend, 2015; Kamakura et al., 2003; Li et al., 2011). Proactive selling is considered to be a ubiquitous customer-centric strategy in service organizations to expand existing customer relationships (Kumar, George, & Pancras, 2008). In this

strategy, an employee proactively gathers information regarding a customer's needs and correspondingly promotes additional sales of related products or services (Ashford & Black, 1996). Engaging in proactive selling behavior can directly increase an organization's sales performance and revenue via enhanced sales of additional products or upgraded versions of products to customers. Specifically, proactive selling can contribute to organizational performance because it not only decreases the cost of customer acquisition but also increases customer retention by establishing a positive service image (Bettencourt & Brown, 2003; Kamakura, 2008). Importantly, extant studies indicate that employee proactive selling behaviors can contribute to service quality and organizational performance (Bettencourt & Brown, 2003). Much of the extant marketing studies on proactive selling focus on developing an accurate customer preference database and identifying customer purchasing patterns (e.g., Kamakura et al., 2003; Reinartz et al., 2005), but they ignore the role of frontline employees in proactive selling. In addition, despite frontline employees' motivation and efforts to engage in proactive selling behavior greatly impacting the effectiveness of the proactive selling strategy beyond the customer database, few studies have investigated the antecedents of employee proactive selling behaviors. Some studies have covered the impact of individual characteristics on the engagement of proactive selling behavior, such as self-efficacy and adaptive selling ability (Jasmand & Blazevic, 2012; Johnson & Friend, 2015; Schmitz, 2013). Another stream of research on proactivity focuses on the influence of situational factors, especially on that of organizational climate (Grant & Ashford, 2008). Situational factors greatly shape employee's perception concerning the encouraged and rewarded work behaviors (Schneider, 1990). However, hardly any attention has been paid to the

effect of situational factors beyond organizational climate in proactivity research, such as leadership behaviors and managerial practices, which are also revealed to exert a significant influence on employee service behaviors (Jiang et al., 2015; Liao & Chuang, 2004; Raub & Liao, 2012; Schneider & Rentsch, 1988).

Importantly, even though the two types of proactive service behaviors are both consistent with the organizational goal of high-quality service in service context, there are two major differences between prosocial service behavior and proactive selling behavior: (a) the beneficiary at which employee service behaviors are directed, and (b) whether such behavior gets rewarded by formal organizational practices.

Regarding the beneficiary aspect, prosocial service behaviors, directed specifically at external customers, capture employees' "discretionary behaviors of a helping nature" (Ackfeldt & Wong, 2006, p. 728) to enhance customer satisfaction. These discretionary behaviors are intended to promote the welfare of customers and to provide what customers desire, but they focus less on the immediate sale at the expense of customer interests (Saxe & Weitz, 1982; Schwepker, 2003). Conversely, proactive selling behaviors exert more emphasis on employee proactivity to promote additional selling matched with varying customer needs, taking organizations as the primary beneficiary and organizational sale performance at the prioritized position (Kamakura, 2003).

Regarding whether such behavior is rewarded by formal organizational practices, prosocial service behaviors typically are not directly rewarded by organizational incentive practices; instead they are generally driven by employee customer orientation to aid service quality (Brief & Motowidlo, 1986; Organ, 1990; Podsakoff & MacKenzie, 1997). On the other hand, proactive selling behaviors can be rewarded by designed

incentive practices, such as cross-team rewards or other forms of organizational-level incentives, to promote employee proactive sales commission of related products or service by extrinsic rewards. In this research, drawing on self-determination theory and the person-situation interaction framework, I examine how work motivation and leadership behaviors jointly impact these two types of proactive service behaviors.

### **Influences of intrinsic motivation on proactive service behaviors**

Employee motivation is a fundamental factor explaining job performance and other individual behaviors (e.g., Grant, 2008; Mitchell & Daniels, 2003; Pinder, 2011), capturing reasons and desires that “direct, energize and sustain actions” (Grant, 2008, p. 49). Motivation literature postulates that such desires to make an effort stem from different forces (Herzberg, 1966), typically described as extrinsic and intrinsic motivation (Pinder, 2011; Porter & Lawler, 1968). Intrinsic motivation refers to “the desire of exerting efforts based on interest in and enjoyment of the work itself” (Grant, 2008, p. 49). When employees are intrinsically motivated, they have “an inner desire to make an effort” (Dowling & Sayles, 1978, p. 16; Grant, 2007) and feel naturally called to engage in motivated behaviors (Kehr, 2004). Contrasted with intrinsic motivation, extrinsic rewards are defined as “plans that have predetermined criteria and standards, as well as understood policies for determining and allocating rewards” (Greene, 2011, p. 219). Externally regulated by instrumental gain and loss, extrinsically motivated behaviors are driven by the desire to obtain external outcomes beyond the work itself (Amabile, 1993; Cerasoli et al., 2014; Grant, 2008).

Theoretically, self-determination theory (Ryan & Deci, 2000) provided the rationale for how intrinsic motivation leads to an individual’s engagement and



persistence in motivated behaviors (Cerasoli et al., 2014; Kanfer et al., 2008). First, when people get involved in work they find interesting, they will spontaneously become motivated and generate a higher level of job satisfaction (Gagne & Deci, 2005; Porter & Lawler, 1968). Meanwhile, prosocial behaviors are most inclined to occur when employees are embedded in positive mood and affect (George, 1991; Payne & Webber, 2006), and job satisfaction is generally associated with a positive mood at work (Smith et al., 1983). For example, Hoffman and Ingram (1992) documented a positive relationship between job satisfaction and prosocial service behavior toward customers. Second, intrinsically motivated employees are likely to spend more effort that results in a higher level of work engagement, possibly in terms of discretionary efforts (Macey & Schneider, 2008; Rich, 2006). Accordingly, when employees are motivated by the enjoyment of serving customers, they tend to expend discretionary efforts to help customers solve service problems and satisfy their needs. Moreover, intrinsic motivation is likely to positively influence an individual's persistence in motivated behaviors (Cerasoli et al., 2014; Deci, 1972). For example, intrinsically motivated employees tend to persist on a task longer, resulting in better job performance (Grant, 2008). Similarly, frontline employees who find the task interesting will persistently stand on the customer-oriented perspective to deliver effective and seamless service experience. Therefore, intrinsic motivation is likely to drive employees to invest a substantial amount of energy and effort in serving customers proactively (Grant, 2007) and to engage in prosocial service behaviors more frequently (Mackenzie et al., 1998; Organ & Ryan, 1995). In support, recent research accumulated convincing evidence that intrinsic incentives motivate

employees to expend more effort and be more involved in their jobs (Dysvik & Kuvaas, 2011; Gagne & Deci, 2005; Piccolo & Colquitt, 2006).

In addition, according to the model of proactive motivation (Parker, Bindle, & Strauss, 2010), employee proactive behavior is self-initiated, indicating that individuals are more likely to engage in proactive behaviors when they have intrinsic interest and enjoyment for the work itself (Hong, Liao, Raub, & Han, 2016). On a related note, intrinsically motivated employees will expend more effort to explore the needs of customers proactively as well as match available products to satisfy the customer's needs, resulting in more engagement in proactive selling behavior. Previous research documented that the intrinsic reason employees take initiative in service interactions is a vital predictor of their proactive service performance (Frese & Fay, 2001; Parker et al., 2006). For example, Raub and Liao (2012) suggested that employee intrinsic motivation, reflecting the willingness to be proactive, is positively associated with employee proactive service performance. Similarly, Johnson and Friend (2015) emphasized that the tendency to engage in proactive selling behaviors significantly relies on intrinsic motivational forces. Thus, I propose the following:

***Hypothesis 1a.*** Employee intrinsic motivation is positively related to an employee's prosocial service behavior.

***Hypothesis 1b.*** Employee intrinsic motivation is positively related to an employee's proactive selling behavior.

### **Influences of extrinsic rewards on proactive service behaviors**

On the other hand, employee proactive service behaviors can also be motivated by extrinsic rewards. Extrinsic rewards, provided by the external agent, are designed to link

specific behaviors with rewards (Cerasoli et al., 2014; Katzell & Thompson, 1990).

Employees possess fundamental concerns on extrinsic rewards to determine their supposed work efforts. The promising extrinsic rewards are likely to appeal employees to work align with organizational goals. Related, service literature also suggested that desired organizational incentive is a key component to motivate employees to expend efforts on expected behaviors (Johnson, 1996; Liao and Chuang, 2004). Moreover, extrinsic rewards are vital tools of recognition of employee's excellence and thereby motivating employees to perform well (Lee et al., 2006). According to motivational theories, extrinsic rewards can deliver a positive recognition for desired performance and help employees form strong motivational forces to expand proactive work efforts (Vroom, 1964). In service context, the extrinsic rewards for service excellence are likely to increase employee job satisfaction and service passion (Johnson, 1996; Schneider & Bowen, 1993). As such, when employees are aware of promising extrinsic rewards for the proactive efforts in service delivery, they may be more motivated to engage in proactive service behaviors. However, the effectiveness of extrinsic rewards on performance received controversial evidence in motivation literature (e.g., Dysvik & Kuvaas, 2012; Gerhart & Rynes, 2003). To advance such controversial evidence, Cerasoli et al. (2014) called for research to study the relationships between the "more specific regulatory" form of extrinsic rewards and performance (p. 997), because the impact of extrinsic reward may depend on incentive contingency. Accordingly, I captured the effect of extrinsic rewards in the view of cross-team rewards in the current study.

