



Contents lists available at ScienceDirect

## European Management Journal

journal homepage: [www.elsevier.com/locate/emj](http://www.elsevier.com/locate/emj)

# Frontline employees' participation in service innovation implementation: The role of perceived external reputation

Mario Schaarschmidt

University of Koblenz-Landau, Institute for Management, Universitätsstrasse 1, 56070, Koblenz, Germany

## ARTICLE INFO

### Article history:

Received 27 October 2015  
 Received in revised form  
 18 February 2016  
 Accepted 26 February 2016  
 Available online xxx

### Keywords:

Service innovation implementation  
 Perceived external reputation  
 Frontline employees  
 Social identity theory  
 Expectancy theory

## ABSTRACT

Drawing on expectancy theory and social exchange theory, this study investigates how employees' perceived external reputation is associated with their willingness to participate in service innovation implementation. Data from 150 German and more than 200 American frontline service employees supports the notion that the link between perceived external reputation and service innovation implementation behavior is mediated by expected reputation gains and expected positive performance outcomes. In addition, expected positive performance outcomes seem to be a stronger driver than expected reputation gains in the American sample. The authors conclude this study by highlighting its implications for both theory and management practice.

© 2016 Elsevier Ltd. All rights reserved.

## 1. Introduction

Service innovation predominantly serves two functions (Wilder, Collier, & Barnes, 2014). First, new services help attract new customers and retain existing ones, and second, service innovations may help increase service productivity, such as the number of customers served per hour (Rust & Huang, 2012; Singh, 2000). Recent examples for both categories can be found in many service settings, especially those driven by technological advancements. For example, to increase customer satisfaction and delight, Burberry, the British fashion retailer, has begun to offer “direct-to-buy”, a method to buy fashion directly from the catwalk based on a mixture of live streaming and personalized versions of shown clothes (Service Innovation Cases, 2015). Focusing on the second function of service innovation, McDonald's has introduced Fast-Order, a system that allows customers to order meals without human interaction in some of its most frequently visited locations, such as in airports, to increase service productivity (Blank, 2014).

Researchers and practitioners both acknowledge that service innovation is an especially crucial factor in the financial performance of service organizations (e.g., Ordanini & Parasuraman, 2011; Paton & McLaughlin, 2008). However, in contrast to research that focuses on firm-level data, research that is devoted to

determining employees' roles in the generation and delivery of service innovations remains underexplored (Cadwallader, Jarvis, Bitner, & Ostrom, 2010). Customer contact personnel are crucial to the execution of service offerings; as Zeithaml, Bitner, and Gremler (2006, p. 352) state, “employees are the service” in many people-processing services (Walsh, 2011). In particular, frontline service employees (FLEs), defined as those employees who have frequent personal interactions with customers (Karatepe & Kilic, 2009; Stock, 2015), are needed to successfully introduce and explain new services to customers. Thus, based on their motivation to recommend newly designed service offerings to customers (or not), service employees are in a position to either promote or impede service innovation implementation (Cadwallader et al., 2010; McKnight & Hawkrigg, 2005). However, while the creation of new services with the help of FLEs received considerable research attention (e.g., Engen & Magnusson, 2015; Yang, Lee, & Cheng, 2016), less is known about how services are actually implemented with the help of FLEs.

Engaging in service innovation implementation (SII) may be viewed as a form of organizational citizenship behavior (OCB), which is defined as individual extra-role behavior that is directed toward the employing organization and employees' co-workers but is not part of the work contract (Podsakoff, Whiting, Podsakoff, & Blume, 2009). Similarly, SII is usually not included in job descriptions and thus is not directly controllable by management. For example, although firms might distribute service scripts that state

E-mail address: [mario.schaarschmidt@uni-koblenz.de](mailto:mario.schaarschmidt@uni-koblenz.de).

<http://dx.doi.org/10.1016/j.emj.2016.02.005>

0263-2373/© 2016 Elsevier Ltd. All rights reserved.

how new services have to be recommended to customers (Nguyen, Groth, Walsh, & Hennig-Thurau, 2014), if and how FLEs adhere to these scripts is often outside of management's knowledge. This situation is similar to those where customer-contact employees hide customer complaints from their supervisors (Harris & Ogbonna, 2010; Walsh, Yang, Dose, & Hille, 2015). Thus, factors known to affect employees' OCBs are likely to affect SII, too.

Research has highlighted the role of perceived external reputation (PER), which is conceptualized as employees' impressions of how outsiders rate their employer in terms of the corporate reputation (Helm, 2011), as a driver of OCB (e.g., Carmeli, 2005; Fuller et al., 2006; Helm, 2013). According to this stream of literature, outsiders' positive evaluations of the employing firm strengthen the employees' belief that they are part of a winning team and prompt them to give something back, which likely occurs in the form of OCBs. Thus, whether or not FLEs engage in implementing service innovations might also be prompted by their levels of PER. However, no research exists that empirically assesses the underlying assumption that PER positively affects SII. Furthermore, while much is known about the potential pathways by which PER affects OCB, such as through job satisfaction (Schaarschmidt, Walsh, & Ivens, 2015) or affective commitment (Carmeli, 2005), research has been anemic on pathways by which PER affects SII. This gap is notable given FLEs' important role in introducing and explaining service innovations (Cadwallader et al., 2010; Crosby, Evans, & Cowles, 1990).

Therefore, the objective of this study is to investigate how employees' tendency to recommend new services is connected to their perceptions of their employer's external reputation and how psychological processes might explain this relation. This research draws on social identity theory (SIT; Sluss & Ashforth, 2007) to predict how PER affects SII and proposes as possible pathways two theoretical perspectives drawn from the innovation literature, namely, the efficiency-oriented perspective and the social-political perspective (Yuan & Woodman, 2010). The findings of this study are relevant for theory and management practice. Concerning theory, this study investigates PER outcomes that have not yet been considered and applies perspectives that are related to innovative work behavior (e.g., West & Farr, 1989) to a service innovation context. Concerning daily management practice, the findings should help service managers to determine the reputation-related conditions under which FLEs offer service innovation recommendations to customers.

## 2. Theoretical background and hypotheses

Service organizations depend on their ability not only to develop new services to gain competitive advantages but also to prudently implement these service innovations into daily practice (Chimhanzi & Morgan, 2005; Somech & Drach-Zahavy, 2013). Service innovation is commonly defined as "the introduction of novel ideas that focus on services that provide new ways of delivering a benefit, new service concepts, or new service business models through continuous operational improvement, technology, investment in employee performance, or management of the customer experience" (Enz, 2012, p. 187). As previously outlined by various researchers, FLEs are pivotal when firms introduce new services (e.g., Bettencourt & Gwinner, 1996; Bowen & Lawler, 1995). In particular, previous research has acknowledged the important role played by customer contact personnel in building customer relationships (e.g., Hennig-Thurau, Groth, Paul, & Gremler, 2006; Menguc, Auh, Fisher, & Haddad, 2013) and transforming management visions into widely used practices, such as by means of an esthetic appearance that reflects the corporate image (e.g., Pounders, Babin, & Close, 2015). Similarly, FLEs become the

ambassadors of their organization when new services are introduced to customers (Löhndorf & Diamantopoulos, 2014; Melton & Hartline, 2010). Whether or not customers will accept the new service offerings is highly dependent on employees' motivation to support or impede their company's strategic initiatives by either recommending new services to or hiding them from customers (Cadwallader et al., 2010; Porter & Smith, 2005).

