The Role of Recognition in Increasing Customer Oriented Citizenship Behaviors

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Abstract

Using survey responses from 3,508 service employees of a large Canadian charter bank, we tested the impact of employee perceptions of recognition on their customer oriented citizenship behaviors. We found that recognition influences attitudes and behavior through three main mechanisms: (1) Employees' perceptions of manager recognition behavior; (2) perceptions of peer recognition behavior; and (3) employees' understanding of the behaviors that are recognized. As employees' positive impressions of these behaviors increased, higher levels of customer oriented citizenship behavior was reported in the branch. The contribution of this article lies in our finding that the effect of manager recognition is not direct but only indirect through changes in perceived organizational support and leader-member exchange. Our results confirm the importance of recognition in service organizations.

Keywords: Organizational Citizenship Behaviors, Employee Recognition, Perceived Organizational Support, Leader-Member Exchange.

Introduction

Customer satisfaction is a critical factor in the success of any business, particularly in a service industry such as retail banking, the industry studied in this paper. People do purchase products (e.g. loans, credit cards, etc.) from a bank, however banking is fundamentally a service industry and therefore faces the same issues as many more "pure" service industries (e.g., food service, hospitality, etc.). This implies that although there is significant technical knowledge required to perform banking transactions, front line employees must also provide high levels of customer service. Therefore, managers in the banking industry need to find ways to motivate their employees to engage in high quality customer service behaviors.

One of the unique challenges of providing high quality service in this type of organization is that service interactions vary greatly over time. This means that challenging situations may arise which are unexpected, and therefore difficult to script in a job description (Van Dyne & LePine, 1998). While some behaviors such as smiling, greeting the customer by name, and similar behaviors can be contracted for ex-ante in a job description, it is unlikely that all of the requirements of good service can be known in advance. The fact that desired behaviors cannot be foreseen and specified in advance reduces the effectiveness of traditional "do this/get that" types of incentive programs. Without the ability of a traditional control system to drive specific behavior, branch management must determine other ways to encourage positive service behaviors.

Higher levels of customer service are often delivered by employees going "above and beyond" their normal job requirements. In a service context, these behaviors are known as customer oriented citizenship behaviors (Bettencourt, Gwinner, & Meuter, 2001). Research on the service-profit chain has shown that these behaviors will lead to higher levels of customer satisfaction and therefore higher profits (Heskett & Schlesinger, 1997). This article focuses on how employee recognition can encourage these behaviors.

We define recognition as any action that highlights a set of positive behaviors displayed by the employee, provided with or without tangible rewards attached. Clearly recognition, particularly recognition that is accompanied by some tangible reward has motivational power, and can promote desired behavior. However, due to the variability of service encounters, plain behavior modification (Luthans & Stajkovic, 1999; Scott & Podsakoff, 1985; Skinner, 1969; Stajkovic & Luthans, 1997) might not be sufficient to lead to optimal service behavior.

Traditional behavior modification theories characterize the employment relationship as mostly financial, a largely transactional pay for performance scheme. A substantial amount of research has shown that increased citizenship behaviors come about from a more social relationship (Shore & Wayne, 1993; Wayne, Shore, & Liden, 1997). This article explores how employee perception of specific recognition behaviors improves the employee's social relationship with a firm. In other words, how perceptions of recognition behavior effects the way in which employees perceive their personal relationship with the organization which in turn drives citizenship behavior.

While the fact that high levels of Perceived Organizational Support (POS) and Leader Member Exchange (LMX) lead to more citizenship behaviors is well established by previous research, the contribution of this article is that we show that these relational constructs *mediate* the relationship between recognition and the provision of citizenship behaviors. Thus, the effect of recognition on behavior is only *indirect* rather than a direct effect that would be predicted by traditional reinforcement theory (Luthans & Stajkovic, 2000; Skinner, 1969; Stajkovic & Luthans, 1997).