In this study, I examine cross-team rewards as a form of extrinsic rewards that promote frontline employees' proactive work behaviors. I am most interested in the role

of cross-team rewards because this incentive practice recognizes, motivates, and rewards an employee's contribution to other teams in the same organization, above and beyond the performance of his or her own team (Gittell, 2010; Chimhanzi, 2004). For example, in the context of retail sales, the use of cross-team rewards provides frontline employees on one team (e.g., toys) an opportunity to receive rewards for high sales of products in other teams (i.e., food and clothing). By creating a mutuality of interests among employees in different units, cross-team rewards provide strong signals that employees are encouraged to notice their task, role, and contribution in different units, thus possibly resulting in common goals in different units and a social climate of trust (Arndt et al., 2011; Collins & Smith, 2006; Sun et al., 2007). Such a supportive environment not only facilitates sharing of customer- and service-related knowledge across different teams but also motivates employees to conduct themselves in the best interests of shared organizational goals (Rousseau, 1995; Tsui et al., 1995), for instance, to proactively deliver customer-oriented service in the service context.

I propose that cross-team rewards can enhance employee proactive service behavior by fostering a social climate of trust and facilitating employee knowledge sharing across teams. First, cross-team rewards offer impetus for employees to learn from other teams and foster trustworthy relationships between different teams (Griffin & Hauser, 1996; Tsui et al., 1997). Motivated by cross-team rewards, employees are likely to establish both formal and informal cross-unit ties, creating a climate of trust surrounding more frequent interactions (Collins & Smith, 2006; Lee et al., 2006). Research documents that a trustworthy environment is more likely to exist when organizational incentives motivate employees to interact with and recognize their

contributions across teams (Leana & Van Buren, 1999). Moenaert et al. (1994) contended that cross-team integration, including cross-team rewards, can build an environment of trust among different teams in product development, thus yielding increasing organizational performance. Meanwhile, as employees begin to see that their cross-team contribution is being recognized and rewarded by cross-team rewards, more possibilities are created for employees to be known as capable, therefore encouraging employees to cooperate across teams (Leana & Van Buren, 1999; Whitener et al., 1998). For instance, frontline employees can cooperate with each other by seamlessly delivering customers to the next function and by proactively promoting sales of related products in other teams (Arndt et al., 2011; Lawler, Mohrman, & Ledford, 1995; Milkovich, 1987). Second, employees are more likely and willing to share diverse service knowledge and experience to enhance their skills and adaptability of serving customers when supported by a social climate of trust (Collins & Smith, 2006; Szulanski, 1996; Xie, Song, & Stringfellow, 2003). Collins and Smith (2006) demonstrated that a social climate of trust can promote the likelihood of information exchange as it strengthens the belief of later reciprocation instead of opportunism. As such, improved knowledge sharing across teams can help employees accumulate diverse and firsthand customer/product knowledge in different functional areas, which strongly enhances their capabilities in customer needs identification, customer problem awareness, and selling adaptability (Arndt et al., 2011; Menon, Jaworski, & Kohli, 1997) to engage in proactive service behavior.

In support of this reasoning, service literature has indicated that employee knowledge and adaptability are effective factors to influence employee customer orientation and engagement in proactive service behavior (Bettencourt et al., 2001;

Chebat & Kollias, 2000; Franke & Park, 2006). First, the complexity and diversity of customer types and service situations signify the importance of frontline employee knowledge concerning varied customer needs and strategies for coping with varying service interactions (Homburg et al., 2011; Sujan et al., 1988). Frontline employees are required to possess a high level of knowledge and skills regarding characteristics of products and customers as well as how these products can meet customers' needs (Skaggs & Youndt, 2004; Verbeke, Dietz, & Verwaal, 2011). As such, the customer/product-related knowledge not only can help employees understand customer needs and identify service delivery problems but also facilitate employee proactive selling of recommended and appropriate products to customers (Aryee et al., 2016; Homburg et al., 2011; Verbeke et al., 2008). Similarly, much of the service literature suggested that the level of customer orientation is significantly influenced by the employees' customer-oriented knowledge, skills, and professionalism (Chebat & Kollias, 2000; Nicholls, Roslow, & Taelikis, 1995; Saxe & Weitz, 1982). Second, the knowledge base of frontline employees is positively linked to employee adaptability, which captures the ability of employees to adjust their behavior to the varying demands in service interactions (Hartline & Ferrell, 1996). Considering that customers may have various needs and problems, employees should adapt their service behavior and strategy to each service interaction (Aryee et al., 2016). Employees who have a stronger adaptability are more likely to form proper perceptions of customer needs, accommodate multiple customer needs by available products/services, and grasp potential opportunities for proactively persuading customers to buy more items in the service encounter. In support, Sprio and Weitz (1990) found that employees' ability for adaptive selling was positively

associated with sales performance. Bettencourt and Brown (1997) and Bitner, Booms, and Mohr (1994) also documented a positive correlation between an employee's adaptability of selling and his or her customer orientation and ultimately customer satisfaction. Therefore, I contend that cross-team rewards can motivate a supportive environment of knowledge sharing, further improving employee knowledge and adaptability in service interactions, which, in turn, affects employee engagement in proactive service behaviors.

Additionally, cross-team rewards can benefit both proactive selling behavior and prosocial service behavior by enhancing employee organizational commitment. Relying on social exchange theory, individuals will reciprocate organizational inducement via their contributions (Blau, 1964), resulting in positive employee responses. In support of this, previous studies demonstrated that the availability of organizational inducement connected to expected service behaviors is a vital way to promote service quality because such incentives lead employees to perceive that organizations value their contributions (Allen, Shore, & Griffeth, 2003; Berry et al. 1994; Subramony, 2009). Organizational rewards, in turn, oblige employees to exhibit positive attitudes and behaviors toward organizations due to the norm of reciprocity (Gouldner, 1960). Accordingly, organizational rewards for expected service behaviors are likely to result in positive attitudes, such as organizational commitment (Lee et al., 1999; Zeithaml et al., 1990), and further enhancement of favorable work behaviors (e.g., proactive selling behavior) and discretionary behavior (e.g., prosocial service behavior) to deliver high-quality service experience (Sun et al., 2007). Specifically, employees who possess higher levels of organizational commitment have an increased tendency to work beyond requirements by

performing customer-oriented service behavior and to work proactively by promoting additional sales with an interest in organizational performance (Kim & Han, 2000; Lee et al., 2006; Zeithaml et al., 1990).

Although most of the existing research argues a positive influence of extrinsic rewards on employee performance, we should be aware that some research documented a negative impact of extrinsic rewards on employee's intrinsic motivation and performance, which is referred as "the undermining effect" (Cerasoli et al., 2014; Cameron, Banko, & Pierce, 2001). However, the undermining effect has been generally examined in field settings, such as schools (Lust, 2004) and applied to the tasks that "are intrinsically enjoyment from the outset" (Cerasoli et al., 2014, p.982). Given frontline employee's tasks may not be especially and intrinsically attractive in this nonlaboratory setting, I argue a positive impact of cross-team rewards on employee proactivity in this study. Accordingly, I posit that employees who perceive cross-team rewards from service organization are likely to engage in prosocial service behavior and proactive selling behaviors. Thus, I propose the following:

***Hypothesis 2a.*** Extrinsic rewards are positively related to employee prosocial service behavior.

***Hypothesis 2b.*** Extrinsic rewards are positively related to employee proactive selling behavior.

### **Influences of Service-Oriented Leadership on Proactive Service Behaviors**

In addition to the effect of intrinsic and extrinsic motivations, I examine whether leadership behaviors would have an effect on employee proactive service behaviors. The current study takes the approach of studying leadership in a specific context, instead of



focusing on general leadership (Jiang, Chuang, & Chiao, 2015; Schneider et al., 2005; Testa & Ehrhart, 2005), because it is assumed that “the most effective leader behavior will be determined by the particular context” (Testa & Ehrhart, 2005, p. 458). This approach parallels studies on organizational climate that claim climate is better conceptualized with a specific referent (Schneider et al., 1998). Hong et al. (2013) proposed that service-oriented leadership has a stronger influence on service outcomes, compared with general leadership. Service-oriented leadership refers to a leader’s behavior that “communicates a commitment to high levels of service quality” (Schneider et al., 2005, p. 1018). According to the strong values of service quality in service-oriented leadership, these leaders may establish high standards for service experience and recognize and reward service excellence (Liaw, Chi, & Chuang, 2010; Schneider et al., 2005). Concerned with customer perception of service experience, service-oriented leaders may also expand efforts to listen to and understand customers’ needs (Wong, Liu, & Tjosvold, 2015). Furthermore, to enhance customer service, service-oriented leaders are likely to act upon and support employee capabilities of delivering high-quality service. Prior studies have indicated that leaders support of high-quality service delivery is positively associated with service performance (Jiang et al., 2015; Schneider, Salvaggio, & Subirats, 2002). Accordingly, I expect that leaders whose behaviors specifically emphasize service quality will motivate employees to proactively deliver high-quality service from the customer perspective as well as enhance employees’ customer-related knowledge and skills to improve service performance.