This research draws on previous work in the context of innovative work behavior (e.g., Schweisfurth & Raasch, 2015; Stock, 2015) and employs an expectancy theory perspective to explain how PER affects SII. Expectancy theory states that people act on the basis of expected outcomes (Vroom, 1964). In particular, according to expectancy theorists, people's choices, persistence, and performance are determined by their belief in how well they will execute a certain activity (e.g., Wigfield & Eccles, 2000). Thus, the more one holds a belief in being able to successfully perform a task, the more excited and happier s/he will be to actually approach the task. Given this context, Yuan and Woodman (2010) distinguish between an efficiency-oriented and a social-political perspective of one's motivation to display innovative work behavior. This research adopts this distinction and treats expected positive performance outcomes (EPO), a reflection of the efficiency-oriented perspective, and expected personal reputation gains (ERG), a reflection of the social-political perspective, as mediators of the PER-SII link, which is consistent with expectancy theory (West & Farr, 1989). The underlying research framework is depicted in Fig. 1.

The objective of this study is to understand the pathways by which PER affects an individual's willingness to promote and recommend new services, thus helping to implement them. There is a consensus among scholars that employees who work for an organization with a highly positive corporate reputation take pride in their membership and feel a sense of glory through their work (e.g., Bartels, Pruyn, de Jong, & Joustra, 2007; Gök, Peker, & Hacıoglu, 2015; Helm, 2013). This view is backed by SIT, which posits that human self-conception is cognitively construed according to the meta-stereotype of each person's social group (Vorauer, Main, & O'Connell, 1998). In line with this view, working for a reputable organization induces social identification with and pride in that organization, which, in turn, motivates employees to display behaviors that favor the organization (Dutton, Dukerich, & Harquail, 1994). Specifically, as employees benefit from their cognitive group-membership in terms of belonging and increased self-esteem, over time, they tend to accumulate obligations toward their employer. In line with SIT and social exchange theory (SET; Cropanzano & Mitchell, 2005), these obligations encourage them to contribute to the retention of their employer's good name by displaying an increased level of pro-organizational behavior, such as by participating in service innovation implementation.

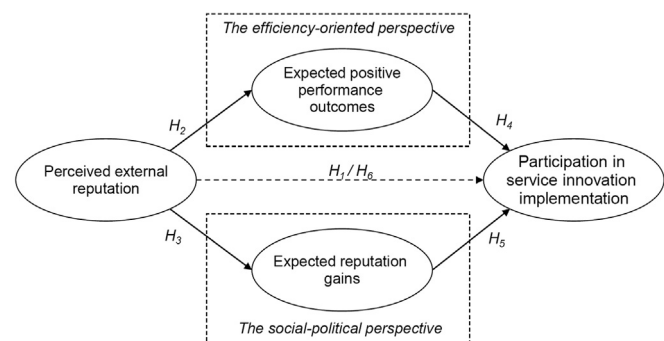


Fig. 1. Conceptual model.

**H1.** Frontline employees' perceived external reputation is associated with service innovation implementation.

The efficiency-oriented perspective assumes that innovation serves the economic function of improving the current global situation and that investment decisions are driven by expected positive performance outcomes (Abrahamson, 1991). According to Yuan and Woodman (2010, p. 325), "expected performance outcomes are positive when employees believe that their innovative behaviors will bring performance improvement or efficiency gains for their work roles or work units." An employee's level of PER stems from how outsiders evaluate the organization, which occurs predominantly along the reputation dimensions, such as being a good employer, being customer oriented, being socially responsible, exhibiting financial soundness and providing innovative products and services (Cravens, Goad Oliver, & Ramamoorti, 2003; Walsh & Beatty, 2007). A favorable corporate reputation is known to be related to superior firm performance (Boyd, Bergh, & Ketchen, 2010; Rindova, Williamson, Petkova, & Sever, 2005), from which an employee might benefit once she is associated with this firm (Cravens & Goad Oliver, 2006). Thus, one's impression of working for a reputable, innovative company raises one's expectations concerning the company's future (innovation) performance. Consequently, there is reason to believe that FLEs' level of PER is congruent with EPO.

**H2.** Frontline employees' perceived external reputation is associated with expected positive performance outcomes.

The social-political perspective introduces an alternative view to performance-oriented reasoning. In essence, the social-political perspective posits that performance expectations are not the sole driver of behavior. Instead, engaging in innovative behavior is treated as a signal, which is sent to the social environment and which helps to harness necessary resources (e.g., social support, status, etc.) from those who are impressed by one's innovative behavior (Leary & Kowalski, 1990). From a PER perspective, employees who perceive their employer as reputable are likely to engage in behaviors that uphold this favorable reputation (Helm, 2013; Schaarschmidt et al., 2015). Building on impression management literature, researchers note that PER might also trigger self-enhancing motives, insofar as individuals may seek to enhance their social image within the organization as a consequence of their felt association with a reputable firm (Morrison & Bies, 1991; Wayne & Liden, 1995). Thus, an engagement to contribute to the employer's "good name" is likely to correlate with ERG on both individual and organizational levels. In line with this assertive impression management view and SIT, FLEs who perceive their employer as reputable also exhibit the tendency to expect personal reputation gains as a result of their group membership.

**H3.** Frontline employees' perceived external reputation is associated with expected reputation gains.

In an organizational context, innovation is a means to increase productivity, decrease error rates and increase work quality, among other benefits and advances. Many organizational innovations also benefit employees, such as devising more thoughtful processes that result in lower dissatisfaction rates among employees (Bettencourt & Brown, 1997; Leblebici, 2012). Expectancy theory suggests that employees are motivated by their own expectations, which induce them to display innovative behavior (Isaac, Zerbe, & Pitt, 2001; Yuan & Woodman, 2010). These expectations are subjective in nature, but there is a consensus that once employees form expectations, they are likely to behave in ways that are beneficial to transforming those expectations into outcomes. For example, service innovation potentially helps the FLE because it can increase

efficiency and reduce the work effort required of the FLE. Thus, in line with the efficiency-oriented view and in accord with Yuan and Woodman (2010), who submit that employees are more likely to engage in innovative behaviors when they expect such behaviors to benefit their work, there is reason to believe that EPO induce FLEs to engage in SII.

**H4.** Expected performance outcomes are associated with service innovation implementation.

The social-political perspective provides an alternative explanation for why people engage in SII. As outlined in the impression management literature, employees may exert defensive or assertive impression management. Whereas the first form resonates with strategies to uphold the established social image and potentially narrows employees' range of innovative behaviors, the latter form represents tactics for deliberately improving the current social image (Bourdage, Wiltshire, & Lee, 2015; Liu, Wang, & Wayne, 2015). This study's focus is on assertive impression management, and it contends that people's expected gains in personal social image or reputation will explain their innovative behaviors, such as recommending new services to customers. For example, employees who submit new ideas in a work context might be driven by a motivation to display their creativity, competence, and talent to supervisors or co-workers. To this end, ERG are a second major driver—along with EPO—behind displays of innovative work behavior. Applied to a service context, this relation seems to be similar. By recommending new services to customers, FLEs display their identification with the new service (Bell & Menguc, 2002), and therefore their attitude toward newness in general, to supervisors and coworkers, which might increase their social standing as being innovative. Thus, in accordance with the social-political view held by expectancy theory, FLEs reputation expectations are associated with SII.