Using survey data from 3,508 branch employees of a large Canadian charter bank, we found that positive employee perceptions of the recognition behaviors of branch managers led to a higher incidence of customer oriented citizenship behaviors. We also found that a clear understanding of the behaviors that lead to the receipt of recognition also led to more desirable customer service behaviors. In addition, we found strong evidence that peer recognition, defined as recognition provided directly by co-workers, also had a positive influence on service employees' citizenship behavior.

Theory and Hypotheses

Customer Oriented Citizenship Behaviors

Bettencourt and colleagues (2001) identified three citizenship behaviors that are relevant to customer service organizations, arguing that "service companies have special requirements on dimensions related to dealing with customers and representing the organization to outsiders" (p 29). The first set of behaviors was called *loyalty behaviors,* wherein boundary spanning employees promote the organization's services, products, and image to outsiders. In addition, these employees provide a link between external stakeholders and the internal functioning of the organization and assist the organization in adjusting to customers' needs and suggestions. This construct is very similar to the organizational citizenship construct of boosterism (Organ, 1988). The next set of behaviors were called *participation behaviors* – "taking individual initiative, especially in communications, to improve service delivery by the organization, coworkers, and oneself" (Bettencourt et al., 2001, p. 30). This construct is closest to the idea of voice in Organ's work. Finally, there are *service delivery behaviors,* related to the level of conscientiousness of service employees in performing their role, attending to customer needs, and displaying reliable and courteous behaviors. This construct is unique to customer oriented service behaviors.

There is some disagreement regarding what qualifies as citizenship behavior (frequently called extra-role behaviors) vs. what is expected by firm management (frequently called in-role behaviors), particularly in service organizations. Rather than engage in this debate, we follow Podsakoff and MacKenzie (1997) who defined extra-role behavior as anything not explicitly described in the job functions, trained, or *explicitly* rewarded or punished by the organization. We asked the respondents to our survey to consider behaviors that were not explicitly required in their job descriptions or explicitly rewarded as citizenship behaviors.

Recognition plays a significant role in triggering extra-role behaviour because employees who have good relationships with the organization and their manager will be more likely to perform organizational citizenship behaviours (OCBs) as a manner of reciprocation (Gouldner, 1960). Employees who perform OCBs and are recognized for them will perceive stronger relationships with their employer and manager, leading to more of these behaviors. A number of studies suggest that it is only when employees perceive that their managers recognize OCBs that such behaviors will be displayed and sustained over time (Allen & Rush, 1998; Hui, Lam, & Law, 2000; Levy & Haworth, 2001). Based upon this rationale, we predict the following direct effect.

> *Hypothesis 1: As employee evaluations of recognition behaviors improve, employees will display higher levels of customer oriented citizenship behaviors.*

The Indirect Effect of Recognition

Rather than a simple direct effect as would be predicted by reinforcement theories (Luthans & Stajkovic, 1999; Skinner, 1969; Stajkovic & Luthans, 1997), we hypothesize that these recognition behaviors lead to customer oriented citizenship behaviors only indirectly, through their effect on the employee-employer relationship variables of perceived organizational support (POS) and Leader-Member Exchange (LMX). This is the major contribution of this paper. We discuss these constructs and their relationship to citizenship behaviors in this section.

Perceived organizational support. Eisenberger and colleagues (1986) developed the construct of perceived organizational support (POS) based on social exchange theory (Blau, 1964). This construct represents employee beliefs about how valued they are by their organization and how committed their organization is to them (Eisenberger, Fasolo, & Davis-LaMastro, 1990). Employees form these beliefs in order to meet their needs for approval, affiliation, and esteem and to determine the organization's readiness to reward their effort, which in turn increases the individual's involvement and identification with the organization (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001).

Recognition behaviors that are perceived positively by the employee will increase how supported an employee feels. When the organization provides these recognition behaviors it will reinforce feelings of being valued. We believe therefore, that when employees have positive impressions of the recognition behaviors of employees of the firm (e.g. timeliness, consistency, etc.), employees will perceive higher levels of organizational support.