Service-oriented leadership can enhance employee proactive service behaviors by fostering a supportive environment for high-quality service. As the most direct

“representative of the organization” (Kozlowski & Doherty, 1989, p. 547), team leaders play an important role in framing employee perceptions of situations and climate (Jiang et al., 2015; Takeuchi, Chen, & Lepak, 2009), thus impacting employee attitudes and behavior. According to social information process theory, leaders’ behaviors are crucial situational cues for employees to interpret their work environment (Jiang et al., 2015; Schneider, et al., 2005). When service-oriented leaders display abundant managerial support to high-quality service and genuine concerns for customers, employees on the same team are likely to have shared perceptions that customer-orientation and service quality are expected and rewarded (Hong et al., 2013; Salvaggio et al., 2007). In support of this reasoning, Singh (1993) showed that line managers behaviors can greatly influence employees service behaviors. More specifically, Jiang et al., (2015) indicated that service-oriented leadership can establish a strong service climate. Embedded in such a strong service climate, employees will tend both to expend more effort to engage in prosocial customer service motivated by their customer-orientation and in proactive selling to boost sales performance.

Additionally, according to social learning theory (Bandura, 1977), leaders’ frequent and highlighted service-oriented behaviors possibly work as role models and examples for frontline employees to learn, and thus employees may regard the team leader as role models and follow their behavior in a service context (Aryee et al., 2016; Jiang et al., 2015). It is generally assumed that employees’ experience in the organization provides a basis for the service experience they provide for customers (Oliver, 1997; Schneider et al., 2005; Schneider, White, & Paul, 1998). Service-oriented leadership behaviors, such as planning for service, caring for customer needs, and ensuring customer

satisfaction, can considerably impact employees' work experience (Bryman, 1996).

When service-oriented leaders reveal their concerns for customers and service quality and set customer-oriented service as an objective of the team, employees are likely to learn from and model their leaders' behaviors, thus conducting more proactive service behaviors to achieve the greatest level of customer satisfaction (Parker & Wu, 2014; Podaskoff & Mackenzie, 1997; Schneider et al., 2005). In addition, service-oriented leaders' requirements and expectations for high-quality service provide a motivational force for employees to be proactive in customer interactions because self-concept-based leadership theory documented that leadership can frame employees' self-expectation and provide an internal motivation for proactivity (van Knippenberg et al., 2004). As such, I expect that service-oriented leader behaviors may boost employee motivations for high-quality service, thus improving proactive service behaviors. Additional theoretical support for the relationship between leadership behavior and employee service behavior can be found as a "spillover effect" (Bowen, Gilliland, & Folger, 1999). According to Payne and Webber (2006), employee work attitudes and behaviors are contagious, "spilling over onto customers" from their work experience during service interactions.

Service-oriented leadership also can engender employee proactive service behaviors by developing employees' customer-related knowledge and skills. Service-oriented leaders, who are inclined to provide managerial support from customer concerns, are likely to cultivate employee knowledge and skills to cope with varying customer interactions (Burke et al., 2006; Jiang et al., 2015). Leaders can use their professionalism to provide direct employees guidance and help regarding customer needs identification, problem solving, and proactive selling, thus expanding employees' customer-related

knowledge and experience. They can also indirectly exert influence on employee proactive service behaviors through proper feedback (Jaworski & Kohli, 1991; Jiang et al., 2015). Feedback from leaders is effective information for employees to discern their role expectations as well as ways to improve performance (Quigley & Bingham, 1995). As such, service-oriented leaders tend to provide feedback and directions related to high-quality service delivery, thus enhancing employee knowledge and skills to conduct a customer-oriented approach. As previously discussed, customer-related knowledge and skills to meet diverse customer needs are important predictors for employees' proactive engagement in extra-role service behaviors and customer satisfaction (Bitner et al., 1990; Chebat & Kollias, 2000; Nicholls et al., 1995). In terms of empirical evidence, Jiang et al. (2015) suggested that service-oriented leaders are likely to promote collective customer knowledge of service units. Similarly, Srivastava, Bartol, and Locke (2006) found that leadership behaviors can motivate employees to share knowledge among members in the service context. Consistent with these arguments and evidence, I expect a positive relationship between service-oriented leadership and both prosocial service behavior and proactive selling behavior. Thus, I propose the following:

***Hypothesis 3a.*** Service-oriented leadership is positively related to employee prosocial service behavior.

***Hypothesis 3b.*** Service-oriented leadership is positively related to employee proactive selling behavior.

### **Interactions between Work Motivation and Service-Oriented Leadership**

In addition to the main effects of work motivation and service-oriented leadership behaviors, I explore whether these factors have joint effects employee proactive service

behaviors. Consistent with Delery and Shaw's (2001) argument that both employee motivation and knowledge, skill, and ability (KSA) are integral for excellent performance, I expect service-oriented leadership, which is an important situational condition, to develop employee customer-related KSAs (Hong et al., 2013; Jiang et al., 2015) and possibly interact with employee motivation to jointly shape their proactive service behaviors. As such, I further explore whether service-oriented leadership will strengthen or weaken the impact of extrinsic and intrinsic motivation on proactive service behavior. This investigation also indicates whether service organizations need to promote service-oriented leadership and extrinsic/intrinsic motivations together to encourage employees to proactively serve customers and promote selling.

I propose that service-oriented leadership will interact with employee intrinsic motivation to amplify the positive impact of intrinsic motivation on employee proactive service behaviors. Implied by the main effect of intrinsic motivation, intrinsically motivated employees are likely to engage in prosocial service behavior and proactive service behavior more frequently. Intrinsic motivation provides employees an inner desire to deliver high-quality service, while service-oriented leadership can enhance such inner desire and passion for service (Schneider & Bowen, 1993) by establishing a favorable environment for high-quality service. As previous discussed, service-oriented leadership is an important channel for employees to learn indispensable customer-related knowledge to proactively meet customer needs (Jiang et al., 2015; Morgeson et al., 2010). Even if employees have intrinsic interests in the work itself and want to work proactively, when effective leadership specific to customer service is missing, which provides employees instructions, skills, and feedback to deliver proactive service

behaviors, employees may not be capable of engaging in these proactive service behaviors persistently. In addition, previous research revealed that managerial concerns for service and customers can generate passion for service on the part of employees (Hong et al., 2013; Schneider & Bowen, 1993), which may contribute to the employee intrinsic motivation of proactive service behaviors. Consequently, the proactive service behaviors can be significantly enhanced for intrinsically motivated employees when leaders show frequent and constant concern for high-quality service and customers because employees receive clear and effective guidance and feedback to intensify customer service expectations.

In contrast, without a leader's example behaviors to provide explicit necessary skills and role expectations, employees who are only supported by intrinsic motivation may not be able to figure out the most professional and appropriate way to offer high-quality service proactively, thus limiting the effect of intrinsic motivation on proactive service behaviors. In support, person-situation theory (Pervin, 1989) proposed that individual attitudes and situation factors interact synergistically to influence individual behaviors because individual behaviors are not only driven by their attitudes (e.g., intrinsic motivation) but also are influenced by situational signals that reinforce or impede the expected behaviors. Accordingly, when surrounded with proactive service-oriented leadership behaviors, employees are more likely to realize that serving customers proactively and promoting selling are rewarded and expected by leaders, thereby strengthening their intrinsic motivation to proactively help customers and enhance selling. For example, Raub and Liao (2012) documented that initiative climate, which signals that proactive behaviors are encouraged, interacts with individual self-efficacy,

resulting in a strengthened effect on proactive service performance. Therefore, I propose the following:

***Hypothesis 4a.*** Service-oriented leadership moderates the relationship between employee intrinsic motivation and employee prosocial service behavior, such that the positive effect of intrinsic motivation on prosocial service behavior is stronger when service-oriented leadership is high than when service-oriented leadership is low.

***Hypothesis 4b.*** Service-oriented leadership moderates the relationship between employee intrinsic motivation and employee proactive selling behavior, such that the positive effect of intrinsic motivation on proactive selling behavior is stronger when service-oriented leadership is high than when service-oriented leadership is low.

In contrast, I contend that service-oriented leadership may interact with extrinsic rewards as well, but this results in a weakened influence of cross-team rewards on proactive service behaviors. According to substitutes-for-leadership theory (Howell, Dorfman, & Kerr, 1986), certain organizational practices may decrease the impact of leadership behaviors on employee outcomes (Kerr & Jermier, 1978; Podaskoff, MacKenzie, & Fetter, 1993). This theory has been applied to the substitutive effect of leadership behaviors and human resource management (HRM) practices (Chuang et al., 2016; Jiang et al., 2015). For example, Chuang et al. (2016) showed that HRM systems can attenuate the impact of empowering leadership behaviors on knowledge sharing behaviors. On the basis of this reasoning, I expect that service-oriented leadership may decrease the positive influence of cross-team rewards on proactive service behaviors

because they share, to certain degrees, in their goals and functions to develop employees' rich customer-related knowledge base and strategies.