**H5.** Expected reputational gains are associated with service innovation implementation.

PER, EPO, and ERG have all been identified as strong drivers of employees' proneness to recommend new services and thus to help implement them. However, various researchers argue that employees differ in their levels of sensitivity toward their employer's reputation (e.g., Helm, 2013). As an example, although job applicants may be willing to accept lower wages in return for the chance to join a more reputable company (Cable & Turban, 2003), these effects might not hold as other employment factors become more dominant, such as work quality, work-life balance and overall job satisfaction (Mignonac, Herrbach, & Guerrero, 2006; Schaarschmidt et al., 2015). Helm (2013, p. 546) also highlights that employees' varying degrees of sensitivity toward their employer's reputation can explain why people do "not necessarily leave their employer because of a deteriorating reputation and a subsequently unfavorable metastereotype". Thus, so long as they can find other reasons for being proud of their employer or are satisfied with their job, people will stay with a company that has a low public reputation. Similarly, although PER might induce FLEs to display OCBs in terms of recommending new services, their expectations actually drive their participation in SII. Therefore, whereas both EPO and ERG may be triggered by employees' perceptions of how outsiders evaluate their employer's demeanor, it is their expectations that turn states of feelings into innovative behaviors. Thus, it may be expected that both forms of expectations, namely, those driven by performance-enhancing views and those driven by social-political views, together mediate the path from PER to SII.

**H6.** Expected positive performance outcomes and expected reputation gains together mediate the relation between perceived external reputation and service innovation implementation.

### 3. Method

#### 3.1. Data collection and measures

This research began with a review of the pertinent literature and the staging of twelve semi-structured interviews, intentionally designed to cover various service areas (e.g., Financial sector, Fast-Food Restaurant, Retailing, Hotel/Tourism), with German FLEs. The interviews provided support for the notion that employees are able to cognitively separate EPO from ERG. They also revealed that the role of service innovation recommendation is an extra-role behavior, as only a minority of interviewees were explicitly asked by their supervisors to recommend new service offerings. Finally, the respondents provided their concepts of what service innovation consisted of in the area in which they worked.

The authors relied on their initial conceptual framework and conducted two surveys. Both surveys were designed as cross-sectional surveys, as this ensures sufficient variance in the evaluation of different employers reputations (Helm, 2013). Survey 1 was a paper-and-pencil survey among German FLEs working in fashion retailing, as fashion retailing is known as a high customer-contact business (Netemeyer & Maxham, 2007). Over a four-week period, a group of five student assistants directly contacted FLEs in two large German cities at their workplaces and asked if they were willing to complete the questionnaire. To increase the participation likelihood, the respondents could participate in a raffle with chances to win Amazon Vouchers (worth 250 Euros in total). Some questionnaires were filled out immediately, whereas others were taken home for completion by the FLEs and were collected the next day by the student assistants.

Multi-item scales were used for Study 1. PER was measured with a seven-item scale adapted from Helm (2013). The items capture different dimensions of corporate reputation, such as being innovative, being a good employer, and being environmentally oriented (Walsh & Beatty, 2007). The respondents were asked to evaluate how they think outsiders would rate their employer according to the different dimensions. A three-item scale inspired by Cadwallader et al. (2010) captured SII. As service innovation is context-dependent, the questionnaire was accompanied by examples of fashion-specific service innovations, such as new reward programs or club memberships. The items measuring both EPO and ERG were taken from Yuan and Woodman (2010). Except for PER, which was anchored from 1 = 'poor' to 7 = 'excellent', all of the scales ranged from 1 = 'fully disagree' to 7 = 'fully agree' (see Appendix for all items and loadings). The authors also included a set of controls, such as age, gender, education, organizational tenure, and customer contact intensity. The questionnaire was answered by 150 German FLEs. Of the employee respondents, 63 were male and 87 were female. On average, the employees were 30.8 years old and worked 23.8 h per week; only 12.7% used their service job as a second job, and the majority had an organizational tenure of more than 6 years (Table 1). In addition, none of the respondents indicated to have "almost never" contact with customers, while 11.3% indicated to have "seldom" contact with customers. As the data collection method ensured that only employees were contacted that worked in a showroom, the sample might still be considered to meet the definition of FLEs reasonably well.

The aim of Study 2 was to replicate the findings from Study 1 and to increase the external validity by increasing the range of services surveyed beyond fashion retailing. The respondents for the second survey were recruited via Amazon Mechanical Turk, a crowdsourcing platform for business and scientific purposes (MTurk; Bergvall-Kåreborn & Howcroft, 2014). At MTurk, people self-select different tasks on which they want to work, such as annotating pictures or answering surveys. The literature recommended using attention

check questions when using MTurk (Peer, Vosgerau, & Acquisti, 2014). Thus, two attention check questions were included, one at the beginning and one at the end of the questionnaire, which read: "Please answer the following question with 'disagree'". The authors asked for 250 responses to the survey and provided compensation equaling \$7/hour for completion of the questionnaire. As answers from varying service sectors were expected, the provided examples of service innovation included a wider range of newly introduced services, such as self-check-in at airports and hotels, FastOrder at McDonalds, and online-reservations for restaurants. The set of variables and items in Study 1 was duplicated for Study 2. However, whereas the items in Study 1 were given to the respondents in German, Study 2 adhered to the original English items. Furthermore, in Study 2, PER was measured on a different scale, which ranged from 1 = 'poor' to 10 = 'excellent'.

For the second survey, after checking for inappropriate answers (i.e., failing to correctly answer the quality control questions, recording a response time of less than 3 min, not being currently employed in a service sector, having no customer contact, etc.), the procedure led to 205 usable responses from 116 male and 89 female FLEs. On average, the respondents were 35.6 years old, worked 37.8 h per week and had an organizational tenure of 3.6 years. Of the respondents, 27.4% worked a cashier/front desk agent/counter position and 26.2% had a waiter/server/bartender position. The remainder is unequally split across areas such as hospitality, call centers, tourism guides, tech support, and others. Moreover, the respondents generally rated the degree of service innovation in their firm as moderate ( $M = 2.68$ ,  $SD = .96$ , on a scale from 1 = 'rather imitative' to 5 = 'radically new'). Again, the descriptive statistics are depicted in Table 1, whereas the factor loadings are listed in the Appendix.

#### 3.2. Results

##### 3.2.1. Study 1

All items measuring SII, PER, EPO, and ERG went into the confirmatory factor analysis (CFA), which was run with AMOS 23 software, to evaluate the measurement model. This procedure revealed that the model fit the data reasonably well, as indicated by  $\chi^2/df = 1.859$ , the goodness-of-fit-index (GFI) = .88, the Tucker-Lewis-index (TLI) = .93, the comparative-fit-index (CFI) = .95, and the root mean square error of approximation (RMSEA) = .076 (Sharma, Mukherjee, Kumar, & Dillon, 2005). All values for composite reliabilities (CR) were above the recommended threshold of .8. Except for PER, which had an average variance extracted (AVE) of .47, all other constructs exhibited values greater than .5 for the AVE (Appendix). To assess discriminant validity, the Fornell-Larcker criterion was applied (Fornell & Larcker, 1981). In accordance with their suggestion, all square roots of AVE were greater than each correlation with any other model variable. Table 1 reports the correlations and the square root of AVE in the diagonal.