Aselage and Eisenberger (2003) found that well-treated employees perceived higher levels of support from the organization, causing employees to exceed their explicitly required work responsibilities (go above and beyond). Perceived organizational support has also been shown to impact service quality and other service related behaviors (Wayne, Shore, Bommer, & Tetrick, 2002). Finally, Eisenberger, Fasolo, and Davis-LaMastro (1990) found that employees who perceive high levels of support from their organization provided more constructive suggestions for improving the job tactics and procedures. Finally, and most relevant to our study, employees with high POS also demonstrate more behavior that can be described as "above and beyond" their normal job description (Eisenberger et al., 1986). All of the above behaviors would be considered customer oriented citizenship behavior.

Leader member exchange. Leader-Member Exchange theory (LMX) was developed as a relationship based explanation of leadership (Dansereau, Graen, & Haga, 1975). This theory was developed based on the belief that leaders develop unique types of relationships with subordinates that move along a continuum from low-quality relations to high quality relations. In other words, subordinates can relate with their managers based strictly on the transactional part of their employment (low LMX), or the relationship can be based on social-exchanges, recognition, and mutually beneficial interactions (high LMX). High leader-member exchange relationships occurs when each party offers something valuable to the other party, and the exchanges are seen as fair and equitable (Graen & Uhl-Bien, 1995). Past research has shown that specific types of treatment influence LMX which in turn facilitate organizational citizenship behaviors.

Manager-Employee relationships also vary in terms of the *amount* of support exchanged between superiors and subordinates. The more value employees assign to the items exchanged with their supervisors, the higher the quality of the LMX relationship (Wayne et al., 1997). We claim that the foundation for such constructive relationships is that supervisors notice and recognize positive employee behaviors in a consistent and timely manner. Therefore, recognition can be crucial in facilitating positive relationships (high LMX) between the employee and their managers.

As the LMX relationship develops, the norm of reciprocity becomes dominant as the relationship moves from a solely economic exchange to a more social exchange. In a relationship where the leader provides employees with recognition, employees will reciprocate by engaging in behaviors that directly benefit the leader, going above and beyond normal role expectations (Scandura & Graen, 1984). Therefore, employees benefiting from a high quality relationship with their immediate manager will engage in more customer oriented citizenship behaviors.

As we have stated earlier, the types of service behavior in which employees engage is difficult, if not impossible, to contract for ex-ante. Service interactions vary and it may be the case that behavior that is positive in one instance would not work in others. What is needed in this type of environment is for service employees to be creative in their interaction with customers. We believe that this form of creativity is not amenable to strict reinforcement and extrinsic rewards (Amabile, 1998; Amabile, Hennessey, & Grossman, 1986; Hennessey & Amabile, 1998). We believe instead that creative service behavior can only be engendered in employees by creating a positive attitude towards the firm and their managers through recognition for good behavior in general rather than rewards for specific behavior. Thus, we offer these hypotheses regarding mediation.

Hypothesis 2a: POS will mediate the relationship between employees' attitudes towards recognition behaviors and service-oriented OCBs.

Hypothesis 2b: LMX will mediate the relationship between employees' attitudes towards recognition behaviors and service-oriented OCBs.

Method

To test our hypotheses, we administered an on-line survey to employees of a large Canadian charter bank. Participation in our survey made them eligible to enter a lottery for 500 reward points (worth about $50) in their recognition program.