Service organizations may use cross-team rewards to encourage employees to grasp diverse customer-related knowledge. For example, cross-team formalized incentive practices promote employees to care about their contribution to other teams selling different products (Arndt et al., 2011; Gittell, 2010), which implies that employee knowledge of multiple customers' needs and selling strategies are expected. As such, employees are more likely to be motivated by cross-team rewards to engage in knowledge sharing with other members, resulting in a higher level of firsthand skills and knowledge of customers and products in different functional parts (Arndt et al., 2011; Menon et al., 1997). Such an intensified knowledge base can further enhance the capability and adaptability of employees in delivering proactive service behaviors (Chebat & Kollias, 2000; Franke & Park, 2006). Similarly, service-oriented leadership behaviors may also accumulate employee knowledge and adaptability specific to customer interactions (Aryee et al., 2016; Jiang et al., 2015). Service-oriented leadership can create a positive environment to support service knowledge improvement and provide employees direct instructions to enhance customer-related knowledge necessary for proactive service behaviors (Schneider et al., 2005; Testa, 2004). As previously discussed, service-oriented leadership can establish high standards of service quality, facilitate customer-related knowledge learning by professional instructions and role modeling, and provide effective feedback to supplement necessary knowledge and adaptability for proactive service behaviors (Burke et al., 2006; Jiang et al., 2015; Schneider et al., 2005). As such, the above arguments suggest that informal interactions



with service-oriented leaders and formal cross-team rewards may share similar influences, to some degree, on employees' customer-related knowledge and skills for proactive service behaviors. When both of these situational factors are implemented to enhance an employee's knowledge base of diverse customer interactions and strategies, service-oriented leadership may reduce the positive influence of cross-team rewards on proactive service behaviors. Thus, I propose the following:

***Hypothesis 5a.*** Service-oriented leadership moderates the relationship between extrinsic rewards and employee prosocial service behaviors, such that the positive effect of extrinsic rewards on prosocial service behavior is reduced when service-oriented leadership is high than when service-oriented leadership is low.

***Hypothesis 5b.*** Service-oriented leadership moderates the relationship between extrinsic rewards and proactive selling behaviors, such that the positive effect of extrinsic rewards on proactive selling behavior is reduced when service-oriented leadership is high than when service-oriented leadership is low.

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Insert Figure 1 about here

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## METHODS

### Data Collection and Sample

Survey data were collected from a retail company consisting of 36 stores across the eastern part of China, specializing in selling maternal and children products. A total of 17 stores participated in the current study. In each store, different functional groups, including clothing sales, fun-zone sales, toy sales, food sales, customer operations, administration, and loss prevention are represented. Frontline employees in these stores

are primarily responsible for placing products on shelves, enhancing selling, and helping customers. I believe that this context is suitable to test the proposed hypotheses because this organization provides sufficient opportunities for employees to engage in different levels of proactive service behaviors. First, the diversity and relatability of maternal and children products opportunities for frontline employees to help customers discern needs and achieve a perfect match with proper products, thus employee's varied engagement in prosocial service behaviors can be captured. Also, frontline employees' exposure to customers for related children products offer employees opportunities to proactively recommend additional products to expand the existing relationship with customers. As such, employees may merely finish customer's request without any self-starting proactivity or attempt to engage in different levels of proactive selling behaviors by promoting customer's needs for additional products in need. Therefore, I think this context is suitable to capture the variance of employee proactive service behaviors and to test the proposed hypotheses.

Two separate surveys were delivered to team leaders and frontline employees. Team leaders provided assessments of organizational extrinsic incentives in terms of cross-unit rewards practices. Employees conducted self-reported information regarding team leaders' service leadership behaviors, prosocial service behavior, cross-selling behavior, intrinsic motivation, and other individual variables.

All questionnaires were prepared in English and translated into Chinese before sending to the responsible human resources (HR) department. HR staff distributed the surveys to team leaders and employees separately at different times. All participants were

instructed to complete the survey during work hours with full confidentiality and to return it to the HR department.

Surveys from a total of 450 employees representing 84 teams were received. As this study focuses on attitudes and behaviors of frontline sale employees who directly connect with customers, I limited the sample to sale groups, resulting in a total of 170 employees from 42 teams. The size of sale groups ranged from 2 to 10 employees. The average organizational tenure of these employees was 1.27 years ( $SD = .87$  years), and 79% were female.

## Measures

**Prosocial service behavior.** Employees reported their prosocial service behavior in response of eight items combined from Jasmand, Blazeovic, and de Ruyter (2012) and Bettercourt and Browns (1997) with a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Sample items include “I frequently go out of the way to help a customer” and “I usually listen attentively to customers in order to take appropriate action to handle their concerns regarding their products.” The Cronbach alpha of this scale is 0.88. These items are listed in the appendix.

**Proactive selling behavior.** Employees indicate their proactive selling behavior in reaction to five items from Jasmend et al. (2012) with a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Sample items include “I usually try to identify good ways of familiarizing customers with another product that can satisfy their needs” and “I usually try to gather the customer’s information to recommend more products with higher value.” The Cronbach’s alpha was 0.91. The five items for this scale appear in the appendix.

**Intrinsic motivation.** Employees' reports of intrinsic motivation was measured using three items from Genge (2010) on a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) with the question, "Please indicate one of the reasons for which you are doing this specific job." Items include "Because I enjoy this work very much," "Because I have fun doing my job," and "For the moments of pleasure that this job brings me." The Cronbach alpha of this scale is 0.90.

**Extrinsic rewards.** I adopted the cross-team rewards measure from Gittell et al. (2010), which is established by interviews and observations and tested empirically. The question "Are rewards of frontline employees based on cross-team performance criteria?" was answered with a 5-point Likert scale was used ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Team leaders provided information regarding cross-team rewards practices in which frontline employees are rewarded based on cross-team performance or totally individual performance.

**Service-oriented leadership.** I constructed unit-level service-oriented leadership by aggregating employees' perceptions of the unit level. Frontline employees were asked to evaluate the store manager's leadership practices in terms of customer and service orientation. An eight-item scale from Grizzle et al. (2009) was applied in this study with a 5-point Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Sample items include "My department manager constantly checks to make sure store policies and procedures don't cause problems for customers" and "My department manager constantly makes sure that the employees are trying their best to satisfy customers." The Cronbach's alpha was 0.91. To decrease the influence of common method bias, I operationalized unit-level service leadership by computing the coworkers' mean assessment of service

leadership without the employee in question. Furthermore, to create an aggregated unit level of service-oriented leadership from the individual level, I calculated inter-rater reliability (intraclass correlation [ICC1] and reliability of the mean [ICC2]). ICC1 and ICC2 are .58 and .88, respectively, which are well above the recommended cutoff of .12 for ICC1 (Bliese, 2000) and .70 of ICC2 (Kozlowski & Klein, 2000), indicating that the mean score of the employee's perceptions of service leadership is reliable at the unit level. I also calculated the within-unit agreement  $r_{wg}$  and gained a median value of 0.8 for service leadership, above the acceptable cutoff of 0.7 (Kozlowski & Klein, 2000), demonstrating strong agreement of the employee's evaluation of service leadership within the same unit.

**Controls.** On the unit level, the team leader's education and organizational tenure were included as controls because I assumed that team leaders with higher education and longer organizational tenure are more experienced and have attained more intensive customer-related knowledge, which may impact their practice of service leadership (O'Hara, 1991). In addition, I controlled the effect of team size because researchers have found that size influences the use of HR practices in the unit (e.g., Jiang et al., 2015; Shaw et al., 2005). Lastly, unit human capital, measured by a 5-item Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) from team leaders (Youndt, Subramaniam, & Snell, 2004) is also controlled. Unit human capital has been recognized as an important indicator of employees' knowledge (Chuang & Liao, 2010). In addition, prior service studies have documented that employee customer knowledge concerning customer characteristics and selling strategies is linked to selling ability and service behaviors (Bettencourt et al., 2001; Bettencourt & Brown, 1997). Thus, I controlled the

effect of unit human capital on employee service behaviors. Sample items include “Our employees working in the unit are highly skilled” and “Our employees working in this unit are experts in their particular jobs and functions.” The Cronbach’s alpha is .87.

I also controlled the average level of employee-perceived high-performance work system (HPWS) at the store level, indicating employees’ average perception of HR practices in the same store. Employees in the same store are prone to be influenced by a similar bundle of HR practices, resulting in shared perceptions, attitudes, and behaviors (Liao & Chuang, 2007; Liao et al., 2009; Ostroff & Bowen, 2000). Accordingly, I controlled the employee-perceived HPWS at the store level to reveal that team use of a reward system is significantly related to employee service behavior, after considering employees’ common experience of HPWS.

I assessed employees’ perceptions of HR practices using seven items based on previous empirical research in strategic HRM literature (Lytle et al., 1998). Particularly, I tapped into employees’ perceptions regarding the use of skills-enhancing practices with three items, empowerment-enhancing practices with two items, and rewards practices with two items. All items were measured by a 5-item Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). I created an additive index of these HR practices, forming a continuous measure reflecting employees’ perceptions of HR practices used in the group. The use of an additive index of HR practices is compatible with previous research (e.g., MacDuffie, 1995) according to the additive nature of the effect of HR practices (Kehoe, 2013). The index of HR practices showed acceptable internal consistency reliability with Cronbach’s alpha = .76. Therefore, a higher score on

the HR practices perception index indicates employees' perceptions of more intensive use of HR practices. A complete list of items used for each measure appears in the appendix.