As this study draws on cross-sectional, self-reported data, the possibility of common method variance (CMV) exists, which means that the correlations between independent and dependent variables could be biased as a consequence of having only one source of information (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Various remedies exist to control for and assess the level of CMV. As a procedural a priori method to decrease CMV, different scale anchors for dependent and independent variables were used. Additionally, two post-hoc tests were conducted to assess whether or not CMV affected the data. In particular, an unmeasured and measured (i.e. marker variable) common latent factor method were applied, and their results indicate the absence of CMV (Lindell & Whitney, 2001). First, a CFA-based comparison between regression weights with and without an unmeasured common latent factor revealed no significant difference (no difference above .15).

**Table 1**  
Description of the sample.

Characteristic	Category	Study 1 number	Study 1 percentage	Study 2 number	Study 2 percentage
Gender	Male	66	56%	116	56.6%
	Female	84	44%	89	43.4%
Age	18–29	88	58.7%	76	37.1%
	30–39	26	17.3%	67	32.7%
	40–49	23	15.3%	43	21.0%
	50–59	13	8.7%	15	7.3%
	>60	0	0%	4	1.9%
Education	Secondary modern school	5	3.3%	3	1.4%
	Junior high school	12	8.0%	2	1.1%
	Academic high school	59	39.3%	52	25.4%
	College graduate	31	20.7%	138	67.3%
	Apprenticeship/“Other”	43	28.7%	10	4.8%
Tenure	<6 months	16	10.7%	6	2.9%
	6–12 months	11	7.3%	18	8.8%
	1–3 years	37	24.7%	69	33.7%
	3–6 years	36	24.0%	67	32.7%
	More than 6 years	49	32.7%	45	22.0%
Second job	Yes	19	12.7%	38	18.5%
Contact Intensity	Almost never	0	0%	0	0%
	Seldom	17	11.3%	6	2.9%
	Weekly	25	16.7%	19	9.3%
	Daily	38	25.3%	80	39.0%
	Many times daily	70	46.7%	100	48.8%

Similarly, when a marker variable was used in a CFA – we included a scale for “social desirability”, which is theoretically distinct from all model constructs and which was measured with three items, Cronbach's  $\alpha = .81$  – the difference in regression weights was below .10 (Simmering, Fuller, Richardson, Ocal, & Atinc, 2015).

H1 was tested using SPSS and ordinary least square regressions. SII was regressed on PER and a set of controls, which included age, gender, education dummies, organizational tenure (in years) and contact intensity (ranging from 1 = ‘almost never’ to 5 = ‘many times a day’). The analysis revealed a positive association between PER and SII, as indicated by  $b = .35$  ( $p < .001$ ). None of the controls yielded significance. Thus, H1 is supported based on the results from Study 1.

To assess the indirect effects, we used the SPSS Macro PROCESS developed by Hayes (2013). PROCESS is able to simultaneously handle multiple mediations and uses bootstrapping, which is an advantage over piecemeal procedures such as the Sobel test. It further delivers confidence intervals for indirect effects (Preacher & Hayes, 2008).<sup>1</sup> The authors modeled EPO and ERG as dependent variables and PER as the independent variable, as seen in Table 3, Models 1 and 2. PER is positively associated with EPO ( $b = .35$ ,  $p < .01$ , Model 1). As expected, PER is also associated with ERG, as indicated by  $b = .47$  ( $p < .001$ , Model 2). It is worth noting that organizational tenure has a positive effect on both EPO and ERG. Together, these results provide support for H2 and H3.

Next, SII was treated as the dependent variable, and the regression model included PER, EPO, and ERG as independent variables. Again, the same set of controls was used (Model 3). The resulting model explained approximately 30% of the variance in SII ( $R^2 = 29.6$ ). The path from PER to SII is not significant ( $b = .16$ , ns). EPO is associated with SII ( $b = .26$ ,  $p < .01$ ), and ERG is also associated with SII ( $b = .23$ ,  $p < .01$ ). None of the control variables had a significant influence on SII. The significant influences of EPO and ERG on SII provide support for H4 and H5. Moreover, as the

influence of PER is no longer present when EPO and ERG are included in the model, the prerequisite for a mediation is given (Baron & Kenny, 1986). To quantify the predicted mediation of EPO and ERG on the link between PER and SII, one has to calculate the indirect effects (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). Both indirect effects are significantly different from zero, as indicated by their bootstrap intervals (LLCI = .02 and ULCI = .21 for EPO, and LLCI = .02 and ULCI = .24 for ERG) when 1000 bootstrap samples are used. As the combination of both indirect effects is greater than the direct effect, there is robust support for the fact that EPO and ERG together mediate the link from PER to SII, which supports H6 (Preacher & Hayes, 2004; 2008).

### 3.2.2. Study 2

The same procedures used for Study 1 were used for Study 2. The authors started with a CFA and found similar results compared to Study 1 ( $\chi^2/df = 2.261$ , GFI = .89, TLI = .95, CFI = .96, and RMSEA = .079). Moreover, all values for CR were above .8, and all AVEs reached above the .5 threshold, thus indicating good psychometric properties. As for Study 1, all correlations and squared AVE values are depicted in Table 2. CMV might also be an issue for Study 2. However, the results of the same two tests used in Study 1 confirm that the threat of artificial correlations between independent and dependent variables is negligible.

The same stepwise procedure, using SPSS for H1 and PROCESS for H2–6, was used. The first step confirms Study 1 results, in that PER is positively associated with SII ( $b = .40$ ;  $p < .001$ , all controls from Study 1 included<sup>2</sup>), and provides further support for H1. Table 3 shows the regression results pertaining to H2–6. First, PER is associated with EPO, as indicated by  $b = .37$  ( $p < .001$ , Model 4). None of the controls yielded significance. PER is also associated with ERG ( $b = .51$ ;  $p < .001$ , Model 5). However, as seen in Model 5, age has a slightly negative effect on ERG. Finally, Model 6 provides the full model, which explains approximately 40% of the variance in SII. Age, gender, education, organizational tenure, and contact

<sup>1</sup> A structural equation model with AMOS 23 and a maximum likelihood estimator revealed comparable results to the procedure with PROCESS. For example, a model without controls and without a direct effect of PER on SII revealed the following results for Study 1:  $\chi^2/df = 2.314$ , CFI = .92, RMSEA = .089, PER → EPO:  $\beta = .40$  ( $p < .001$ ), PER → ERG:  $\beta = .46$  ( $p < .001$ ), EPO → SII:  $\beta = .17$  ( $p < .05$ ), ERG → SII:  $\beta = .38$  ( $p < .001$ ).

<sup>2</sup> Note: Compared to Study 1, one Education dummy less was included in the model. This happened because secondary modern school and junior high are not easy for American respondents to differentiate. Thus, both categories were grouped into one group for Study 2.

**Table 2**  
Correlations.

	1	2	3	4
(1) Perceived external reputation	(.69/.77)	.50	.68	.58
(2) Service innovation implementation	.27	(.81/.86)	.55	.56
(3) Expected reputation gains	.43	.47	(.89/.89)	.74
(4) Expected performance outcomes	.36	.40	.67	(.87/.87)

\*Note: Values below the diagonal pertain to Study 1, and values above the diagonal pertain to Study 2. The Values on the diagonal reflect the square roots of AVE (written as Study 1/Study 2).