To aggregate employees' perception of HPWS to the store level, ICC1 and ICC2 were computed as .27 and .93, respectively, showing that the average rating of employees' HPWS is reliable at the store level. I also calculated the within-unit agreement  $r_{wg}$  and gained a median value of 0.97 for employee-perceived HPWS, above the acceptable cutoff of 0.6 (Kozlowski & Klein, 2000), demonstrating strong agreement of employees' evaluation of HPWS within the same store.

At the individual level, I controlled employee gender, age, and organizational tenure. Employee gender is controlled because it has been documented that women tend to display greater attention to customer relationships, driven by more intensive customer orientation (Busch & Bush, 1978; O'Hara, 1991). Employee age is controlled because age is prone to be positively related to customer-oriented behavior and service quality (Bettencourt, 2001; Chang et al., 2014; Martinaityte, 2016). Employee organizational tenure is controlled as well because employees of longer organizational tenure are more experienced at serving customers and thus are able to promote customer-oriented behavior to satisfy customer needs (O' Hara, 1991; Pettijohn, 2002).

## **Analyses**

Theoretically, the hypothesized multilevel model includes both individual-level variables (prosocial service behavior, proactive selling behavior, and intrinsic motivation) and team-level variables (cross-team rewards and service-oriented leadership). In this study, frontline employees are nested within sales teams, indicating a two-level data structure. However, as the final sample includes 170 employees within 42 sales teams, I

calculated the ICC1 values of the dependent variables to assess the extent to which prosocial service behavior and proactive selling behavior vary among different teams. The ICC1 values for prosocial service behavior and proactive selling behavior were .02,  $F(41,128)=1.08$ ,  $p>0.05$  and 0.00,  $F(41,128)=.91$ ,  $p>.05$ , respectively. The ICC1 values are all below the suggested minimum cutoff value of .05 (Bliese,2000), suggesting there isn't enough and significant variance of these dependent variables on the team level. As such, I performed OLS regression using maximum likelihood estimation with robust standard errors to test the hypotheses.



## RESULTS

Table 1 presents the descriptive statistics and bivariate correlations for all variables in this study. As shown in the table, the explanatory variables (intrinsic motivation and service-oriented leadership) have the expected direction of relationship with prosocial service behavior. However, contrary to my hypothesis, extrinsic rewards reveal a negative relationship with prosocial service behavior. With regard to proactive selling behavior, all three explanatory variables exert a positive impact on it. The correlations between these variables are generally small to moderate.

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Insert Table 1 about here

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As frontline employees assessed intrinsic motivation, perceived service-oriented leadership, prosocial service behavior and proactive selling behavior in the same survey, I conducted confirmatory factor analyses to assess the discriminant validity among these constructs. Results indicate that the hypothesized four-factor model fit the data well,  $\chi^2(246)=446.07$ , CFI=.91 (>.90) , RMSEA=.071 (<.08) , SRMR=.055 (<.08). Furthermore, I compared the four-factor model with the alternative models, including a three-factor model in which prosocial service behavior and proactive selling behavior are combined into one factor and a one-factor model in which all factors are combined. The results show the hypothesized model fit the data significantly better than the three-factor model,  $\Delta\chi^2(3)=73.9$ ,  $p<0.01$ , CFI=.88, RMSEA=.082, SRMR=.06, and significantly better than the one-factor model,  $\Delta\chi^2(6)=867.64$ ,  $p<0.01$ , CFI=.52, RMSEA=.161, SRMR=.145. These results are reported in Table 2 and supports the distinctiveness among these constructs.

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Insert Table 2 about here

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OLS regressions were conducted to test hypotheses. Table 3 represents the main effects and interaction effects of intrinsic motivation, extrinsic rewards, and service-oriented leadership on employee prosocial service behavior. Control variables, including employee gender and organizational tenure, team leader education and organizational tenure, unit human capital, team size, and store-level HPWS were entered in Model 1. Then, I included intrinsic motivation, cross-team rewards, and service-oriented leadership to test their main effects on prosocial service behavior. Employee intrinsic motivation is significantly and positively related to prosocial service behavior, which provides support for Hypothesis 1a ( $b = .091, p < 0.1$ ). In contrast to Hypothesis 2a, the results reveal that cross-team rewards were significantly but negatively associated with prosocial service behavior ( $b = -.131, p < 0.05$ ). This means an increase in cross-team rewards was significantly associated with a decrease in employee prosocial service behavior. A possible reason for this contradictory finding may come from the role stress derived from the multiple expectations of cross-team rewards, because this form of extrinsic rewards may suggest that employees are expected to contribute to other team's performance, beyond the performance of his or her own team (Gittell, 2010). The multiple role requirements for employees may result in psychological and behavioral strain (French, Caplan, & Harrison 1982), thus harming employee's engagement in extra-role behavior (Jex, 1998). Therefore, Hypothesis 2a was not supported.

Service-oriented leadership was hypothesized to be positively related to prosocial service behavior. In support of Hypothesis 3a, the results show that service-oriented leadership significantly and positively impacts employee prosocial service behaviors ( $b$

= .388,  $p < 0.05$ ). This suggests that employee's overall engagements in prosocial service behaviors were significantly higher in teams with higher service-oriented leadership.

To test whether service-oriented leadership moderates the relationship between intrinsic motivation/extrinsic rewards and prosocial service behavior, I included the interaction terms of service-oriented leadership\*cross-team rewards and service-oriented leadership\*intrinsic motivation in Model 3. I found that the interaction between service-oriented leadership and cross-team rewards was significantly negative ( $b = -.370$ ,  $p < 0.05$ ), which is the opposite of what was proposed in Hypothesis 5a. To further understand this interaction, I drew the interactive effect at high (+1 SD) and low (-1 SD) levels of service-oriented leadership. Figure 2 indicates that cross-team rewards exert a significant and negative impact on prosocial service behavior only when service-oriented leadership is high ( $b = -.26$ ,  $p < 0.01$ ). This suggests that cross-team rewards tend to have a negative impact when service-oriented leadership was high, but no significant impact when service-oriented leadership was low. Thus, Hypothesis 4a and 5a were not supported.

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Insert Table 3 about here

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Insert Figure 2 about here

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Table 4 displayed the main effects and interaction effects of intrinsic motivation, extrinsic rewards, and service-oriented leadership on employee proactive selling behavior. Similarly, I included all the control variables in Model 1, but no significant results were found. Then, I added cross-team rewards, intrinsic motivation, and service-oriented leadership to test their main effects on employee proactive selling behavior. Employee intrinsic motivation was significantly and positively related to proactive selling

behavior ( $b = .118, p < 0.1$ ), which supported Hypothesis 1b. However, the relationship between cross-team rewards and employee proactive selling behavior was not significant ( $p > 0.1$ ). Thus, Hypothesis 2b was not supported. In support of Hypothesis 3b, the main effect of service-oriented leadership on proactive selling behavior was positive and significant ( $b = .389, p < 0.05$ ), suggesting employees tend to engage more in proactive selling behavior with increased service-oriented leadership.

To test whether service-oriented leadership moderates the relationship between intrinsic motivation/extrinsic rewards and proactive selling behavior, I included two interaction terms (intrinsic motivation \* service-oriented leadership and cross-team rewards \* service-oriented leadership) in Model 3. The interaction effect of service-oriented leadership and intrinsic motivation was not significant, thus indicating that service leadership did not change the strength of positive relationship between intrinsic incentive and proactive selling behavior ( $b = .124, p > 0.1$ ). Therefore, Hypothesis 4b was not supported. The interaction term of service-oriented leadership and cross-team rewards was significant and negative ( $b = -.719, p < 0.01$ ). To better interpret this interaction effect, I draw the interactive effect at high (+1 SD) and low (-1 SD) levels of service-oriented leadership. As displayed in Figure 3, cross-team rewards were more negatively related to proactive selling behavior when the level of service-oriented leadership was high ( $b = -.26, p < 0.05$ ) rather than low ( $b = .17, p = .05$ ). This shows that cross-team rewards tend to have a stronger negative influence on employee proactive selling behavior in teams with high levels of service-oriented leadership. Thus, Hypothesis 5a was not supported.

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Insert Table 4 about here

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Insert Figure 3 about here

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### **Additional Analyses**

Although I didn't propose the specific hypothesis, I tested the three-way interaction of intrinsic motivation, cross-team rewards and service-oriented leadership on proactive service behaviors to provide a broader picture of the predictors of proactive service behaviors. As discussed, both intrinsic and extrinsic motivation are effective to employee performance (Cerasoli et al., 2014). Importantly, a stream of literature in work motivation argues that extrinsic and intrinsic motivation may interact with each other, resulting the undermining effect. The undermining effect suggests that extrinsic rewards may reduce individual's inner enjoyment for the task (Cameron, Banko, & Pierce, 2001). Building on this idea, I extend the prior two-way interaction into a three-way interaction of intrinsic motivation, cross-team rewards and service-oriented leadership together to investigate if the three forms of motivational forces will jointly influence employee proactive service behaviors.

I conducted the OLS regression to test the three-way interaction. As reported in Model 1 in Table 5, the three-way interaction is not significantly related to prosocial service behavior ( $b=.308$ ,  $p>0.1$ ). Similarly, the results in Model 2 suggests that the three-way interaction is not significantly influence proactive selling behavior ( $b=.421$ ,  $p>0.1$ ) as well. Therefore, the interaction of intrinsic motivation, cross-team rewards and service-oriented leadership didn't jointly influence employee proactive service behaviors in the current study.

## DISCUSSION

This study emphasized the importance of employee proactive service behaviors in a service context. Specifically, I developed a multilevel model to investigate the influence of intrinsic motivation, extrinsic rewards, and service-oriented leadership on employee proactive service behaviors. I expected that both intrinsic motivation and extrinsic rewards could promote employees to engage in proactive service behaviors. In addition, service-oriented leadership, as a crucial situational factor, can enhance proactive service behaviors both directly and jointly interacting with intrinsic motivation/extrinsic rewards.

I tested the model with data collected from 170 employees in 42 sales teams in a Chinese retail company. I received partial support to the proposed hypotheses. Briefly, employee intrinsic motivation and team-level service-oriented leadership were found to be positively associated with prosocial service behavior and proactive selling behavior. Contrary to my hypothesis, cross-team rewards, as a form of organizational incentives, were significantly and negatively related to prosocial service behavior, indicating that employees were less likely to engage in prosocial service behavior when organizations provided extrinsic rewards for their contributions in other teams. Additionally, extrinsic rewards exhibited a significantly negative relationship with proactive selling behavior only when service-oriented leadership was high. Taken together, these results indicate several meaningful points to discuss.

### **Implications for Research**

First, this study contributes to the service literature by investigating and expanding proactive service behaviors in a service context, which has been paid limited attention in past research. Extant research on service literature has largely emphasized the

formalized role of performance (e.g., Liao & Chuang, 2004; Johnson, 1996), and few studies have focused on proactive service performance (Rank et al., 2007; Raub & Liao, 2010). This study combined service literature and marketing literature to include both prosocial service behavior and proactive selling behavior to represent proactive service performance and explore the impact of the predictors at both the team level and the individual level on employee proactive service behaviors.

Second, this study suggested that intrinsic motivation, compared to extrinsic rewards, would be a superior determinant of employee proactive service behaviors. The results indicated that the relationships between intrinsic motivation and proactive service behaviors are always significantly positive. This finding also adds empirical evidence to the model of proactive motivation (Parker et al., 2010) that stated intrinsic motivation is a strong reason to be proactive in the service context. As proactive service behaviors are “autonomous rather than externally imposed” (Hong et al., 2016, p. 690), employees who are intrinsically motivated and derive enjoyment from the task itself are more likely to behave proactively to deliver high-quality service from a customer perspective (Judge et al., 2001).

With respect to extrinsic rewards, I found cross-team rewards exerted a negative effect on employee prosocial service behavior and were not related to proactive selling behavior, which is contrary to my hypothesis. One possible explanation might be that cross-team rewards may lead to employee role stress and role conflict. Cross-team rewards may signal employees that they are expected to excel at both individual performance and cross-team performance, which potentially creates multiple role stressors for employees (Schwepker, 2003; Singh, Goolsby, & Rhoads 1994). The

multiple role requirements for employees may result in psychological and behavioral strain (French, Caplan, & Harrison 1982), thus harming effective performance (Babin & Boles, 1996). Specifically, previous literature found that the negative impact of role stressors is most evident for employee extra-role behavior (Jex, 1998). For example, Bettencourt and Brown (2003) showed that reducing the role conflict that employees perceive can enhance their engagement in customer-oriented behaviors. In support, incentive literature documented that performance-contingent incentives should be used sparingly to influence employee performance (Caesoli, Nicklin, & Ford, 2014) because performance-contingent incentives were found to decrease employee well-being (Deci & Ryan, 2000; Weibel et al., 2010). As such, cross-team rewards may create multiple role stressors for employees and thus decrease their performance of prosocial service behaviors. Additionally, the problematic negative impact of cross-team rewards on prosocial service behaviors may be explained by the argument that extrinsic incentives may erode intrinsic motivation (Cameron, Banko, & Pierce, 2001; Eisenberger & Cameron, 1996). This argument proposes that the presence of extrinsic incentives may decrease an individual's original enjoyment for the task itself. Related, the meta-analysis of Cerasoli et al. (2014) showed that extrinsic rewards may weaken the link between intrinsic motivation and performance that "directly salient incentives are associated with lower intrinsic motivation" (p. 996), which is referred as the undermining effect (Wiersma, 1992). Consistent with this reasoning, cross-team rewards may reduce an employee's inner enjoyment and desire to conduct the task and proactively serve customers, thus decreasing employee engagement in prosocial service behaviors. Finally, incentive literature suggests that the effectiveness of performance incentives may rely on



the presence and accuracy of performance evaluation practices (Liao & Chuang, 2004). If employee contributions to other teams were designed to be rewarded but were not accurately and timely evaluated, the extrinsic motivational impetus is significantly reduced. For example, Liao and Chuang (2004) also failed to find a significant association between performance incentives and service performance. Thus, future research may examine the impact of extrinsic incentive and performance evaluation practices together in the service context.

Fourth, this study extends the proactivity literature by examining service-oriented leadership as a particular situational factor to promote proactive service behaviors. As proposed by Grant and Ashford (2008, p. 22), research should pay more attention to “situational antecedents of proactive behavior.” Despite existing proactivity literature describing some situational antecedents, the empirical evidence heavily emphasized the role of organizational climate (e.g., Bindl & Parker, 2010; Raub & Liao, 2012) and work characteristics (e.g. Frese, Garst, & Fay, 2007; Speier & Frese, 1997). The investigation of leadership behaviors, as a situational antecedent of proactive behaviors, is limited. Rank et al. (2007) and Hong et al. (2016) have examined the influence of participative leadership, transformational leadership, and empowering leadership on personal initiative, greatly focusing on the motivational function of leadership. However, these examinations of leadership behaviors ignore the role modeling effect of leadership behaviors specific to a context. It is argued that “the most effective leader behavior will be determined by the particular context” (Testa & Ehrhart, 2005; p. 458). In support, the meta-analysis of Hong et al. (2013) also documented that service-oriented leadership has a stronger association with service outcomes than general leadership behaviors. In line

with this reasoning and to fill this gap, this study advances the proactivity literature by examining service-oriented leadership as a situational antecedent of proactive service behaviors in the service context. The results indicate that service-oriented leadership indeed significantly predicts employee engagement in proactive service behaviors.

Finally, the examination of the interactions between intrinsic motivation/extrinsic rewards and service-oriented leadership further advance our understanding of predictors of proactive service behaviors. No significant interaction effects between intrinsic motivation and service-oriented leadership were obtained in this study. Intrinsic motivation seemed to play a salient role in encouraging employee proactive service behaviors, regardless of the level of service-oriented leadership. Importantly, contrary to my expectation, a negative relationship between cross-team rewards and prosocial service behavior was obtained only when service-oriented leadership was high. Also, the negative relationship between cross-team rewards and proactive selling behavior is stronger when service-oriented leadership is high, rather than low. As previously discussed regarding the negative main effect of cross-team rewards on prosocial service behavior, it may be that because service-oriented leadership entails strong commitment to service quality and proactive customer-oriented attitude (Schneider et al., 2005), the service-quality requirements may further intensify employees' perception of role conflict and overload (Schwepker, 2003; Singh et al., 1994) derived from cross-team rewards, resulting in significant lower engagement in proactive selling behavior. This unexpected interaction, in turn, supports the idea that "performance-contingent incentives should be used sparingly" (Cerasoli et al., 2014, p.997) because of its possibility of negatively

influencing employee well-being (Shirom, Westman, & Melamed, 1999) and work behaviors.

### **Limitation and Future Research**

We should be cautious to generalize the results of this study considering its limitations. First, although we investigated employee contributions to other teams in the view of cross-team rewards, all the employee samples were limited to sales teams, not including other functional teams in the organization. The integrative customer interactions may involve different functional teams, such as marketing, logistics, and after-sales service. Frontline employees in different functional team have certain customer contact and the potential to contribute to other teams' performance, ultimately influencing customer interaction. As such, future research may examine how cross-team rewards used among different functional teams would impact frontline employee service behaviors. However, given the current study focused on employee proactive service behaviors, which are most displayed by sales teams in the retail company, it is still meaningful to explore how employees in different sales team with various customer/product-related knowledge can be motivated to promote organizational sales performance. Another issue regarding the generalizability of the result is derived from the single industry examined in this study. The diversity of customer/product-related knowledge required to deliver high-quality service may vary for retail transactions in different industries, indicating the importance of cross-teams to promote knowledge sharing that may correspondingly vary by industry. For example, in an automobile sales context, customers may interact with multiple functional employees instead of just sales employees to finish the whole transaction process (e.g., finance employees and

manufacturing employees). As such, the impact of cross-team rewards on employee service behaviors as well as customer perception of the service may also differ regarding the importance of “cross-functional integration in the frontline setting” (Arndt et al., 2011, p. 225). Accordingly, future research may examine the importance and impact of extrinsic cross-team rewards on employee service behaviors in different industries.