**Table 3**  
Regression results.

Dependent variable	Study 1			Study 2			
	Model 1 EPO	Model 2 ERG	Model 3 SII	Model 4 EPO	Model 5 ERG	Model 6 SII	
<i>Independent variable</i>							
PER	.35 (.11)**	.49 (.12)***	.15 (.10)	.37 (.05)***	.51 (.04)***	.19 (.06)**	H1/H2/H3
<i>Mediating variable</i>							
ERG			.23 (.08)**			.18 (.09) <sup>x</sup>	H4
EPO			.26 (.08)**			.32 (.09)***	H5
Indirect effect of PER through ERG			[.11 (.05)]			[.09 (.06)]	H6
Indirect effect of PER through EPO			[.09 (.04)]			[.12 (.05)]	H6
<i>Controls</i>							
Gender	-.07 (.22)	-.02 (.23)	-.17 (.18)	.12 (.16)	-.04 (.16)	.24 (.16)	
Age	.01 (.01)	-.01 (.01)	-.01 (.01)	-.01 (.01)	-.02 (.01) <sup>*</sup>	-.01 (.01)	
Education_DUMMY1	.53 (.54)	.24 (.55)	-.64 (.44)	-.18 (.58)	-.82 (.58)	.82 (.60)	
Education_DUMMY2	.37 (.44)	.56 (.44)	-.09 (.35)	.85 (.67)	.86 (.67)	.17 (.68)	
Education_DUMMY3	-.01 (.45)	.30 (.45)	-.01 (.36)	.00 (.19)	.05 (.19)	.13 (.19)	
Education_DUMMY4	-.02 (.48)	.17 (.49)	.44 (.39)	–	–	–	
Organizational tenure	.31 (.11)**	.23 (.11) <sup>*</sup>	-.03 (.09)	.09 (.09)	.04 (.09)	.15 (.08) <sup>x</sup>	
Contact intensity	-.06 (.09)	-.03 (.09)	.12 (.07)	.05 (.11)	-.05 (.11)	.05 (.11)	
R <sup>2</sup>	.24	.20	.34	.28	.41	.39	
N	150	150	150	205	205	205	

Notes: PER = Perceived external reputation; ERG = Expected reputation gains; EPO = Expected performance outcomes; SII = Service innovation implementation; Education\_DUMMY1 = Junior high school; Education\_DUMMY2 = Academic high school; Education\_DUMMY3 = College degree; Education\_DUMMY4 = Apprenticeship. Note that for Study 2, dummy1 and dummy2 were grouped together.

Unstandardized coefficients: <sup>x</sup>p < .1, \*p < .05, \*\*p < .01, \*\*\*p < .001.

intensity did not influence SII. PER is still associated with SII, as indicated by  $b = .19$  ( $p < .001$ ). This result deviated from the parallel result in Study 1, where no significant relation could be observed in the full model (Model 3), which points to partial rather than full mediation (Baron & Kenny, 1986). Further, EPO is positively associated with SII ( $b = .32$ ,  $p < .001$ ), while ERG is only supported on a 90%-significance level ( $b = .18$ ,  $p = .052$ ). In sum, H1–4 receive support again. H5, which pertained to the positive relation between ERG and SII, is not supported on a 95%-significance interval. However, as the 95%-interval is only slightly missed, the results might be interpreted as moderately significant (Bansal & Clelland, 2004). For testing H6, again bootstrapping with 1000 bootstrap samples was used and revealed that the indirect effect of PER on SII through EPO

is significantly different from zero (EPO: LLCI = .03 and ULCI = .25). However, in contrast to Study 1, the indirect effect through ERG is not statistically significant (ERG: LLCI = -.03 and ULCI = .22). Thus, as PER still influences SII, EPO only partially mediates the relation between PER and SII, while ERG does not act as a mediator. Taken together, the results only partly support H6 in Study 2 (Table 4).

#### 4. Discussion and implications

This research began by noting that the pertinent literature neglects aspects of how service innovations are actually implemented. In particular, whereas the role of FLEs in service innovation generation receives significant attention (e.g., Engen & Magnusson,

**Table 4**  
Hypotheses.

Hypotheses		Study 1	Study 2
Hypothesis 1	Frontline employees' perceived external reputation is associated with service innovation implementation.	Supported	Supported
Hypothesis 2	Frontline employees' perceived external reputation is associated with expected performance outcomes.	Supported	Supported
Hypothesis 3	Frontline employees' perceived external reputation is associated with expected reputation gains.	Supported	Supported
Hypothesis 4	Expected performance outcomes are associated with service innovation implementation.	Supported	Supported
Hypothesis 5	Expected reputational gains are associated with service innovation implementation.	Supported	Moderately supported
Hypothesis 6	Expected positive performance outcomes and expected reputation gains together mediate the relation between perceived external reputation and service innovation implementation.	Supported	Partly supported

2015; Karlsson & Skålén, 2015; Santos-Vijande, López-Sánchez, & Rudd, 2015), the role of FLEs in SII is less explored. Thus, this research heeds the call for more studies concerning the role of FLEs in implementing service innovations (Cadwallader et al., 2010). This study also addresses the call by reputation researchers to consider 1) employees as an important stakeholder group (Helm, 2013), and 2) reputation outcomes, which have so far been neglected (Walsh, Bartikowski, & Beatty, 2014). To address these voids, this study introduced a model linking FLEs' PER with their tendency to recommend newly introduced services. Additionally, two possible pathways by which PER affects SII, which are respectively based on an efficiency-oriented perspective and a social-political perspective of innovative work behavior, were identified. Except for H6, which was only partially supported in Study 2, all hypotheses received support across two contexts.

#### 4.1. Implications for theory

This study yielded results that support the argument that PER is associated with SII and that EPO and ERG may mediate this relation. Thus, these results extend the research into PER outcomes. As noted earlier, PER is known to affect employees' feelings and perceptions, including job satisfaction, organizational identification, and membership pride (Helm, 2013; Mishra, 2013; Schaarschmidt et al., 2015). Concerning actual behaviors, however, there are contrasting results. For example, Carmeli (2005) found that PER affects OCB. In contrast, Helm (2011) notes, based on a study that relates PER with affective commitment, that a favorable corporate reputation might affect its employees' feelings but not necessarily what they give back to the firm in terms of pro-organizational behavior. She concludes that although corporate reputation might be relevant for attracting and retaining employees, it might be less relevant for increasing employees' performance.

This study sides with the notion that pro-organizational behaviors, such as recommending new services, *can* be triggered by PER, and it offers two possible pathways based on expectancy theory (Vroom, 1964) to explain this effect: an efficiency-oriented perspective and a social-political perspective. Interestingly (although not hypothesized nor statistically assessed), PER has a stronger effect on ERG than on EPO in both studies. This result suggests that PER might be more relevant in a social-political perspective than in a purely efficiency-oriented view. Thus, employees' ERG are more affected by PER than their EPO, which calls for specific reputation-related incentives when it comes to SII.

As a further contribution to the theory, this research introduces innovation-related mechanisms into reputation research. In particular, two alternative pathways, which explain how PER transforms into innovative behavior, were analyzed (Yuan & Woodman, 2010). Whereas in Study 1, the individual effects of EPO and ERG on SII can be deemed similar in size, Study 2 indicates that the effect of EPO is larger. Thus, Study 2 results imply that performance expectations seem to be a stronger driver of employees' willingness to help implement new services than reputation-related expectations. Given the cross-cultural overall research design, whether or not the difference between the results of Study 1 and Study 2 is affected by cultural differences could be subject to future research. Thus, analyzing the relative strengths of the different pathways in more detail and across different cultures and service settings could be a fruitful future research direction. In addition, future research might address moderators of the links between EPO and SII, and ERG and SII. Here, dissatisfaction with status quo (for EPO-SII link) and an employee's reputation as innovative (for the ERG-SII link) could act

as potential moderators (Yuan & Woodman, 2010).