Second, the current study operationalized organizational extrinsic incentives in the view of cross-team rewards specifically but ignored the impact of other effective organizational incentives. I emphasized the implementation of cross-team rewards because it directly motivates employees to grasp various service-related knowledge to promote additional selling to existing customers. However, other organizational incentives may also be associated with employee motivation and ability for proactive service behaviors. For example, service rewards for service quality, instead of productivity, were found to positively impact employees to deliver extra-role customer service (Lee et al., 2006). As such, future studies may test the influence of different forms of rewards to generalize the impact of extrinsic incentives on employee service behaviors. Third, the current study didn’t include the culture differences in teams, which may impact the effectiveness of cross-team rewards on employee proactive service behaviors. As previously discussed, cross-team rewards are designed to promote employee’s knowledge sharing and cooperation between different teams. One potential factor related to employee’s commitment to cooperation is culture difference, such as collectivism and individualism (Smith, Carroll and Ashford, 1995; Chen, Chen and Meindl, 1998). Employees in teams with a collectivism culture are more likely to expand efforts for collective goals than employees among individualism culture. Moreover,

research suggest that the culture differences may influence not only employee's engagement in collective behaviors, but also the effectiveness of organizational practices aimed at promoting cooperation (such as cross-team rewards in this study) (Chatman & Barsade, 1995; Chen, Chen, & Meindl, 1998). Accordingly, future research could investigate whether culture differences would interact with cross-team rewards to jointly shape employee proactive service behaviors. Lastly, the current study used a cross-sectional design and failed to establish causal relationship among work motivation, service leadership, and proactive service behaviors. Possibilities remain that proactive service behaviors can further enhance an employee's intrinsic motivation and perception of service leadership behaviors. However, I contend that it is less likely that work motivation and leadership behaviors work as a response for employee proactive behaviors compared to the relationships this study proposed. If employees can autonomously engage in proactive service behaviors to deliver high-quality service and promote selling, there would be little reason for organizations to use external incentives and train service-oriented leaders to motivate employees to conduct these behaviors. Granted, future research is needed to confirm such causality using longitudinal research design.

## CONCLUSION

In conclusion, employee proactive service behaviors are important in delivering high-quality service in service context. Based on self-determination theory and person-situation interaction framework, this study provides evidence on the role of work motivation and service-oriented leadership in promoting employee proactive service behaviors. In particular, I found that intrinsic motivation and team leader's service-oriented leadership was significantly and positively related to employee proactive service behaviors. However, the finding also suggested that firms should be carefully choose extrinsic rewards to motivate employee proactive behaviors, because the measure of extrinsic rewards in this study was found to negatively related to employee prosocial service behavior and jointly interact with service-oriented leadership to influence employee proactive selling behavior. As such, the preliminary evidence in this study may lead to more research investigating the mechanism through work motivation and employee proactivity, as well as the personal and situational antecedents of employee proactivity.

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## APPENDIX

### Appendix A: Description of Measures in the study

Extrinsic rewards (Gittel et al., 2010)

1. Whether rewards of frontline employees are based on cross-team performance criteria?

Service-oriented leadership (8 items from Grizzle et al., 2009)

1. My department manager constantly checks to make sure store policies and procedures don't cause problems for customers.
2. My department manager constantly makes sure that employees are trying their best to satisfy customers
3. My department manager thinks of customers' point of view when making big decisions.
4. My department manager really wants to give value to our customers
5. My department manager plans to keep our store ahead of our competitors by understanding the needs of our customers
6. My department manager has focused the business objectives around customer satisfaction
7. My department manager assesses customer satisfaction regularly
8. My department manager really cares about customers, even after their orders have been delivered.

Intrinsic motivation (3 items from Genge, 2010)

1. Because I enjoy this work very much
2. Because I have fun doing my job
3. For the moments of pleasure that this job brings to me.

Prosocial service behavior (8 items from Jasmend, 2012 and Bettercourt and Browns, 1997)

1. I frequently go out the way to help a customer
2. I willing to go out of his/her way to make a customer satisfied
3. I voluntarily assist customers even if it means going beyond job requirement
4. Having identified the customers' exact problem with their products, I solve it in a reliable way
5. I usually listen attentively to customers in order to take appropriate action to handle their concerns regarding their products.
6. Making sure that I fully understand the reason why the customers contact me allows me to better help them with their questions and concerns regarding their products
7. I usually try to calm complaining customers, so that we can jointly handle their complaints about their products.
8. I usually provide solutions to customers' concerns related to the products they currently own.

Proactive service behavior (5 items from Jasmend, 2012)

1. I usually explore potential matches between the customers' needs and the features of a product which they do not currently own.

2. I usually gather as much customer information as possible to offer a suitable product to customers.
3. I usually try to identify good ways of familiarizing customer with another product that can satisfy their needs.
4. I usually ask questions to assess whether the customers would be willing to buy an additional product.
5. I usually offer an additional product which meets the customers' needs best.

Controls.

Unit human capital (5 items from Youndt, Subramaniam, and Snell, 2004).

1. Our employees are highly skilled.
2. Our employees are widely considered the best in our industry.
3. Our employees are creative and bright.
4. Our employees are experts in their particular jobs and functions.
5. Our employees develop new ideas and knowledge

Employee's perceptions of High performance work system (7 items from Lytle et al., 1998)

1. I can make important customer decision without seeking management approval.
2. I have responsibility and authority to act independently in order to provide excellent service.
3. Every employee in our hotel receives personal skills training that enhances his/her ability to deliver high quality service.
4. My store spends much time and effort in simulated training activities that help us provide higher levels of service when actually encountering the customer.
5. During training sessions, our store works through exercises to identify and improve attitudes toward customers.
6. Our store management provides excellent incentives and rewards at all levels for service quality, not just for productivity.
7. Our store noticeably recognizes of excellent service of service providers

## Appendix B: Tables and Figures

**Table 1. Correlations, Means, and Standard Deviations of Study Variables**

	1	2	3	4	5	6	7	8	9	10	11	12
1 Employee's gender												
2 Employee's organizational tenure	.01											
3 Leader's organizational tenure	.06	.27**										
4 Leader's education	.04	.12	-.04									
5 Team size	-.01	-.01	.20*	-.22**								
6 Employee's perceptions of HPWS (store level)	.05	-.30**	-.12	-.08	-.002							
7 Unit human capital	-.02	.05	-.15	.17*	.10	.15						
8 Cross-team rewards	.04	.002	-.09	.07	-.16*	.19*	.55**					
9 Intrinsic motivation	.10	-.02	-.02	-.06	-.02	.05	-.005	.04				
10 Service-oriented leadership	.01	-.13	-.16*	-.11	.08	.50**	.07	.13	.16*			
11 Prosocial service behavior	.12	-.02	.06	-.12	-.03	.15	.04	-.04	.19*	.23**		
12 Proactive selling behavior	.10	.05	.03	-.03	.01	-.05	.03	.02	.19*	.13	.68**	
Mean	.21	1.27	1.49	15.24	5.16	3.63	3.96	3.74	3.60	4.11	4.12	3.74
Std. dev.	.41	.87	.65	.41	2.53	.15	.56	.75	.83	.30	.51	.61

*Notes.* Employee n=170, Units n=42. <sup>†</sup>p<0.1, \*p<0.05, \*\*p<0.01.

**Table 2. Comparison of Alternative Measure Measurement Model of Employee-  
Measured Constructs**

<b>Model</b>	<b><i>df</i></b>	<b><math>\chi^2</math></b>	<b>CFI</b>	<b>RMSEA</b>	<b>SRMR</b>	<b><math>\Delta\chi^2</math></b>
Model 1: 1 factor	252	1313.71	.52	.161	.145	
Model 2: 3 factors (intrinsic motivation, proactive service behaviors, perceived service-oriented leadership)	249	519.97	.88	.082	.06	Model 3 vs. Model 1 is $\Delta\chi^2(6) = 867.64, p < .01$
Model 3: 4 factors (Intrinsic motivation, prosocial service behavior, proactive selling behavior, perceived service-oriented leadership)	246	446.07	.91	.071	.055	Model 3 vs. Model 2 is $\Delta\chi^2(3) = 73.9, p < 0.01$

**Table 3. OLS regression results of employee prosocial service behavior on intrinsic motivation, extrinsic rewards, and service-oriented leadership.**

Variables	Prosocial service behavior		
	Model 1	Model 2	Model 3
Individual level			
Gender, employee	.138 (.084)	.132 (.085)	.136 (.087)
Organizational tenure, employee	.008 (.031)	-.004 (.029)	-.004 (.029)
Intrinsic motivation		.091 <sup>+</sup> (.050)	.098 <sup>+</sup> (.051)
Team level			
Education, team leader	-.175* (.071)	-.164* (.063)	-.146* (.071)
Organizational tenure, team leader	.073 (.062)	.110* (.052)	.142** (.048)
Unit human capital	.062 (.054)	.172* (.076)	.201** (.063)
Team size	-.017 (.014)	-.031* (.012)	-.035** (.011)
Store-level HPWS	.47 (.399)	.134 (.325)	.101 (.284)
Cross-team rewards		-.131* (.053)	-.148** (.050)
Service-oriented leadership		.388* (.171)	.301* (.147)
Service-oriented leadership*Cross-team rewards			-.370* (.177)
Service-oriented leadership* Intrinsic motivation			-.151 (.187)
Constant	4.754	4.124	4.142
R-square	.061	.143	.167
△R-square	-	.082**	.024

*Notes.* Employee n=170, Units n=42. The figures in parentheses are standard errors clustered on the team. <sup>+</sup>p<0.1, \*p<0.05, \*\*p<0.01.