Finally, this study contributes to the discussion on how SII may be triggered. As noted earlier, relatively little research is concerned with SII (Cadwallader et al., 2010). This research adds to this literature by showing how PER affect SII. Future studies could identify and test sets of influences grouped into job demands and job resources (see Walsh et al., 2015), to compare drivers and impediments towards SII.

#### 4.2. Implications for management

Firms have acknowledged the important role played by their reputations in fast-changing markets (Dowling & Moran, 2012). Concerning the organizational workforce, it is known that a favorable employer reputation attracts job applicants (Turban, Forret, & Hendrickson, 1998). Management is also aware of varying positive effects being generated when employees perceive their employer as reputable. Indeed, these perceptions might transform into organizational identification and pro-organizational behaviors (Fu, Li, & Duan, 2014; O'Reilly & Chatman, 1986; Piercy, Cravens, Lane, & Vorhies, 2006). However, this study also suggests that FLEs' behavior might be affected by their evaluation of how outsiders rate the FLEs' employing organization. This is notable because FLEs in particular are confronted with a wider range of reputation-related information. FLEs are constantly engaged in customer interactions, which involve both praise and complaints (Dudenhöffer & Dormann, 2013; Walsh et al., 2015); both types of feedback affect employees' level of PER. Thus, FLEs are faced with reputation discrepancies between what they perceive from working with their colleagues and supervisors and what they derive from interacting with customers.

From a management perspective, this study provides at least three important implications for daily practice. First, firms invest in service innovation generation but often fail to implement these innovations at the employee level (Cadwallader et al., 2010). A typical method of fostering implementation would be to reward extra-role behaviors, such as service innovation recommendations, or enforce such behaviors by requiring the use of service scripts. However, whereas the first approach is quite costly, the latter requires investments in control systems (Schepers, Falk, de Ruyter, de Jong, & Hammerschmidt, 2012). This research suggests that PER is a driver of SII, as mediated by EPO and ERG. Thus, managers are well-advised to exemplify the corporate reputation to employees to stimulate pro-organizational behavior. In particular, managers could encourage employees to read and post positive evaluations of their company on employer-rating platforms (e.g., kununu.de). Second, managers could establish regular "all-hands" feedback sessions with their employees wherein customer complaints against the company and/or the services it provides are reviewed and discussed. Customer complaints highlight and can enhance the discrepancy between the company's reputation as communicated by the employer and as held by the customers, which eats into the employees' overall PER. Putting the different opinions into perspective might result in a more congruent perception of the corporate reputation. Finally, the results suggest that through expected reputation gains, a competition among employees can be established (Cummings & Oldham, 1997). In particular, FLEs engage in SII because they expect to increase their supervisors' and co-workers' evaluation of their status as being innovative (Yuan & Woodman, 2010). Thus, recommending new services might create conditions of increased social pressure and prompt co-workers to likewise engage in SII. Management can support such a

competition by openly recognizing them when employees deliver high levels of service innovation recommendations (e.g., awarding him/her with the title or award of “service innovation recommender of the month”).

#### 4.3. Limitations and future research

Several limitations are worth mentioning. First, this research uses cross-sectional, self-reported data in both studies. This choice was motivated by the fact that employees at the same organization would likely all exhibit similar levels of PER. Nevertheless, future studies could replicate these findings in mono-organizational settings. Second, this study did not use predictive data to test the mediation hypothesis. Thus, the nature of the study design limits any implication for causality (Stone-Romero & Rosopa, 2008). Future studies could perform further investigations both qualitatively, in terms of determining how long it takes PER to affect SII, and quantitatively, in terms of determining whether this study's results remain stable in a predictive research setting. Third, a dyadic survey design could capture how customers adopt service recommended by FLEs and whether or not they trust an employee more

than other sources of information (e.g., online ratings). Fourth, although CMV was shown as not having an effect on this study's results, supervisors might be a good alternative source for assessing FLEs service recommending behavior in future studies. Finally, whether or not employees promote new services may be a function of service scripts to which they have to adhere. Future studies could investigate the effect service scripts have on employees' tendency to help implement new services. On a related note, research on FLEs would generally benefit from more conceptual work concerning the meaning of “frequent customer interactions” in different service settings.

#### Acknowledgments

I thank Saskia Neumann for helping coordinating the data collection for Study 1. I also thank two anonymous reviewers for their insightful comments.

#### Appendix

	Factor loadings (CFA) Study 1	Factor loadings (CFA) Study 2
<i>Perceived external reputation (adapted from Helm, 2013)</i> (1 = poor; 7 = excellent) [1 = poor; 10 = excellent; in Study 2]	AVE = .47 CR = .86	AVE = .59 CR = .91
Quality of product/services	.65	.76
Innovativeness	.52	.79
Ability to attract, develop, and retain talented employees	.78	.84
Wise use of corporate assets	.82	.80
Responsibility for the community and the environment	.55	.61
Financial soundness	.63	.72
Long-term investment value	.80	.82
<i>Service innovation implementation (adapted from Cadwallader et al., 2010)</i> (1 = fully disagree; 7 = fully agree)	AVE = .66 CR = .84	AVE = .83 CR = .94
I recommend service innovations to this dealership's customers.	.96	.95
I intend to recommend service innovations to this dealership's customers in the future.	.94	.94
I say positive things about our service innovations to third parties.	.43	.83
<i>Expected reputation gains (adapted from Yuan &amp; Woodman, 2010)</i> (1 = fully disagree; 7 = fully agree)	AVE = .79 CR = .94	AVE = .79 CR = .94
If I were to do something innovative, my standing in the organization would be enhanced.	.88	.90
Researching new technologies or techniques for the organization's use will make me look good.	.89	.92
Participating in the implementation of new ideas will improve my standing in the organization.	.91	.89
Suggesting new ways to achieve goals will improve my supervisor's evaluation of me.	.86	.84
<i>Expected performance outcomes (adapted from Yuan &amp; Woodman, 2010)</i> (1 = fully disagree; 7 = fully agree)	AVE = .76 CR = .90	AVE = .76 CR = .90
The more innovative I am, the better my job performance.	.86	.93
Coming up with creative ideas helps me do well in my job.	.88	.91
My work unit will perform better if I often suggest new ways to achieve objectives.	.87	.77

Notes: Standardized factor loadings; All factor loadings are significant at  $p < .01$ ; CFA = confirmatory factor analysis; CA = Cronbach's Alpha; CR = Composite reliability; AVE = Average variance extracted.