**Table 4. OLS regression results of employee proactive selling behavior on intrinsic motivation, extrinsic rewards, and service-oriented leadership**

Variables	Proactive selling behavior		
	Model 1	Model 2	Model 3
Individual level			
Gender, employee	.156 (.117)	.134 (.101)	.129 (.095)
Organizational tenure, employee	.020 (.029)	.008 (.028)	.013 (.027)
Intrinsic motivation		.118* (.070)	.133* (.072)
Team level			
Education, team leader	-.085 (.086)	-.055 (.082)	-.026 (.082)
Organizational tenure, team leader	.017 (.085)	.048 (.065)	.088 (.062)
Unit human capital	.053 (.078)	.066 (.080)	.127* (.063)
Team size	-.003 (.019)	-.007 (.016)	-.014 (.015)
Store-level HPWS	-.232 (.412)	.642* (.328)	-.677* (.277)
Cross-team rewards		-.009 (.066)	-.047 (.060)
Service-oriented leadership		.389* (.155)	.229* (.127)
Service-oriented leadership*Cross-team rewards			-.719** (.170)
Service-oriented leadership* Intrinsic motivation			.124 (.221)
Constant	4.754	3.996	3.763
R-square	.018	.077	.123
△R-square	-	.059*	.046**

*Notes.* Employee n=170, Units n=42. The figures in parentheses are standard errors clustered on the team. \*p<0.1, \*p<0.05, \*\*p<0.01.

**Table 5. OLS regression results of additional analyses**

Variables	Prosocial service behavior	Proactive selling behavior
	Model 1	Model 2
Individual level		
Gender, employee	.131 (.081)	.124 (.096)
Organizational tenure, employee	.002 (.029)	.022 (.027)
Intrinsic motivation	.114* (.055)	.144* (.069)
Team level		
Education, team leader	-.155* (.058)	-.038 (.071)
Organizational tenure, team leader	.132* (.050)	.074 (.066)
Unit human capital	.205** (.061)	.131* (.063)
Team size	-.033** (.010)	-.012 (.014)
Store-level HPWS	.092 (.289)	-.693* (.295)
Cross-team rewards	-.121** (.034)	-.047 (.046)
Service-oriented leadership	.233 (.143)	.149 (.134)
Service-oriented leadership*Cross-team rewards	-.328* (.124)	-.592*** (.124)
Service-oriented leadership* Intrinsic motivation	-.063 (.217)	.257 (.237)
Cross-team rewards * Intrinsic motivation	.102+ (.053)	.093 (.076)
Service-oriented leadership * Cross-team rewards * Intrinsic motivation	.308 (.222)	.421 (.274)
Constant	4.754	6.237
R-square	.197	.147

Notes. Employees  $n=170$ , units  $n=42$ . \* $p<0.1$ , \* $p<0.05$ , \*\* $p<0.01$



Figure 1. Hypothesized model.

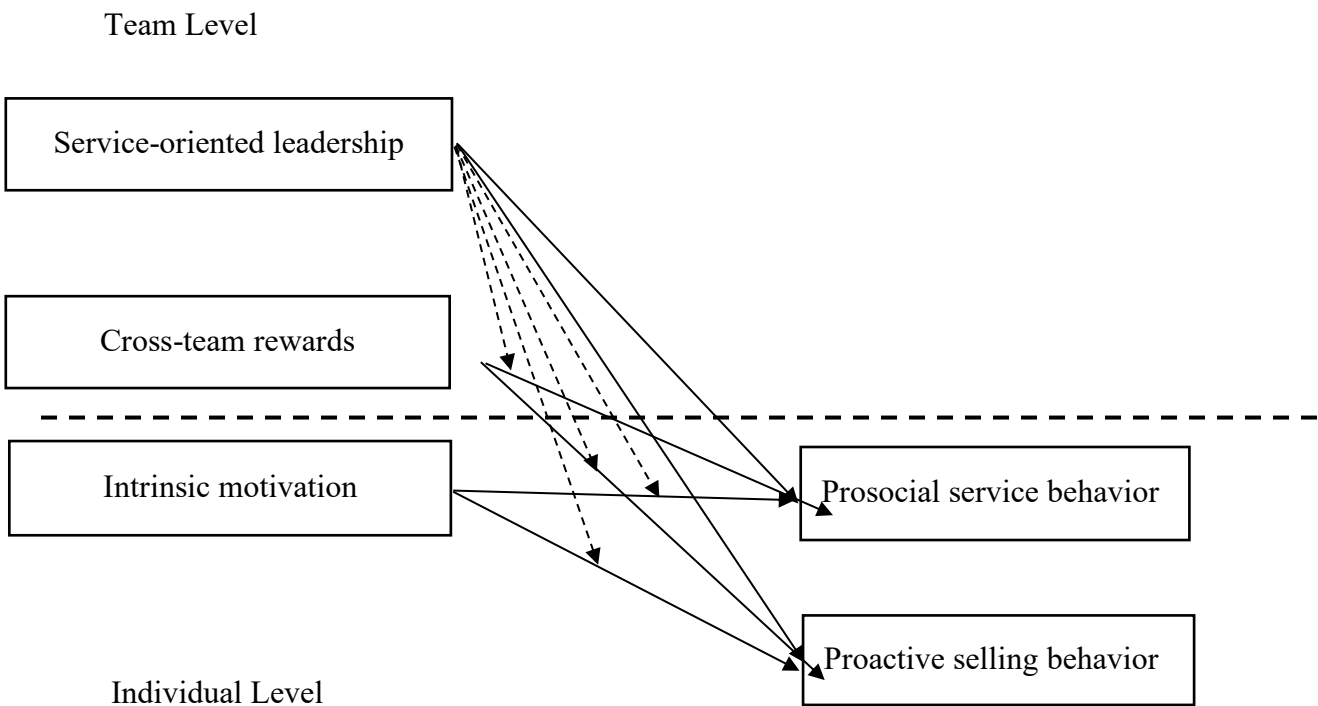


Figure 2. Interaction effects between extrinsic rewards and service-oriented leadership on employee prosocial service behavior

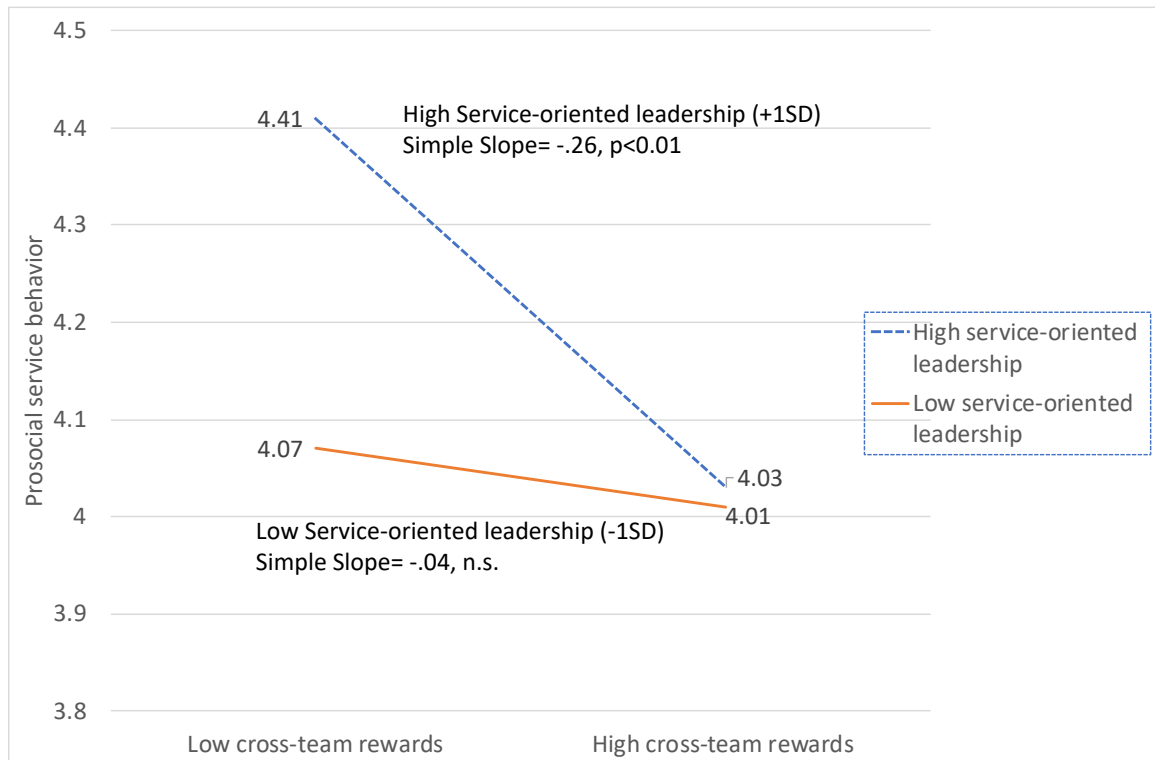


Figure 3. Interaction effects between extrinsic rewards and service-oriented leadership on employee proactive selling behavior.