## References

- Abrahamson, E. (1991). Managerial fads and fashions: the diffusion and rejection of innovations. *Academy of Management Review*, 16, 586–612.
- Bansal, P., & Clelland, I. (2004). Talking trash: legitimacy, impression management, and unsystematic risk in the context of the natural environment. *Academy of Management Journal*, 47(1), 93–103.
- Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173.
- Bartels, J., Pruyun, A., de Jong, M., & Joustra, I. (2007). Multiple organizational identification levels and the impact of perceived external prestige and communication climate. *Journal of Organizational Behavior*, 28, 173–190.
- Bell, S. J., & Menguc, B. (2002). The employee–organization relationship, organizational citizenship behaviors, and superior service quality. *Journal of Retailing*, 78(2), 131–146.
- Bergvall-Kåreborn, B., & Howcroft, D. (2014). Amazon Mechanical Turk and the commodification of labour. *New Technology, Work and Employment*, 29(3), 213–223.
- Bettencourt, L. A., & Brown, S. W. (1997). Contact employees: relationships among workplace fairness, job satisfaction and prosocial service behaviors. *Journal of Retailing*, 73(1), 39–61.
- Bettencourt, L. A., & Gwinner, K. (1996). Customization of the service experience: the role of the frontline employee. *International Journal of Service Industry Management*, 7(2), 3–20.
- Blank, C. (2014). *Burgers by design*. <http://www.qsrmagazine.com/exclusives/burgers-design>. last access August 2015.
- Bourdage, J. S., Wiltshire, J., & Lee, K. (2015). Personality and workplace impression management: correlates and implications. *Journal of Applied Psychology*, 100(2), 537.
- Bowen, D. E., & Lawler, E. E. (1995). *Empowering service employees*. Cambridge, MA: MIT Press.
- Boyd, B. K., Bergh, D. D., & Ketchen, D. J. (2010). Reconsidering the reputation—performance relationship: a resource-based view. *Journal of Management*, 36(3), 588–609.
- Cable, D., & Turban, D. B. (2003). The value of organizational reputation in the recruitment context: a brand equity perspective. *Journal of Applied Social Psychology*, 33, 2244–2266.
- Cadwallader, S., Jarvis, C. B., Bitner, M. J., & Ostrom, A. L. (2010). Frontline employee motivation to participate in service innovation implementation. *Journal of the Academy of Marketing Sciences*, 38, 219–239.
- Carmeli, A. (2005). Perceived external prestige, affective commitment, and citizenship behaviors. *Organization Studies*, 26(3), 443–464.
- Chimhanzi, J., & Morgan, R. E. (2005). Explanations from the marketing/human resources dyad for marketing strategy implementation effectiveness in service firms. *Journal of Business Research*, 58, 787–796.
- Cravens, K. S., & Goad Oliver, E. (2006). Employees: the key link to corporate reputation management. *Business Horizons*, 49(4), 293–302.
- Cravens, K., Goad Oliver, E., & Ramamoorti, S. (2003). The reputation index: measuring and managing corporate reputation. *European Management Journal*, 21(2), 201–212.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: an interdisciplinary review. *Journal of Management*, 31(6), 874–900.
- Crosby, L. A., Evans, K. R., & Cowles, D. (1990). Relationship quality in services selling: an interpersonal influence perspective. *Journal of Marketing*, 54(3), 68–81.
- Cummings, A., & Oldham, G. R. (1997). Enhancing creativity: managing work contexts for the high potential employee. *California Management Review*, 40(1), 22.
- Dowling, G., & Moran, P. (2012). Corporate reputations. *California Management Review*, 54(2), 25–42.
- Dudenhöffer, S., & Dormann, C. (2013). Customer-related social stressors and service providers' affective reactions. *Journal of Organizational Behavior*, 34(4), 520–539.
- Dutton, J. E., Dukerich, J. M., & Harquail, C. V. (1994). Organizational images and member identification. *Administrative Science Quarterly*, 39(2), 239–263.
- Engen, M., & Magnusson, P. (2015). Exploring the role of frontline employees as innovators. *Service Industries Journal*, 35(6), 303–324.
- Enz, C. A. (2012). Strategies for the implementation of service innovations. *Cornell Hospitality Quarterly*, 53(3), 187–195.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 39–50.
- Fu, H., Li, Y., & Duan, Y. (2014). Does employee perceived reputation contribute to citizenship behaviour? The mediating role of organizational commitment. *International Journal of Contemporary Hospitality Management*, 26(4), 593–609.
- Fuller, J. B., Hester, K., Barnett, T., Frey, L., Relyea, C., & Beu, D. (2006). Perceived external prestige and internal respect: new insights into the organizational identification process. *Human Relations*, 59(6), 815–846.
- Gök, O., Peker, S., & Hacıoglu, G. (2015). The marketing department's reputation in the firm. *European Management Journal*, 33(5), 366–380.
- Harris, L. C., & Ogbonna, E. (2010). Hiding customer complaints: studying the motivations and forms of service employees' complaint concealment behaviours. *British Journal of Management*, 21(2), 262–279.
- Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. New York, NY: Guilford Press.
- Helm, S. (2011). Employees' awareness of their impact on corporate reputation. *Journal of Business Research*, 64, 657–663.
- Helm, S. (2013). A matter of reputation and pride: associations between perceived external reputation, pride in membership, job satisfaction and turnover intentions. *British Journal of Management*, 24(4), 542–556.
- Hennig-Thurau, T., Groth, M., Paul, M., & Gremler, D. D. (2006). Are all smiles created equal? How emotional contagion and emotional labor affect service relationships. *Journal of Marketing*, 70(3), 58–73.
- Isaac, R. G., Zerbe, W. J., & Pitt, D. C. (2001). Leadership and motivation: the effective application of expectancy theory. *Journal of Managerial Issues*, 212–226.
- Karatepe, O. M., & Kilic, H. (2009). The effects of two directions of conflict and facilitation on frontline employees' job outcomes. *Service Industries Journal*, 29(7), 977–993.
- Karlsson, J., & Skälén, P. (2015). Exploring front-line employee contributions to service innovation. *European Journal of Marketing*, 49(9/10), 1346–1365.
- Leary, M. R., & Kowalski, R. M. (1990). Impression management: a literature review and two-component model. *Psychological Bulletin*, 107, 34–47.
- Leblebici, D. (2012). Impact of workplace quality on employee's productivity: case study of a bank in Turkey. *Journal of Business Economics and Finance*, 1(1), 38–49.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86(1), 114–121.
- Liu, D., Wang, S., & Wayne, S. J. (2015). Is being a good learner enough? An examination of the interplay between learning goal orientation and impression management tactics on creativity. *Personnel Psychology*, 68(1), 109–142.
- Löhndorf, B., & Diamantopoulos, A. (2014). Internal branding social identity and social exchange perspectives on turning employees into brand champions. *Journal of Service Research*, 17(3), 310–325.
- MacKinnon, D. P., Lockwood, C. M., Hoffman, J. M., West, S. G., & Sheets, V. (2002). A comparison of methods to test mediation and other intervening variable effects. *Psychological Methods*, 7, 83–104.
- McKnight, R., & Hawkrigg, J. (2005). Leading the human side of change. *Canadian HR Reporter*, 18(21), 17–19.
- Melton, H. L., & Hartline, M. D. (2010). Customer and frontline employee influence on new service development performance. *Journal of Service Research*, 13(4), 411–425.
- Menguc, B., Auh, S., Fisher, M., & Haddad, A. (2013). To be engaged or not to be engaged: the antecedents and consequences of service employee engagement. *Journal of Business Research*, 66(11), 2163–2170.
- Mignonac, K., Herrbach, O., & Guerrero, S. (2006). The interactive effects of perceived external prestige and need for organizational identification on turnover intentions. *Journal of Vocational Behaviour*, 69, 477–493.
- Mishra, S. K. (2013). Perceived external prestige and employee outcomes: mediation effect of organizational identification. *Corporate Reputation Review*, 16(3), 220–233.
- Morrison, E. W., & Bies, R. J. (1991). Impression management in the feedback-seeking process: a literature review and research agenda. *Academy of Management Review*, 16(3), 522–541.
- Netemeyer, R. G., & Maxham, J. G. (2007). Employee versus supervisor ratings of performance in the retail customer service sector: differences in predictive validity for customer outcomes. *Journal of Retailing*, 83(1), 131–145.
- Nguyen, H., Groth, M., Walsh, G., & Hennig-Thurau, T. (2014). The impact of service scripts on customer citizenship behavior and the moderating role of employee customer orientation. *Psychology & Marketing*, 31(12), 1096–1109.
- Ordanini, A., & Parasuraman, A. (2011). Service innovation viewed through a service-dominant logic lens: a conceptual framework and empirical analysis. *Journal of Service Research*, 14(1), 3–23.
- O'Reilly, C., & Chatman, J. (1986). Organizational commitment and psychological attachment: the effects of compliance, identification and internalization on prosocial behavior. *Journal of Applied Psychology*, 71, 492–499.
- Paton, R. A., & McLaughlin, S. (2008). Services innovation: knowledge transfer and the supply chain. *European Management Journal*, 26(2), 77–83.
- Peer, E., Vosgerau, J., & Acquisti, A. (2014). Reputation as a sufficient condition for data quality on Amazon Mechanical Turk. *Behavior Research Methods*, 46, 1023–1031.
- Piercy, N. F., Cravens, D. W., Lane, N., & Vorhies, D. W. (2006). Driving organizational citizenship behaviors and salesperson in-role behavior performance: the role of management control and perceived organizational support. *Journal of the Academy of Marketing Science*, 34, 244–262.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. (2003). Common method bias in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Podsakoff, N. P., Whiting, S. W., Podsakoff, P. M., & Blume, B. D. (2009). Individual- and organizational-level consequences of organizational citizenship behaviors: a meta-analysis. *Journal of Applied Psychology*, 94(1), 122–141.
- Porter, T. W., & Smith, D. C. (2005). Tactical implementation and Murphy's law: factors affecting the severity of problems. *Journal of Business Research*, 58, 1702–1711.
- Pounders, K., Babin, B. J., & Close, A. G. (2015). All the same to me: outcomes of aesthetic labor performed by frontline service providers. *Journal of the Academy of Marketing Sciences*, 43(6), 670–693.
- Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior Research Methods, Instruments, & Computers*, 36(4), 717–731.

- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879–891.
- Rindova, V., Williamson, I., Petkova, A., & Sever, J. (2005). Being good or being known: an empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal*, 48, 1033–1050.
- Rust, R. T., & Huang, M. H. (2012). Optimizing service productivity. *Journal of Marketing*, 76(2), 47–66.
- Santos-Vijande, M. L., López-Sánchez, J.Á., & Rudd, J. (2015). Frontline employees' collaboration in industrial service innovation: routes of co-creation's effects on new service performance. *Journal of the Academy of Marketing Science*, 1–26.
- Schaarschmidt, M., Walsh, G., & Ivens, S. (2015). Perceived external reputation as a driver of organizational citizenship behavior: replication and extension. *Corporate Reputation Review*, 18(4), 314–336.
- Schepers, J., Falk, T., de Ruyter, K., de Jong, A., & Hammerschmidt, M. (2012). Principles and principals: do customer stewardship and agency control compete or complement when shaping frontline employee behavior. *Journal of Marketing*, 76, 1–20 (November).
- Schweisfurth, T. G., & Raasch, C. (2015). Embedded lead users—the benefits of employing users for corporate innovation. *Research Policy*, 44(1), 168–180.
- Service Innovation Cases. (2015). *Smart personalisation service from Burberry*. <https://serviceinnovationcases.wordpress.com/>. last access: September 2015.
- Sharma, S., Mukherjee, S., Kumar, A., & Dillon, W. (2005). A simulation study to investigate the use of cutoff values for assessing model fit in covariance structure models. *Journal of Business Research*, 58(7), 935–943.
- Simmering, M. J., Fuller, C. M., Richardson, H. A., Ocal, Y., & Atinc, G. M. (2015). Marker variable choice, reporting, and interpretation in the detection of common method variance: a review and demonstration. *Organizational Research Methods*, 18(3), 473–511.
- Singh, J. (2000). Performance productivity and quality of frontline employees in service organizations. *Journal of Marketing*, 64(2), 15–34.
- Sluss, D. M., & Ashforth, B. E. (2007). Relational identity and identification: defining ourselves through work relationships. *Academy of Management Review*, 32(1), 9–32.
- Somech, A., & Drach-Zahavy, A. (2013). Translating team creativity to innovation implementation: the role of team composition and climate for innovation. *Journal of Management*, 39(3), 684–708.
- Stock, R. M. (2015). Is Boreout a threat to frontline employees' innovative work behavior? *Journal of Product Innovation Management*, 32(4), 574–592.
- Stone-Romero, E. F., & Rosopa, P. J. (2008). The relative validity of inferences about mediation as a function of research design characteristics. *Organizational Research Methods*, 11(2), 326–352.
- Turban, D. B., Forret, M. L., & Hendrickson, C. L. (1998). Applicant attraction to firms: influences of organization reputation, job and organizational attributes, and recruiter behaviors. *Journal of Vocational Behavior*, 52(1), 24–44.
- Vorauer, J. D., Main, K. J., & O'Connell, G. B. (1998). How do individuals expect to be viewed by members of lower status groups? Content and implications of meta-stereotypes. *Journal of Personality and Social Psychology*, 75(4), 917–937.
- Vroom, V. H. (1964). *Work and motivation*. New York, NY: Wiley.
- Walsh, G. (2011). Unfriendly customers as a social stressor—an indirect antecedent of service employees' quitting intention. *European Management Journal*, 29(1), 67–78.
- Walsh, G., Bartikowski, B., & Beatty, S. E. (2014). Impact of customer-based corporate reputation on non-monetary and monetary outcomes: the roles of commitment and service context risk. *British Journal of Management*, 25(2), 166–185.
- Walsh, G., & Beatty, S. E. (2007). Customer-based corporate reputation of a service firm: scale development and validation. *Journal of the Academy of Marketing Science*, 35, 127–143.
- Walsh, G., Yang, Z., Dose, D., & Hille, P. (2015). The effect of job-related demands and resources on service employees' willingness to report complaints Germany versus China. *Journal of Service Research*, 18(2), 193–209.
- Wayne, S. J., & Liden, R. C. (1995). Effects of impression management on performance ratings: a longitudinal study. *Academy of Management Journal*, 38(1), 232–260.
- West, M. A., & Farr, J. L. (1989). Innovation at work: psychological perspectives. *Social Behavior*, 4, 15–30.
- Wigfield, A., & Eccles, J. S. (2000). Expectancy–value theory of achievement motivation. *Contemporary Educational Psychology*, 25(1), 68–81.
- Wilder, K. M., Collier, J. E., & Barnes, D. C. (2014). Tailoring to customers' needs: understanding how to promote an adaptive service experience with frontline employees. *Journal of Service Research*, 17(4), 446–459.
- Yang, Y., Lee, P. K., & Cheng, T. C. E. (2016). Continuous improvement competence, employee creativity, and new service development performance: a frontline employee perspective. *International Journal of Production Economics*, 171, 275–288.
- Yuan, F., & Woodman, R. W. (2010). Innovative behavior in the workplace: the role of performance and image outcome expectations. *Academy of Management Journal*, 53(2), 323–342.
- Zeithaml, V., Bitner, M. J., & Gremler, D. D. (2006). *Services marketing: Integrating customer focus across the firm*. Boston, MA: McGraw-Hill/Irwin.