Measures

In our search of existing literature, we found no scale that we believed could be used to assess employee opinions of recognition, therefore we developed our own. To do this, we interviewed front line employees and managers at six different branches of the bank in the local area of the research team. We performed a thematic analysis of this data and created a fourteen question scale. Perceived Organizational Support was measured using a short version of the Survey of Perceived Organizational Support consisting of six items developed by Eisenberger and colleagues (1990). As past research has found that justice perceptions (particularly procedural justice) are antecedents to perceived organizational support (Moorman, Blakely, & Niehoff, 1998; Shore & Shore, 1995) we also asked distributive and procedural justice questions from Colquitt et al. (2001). Leader Member Exchange (LMX) was measured using the 12 item modified scale developed by Wayne and colleagues (2002), which they adjusted from the seven-item scale reported by Scandura and Graen (1984). We measured customer oriented citizenship behavior using the sixteen-item scale developed by Bettencourt and colleagues (2001). All responses were gathered on a 5-point likert type scale with 1 = strongly disagree, and 5 = strongly agree.

Results

We received 4,220 total responses: 1915 from sales associates (responsible for selling products such as loans, credit cards, mortgages, etc.), 1593 service employees (tellers), and 712 other employees (e.g. support, IT, etc.). Because we were only interested in employees who had direct customer contact, we dropped the 712 support employees from our analysis and reduced our data set to only those employees reporting sales or service as their role in the bank. This left us with a reduced sample size of 3,508.

Recognition Scale Results

Since we created our own scale for recognition behaviors, we analyzed this scale more thoroughly than the others using MPlus 7.1 to perform exploratory structural equation modeling (ESEM). ESEM is a powerful “exploratory-confirmatory” technique, which also supports the testing of construct validity and reliability (Kalleberg & Rognes, 2000).

We tested four ESEM models (1 to 4 factors solutions) using a Geomin Oblique rotation (0.0001) and compared the fit statistics of the four different models. The model fit was acceptable at 3 and 4 factors, yet the eigenvalues of only the first three factors exceeded the generally accepted cutoff of 1.0. Therefore, we use the three factor model which fits the data well, fit, $\chi^2(52, N = 3490) = 900.68$, $p < .001$, CFI = .96, TLI = .93, RMSEA = .065, SRMR = .023. The initial exploratory factor loadings can be seen in Table 1.

By examining the results and the questions asked, we called the three factors “manager recognition”, “peer recognition”, and “understanding the system”. We defined *manager recognition* as behavior by branch management that directly recognizes positive employee performance. We defined *peer recognition* in a similar way, except that the recognition comes from a co-worker or higher level executive rather than the manager of the branch. *Understanding the system* was defined as employee knowledge of the types of behavior that lead to the receipt of recognition.

After identifying these three factors we removed some of the question responses variables in order to obtain a more reliable measurement model. We first dropped question eleven, “I am happy about the selection of items in the performance catalogues” due to both poor factor loadings as well as the question being unrelated to the three factors revealed by our analysis. We also removed question seven “[h]ow frequently is recognition provided without a tangible reward (e.g. points)” for low factor loadings, as well as minimal relevance to the three factors. The final factor loadings are shown in Table 2.

Table 1

Initial three-factor model rotated factor loadings

	Manager 5.33	Peer 1.54	Understand 1.10
1. When I perform "above and beyond", I am rewarded by unit management.	**0.42**	0.41	-0.04
2. I understand the types of behavior that lead to receiving recognition	0.08	0.03	**0.51**
3. When I perform "above and beyond", I am recognized directly by my peers.	0.02	**0.73**	0.00
4. When I perform "above and beyond", I am recognized by my peers via a request to unit management.	-0.01	**0.82**	0.03
5. When I perform "above and beyond", I am recognized by my customers	-0.06	0.31	0.01
6. When I perform "above and beyond", I am recognized by my higher levels of bank management	0.23	**0.42**	0.01
7. How frequently is recognition provided without a tangible reward (e.g. points)	0.21	0.23	0.01
8. When I receive recognition from unit management, it is usually in a form that:	**0.51**	0.00	0.13
9. My manager recognizes good behavior in a timely manner.	**0.66**	0.14	0.00
10. Recognition by my work unit management is given fairly and consistently	**0.79**	0.07	0.01
11. I am happy about the selection of items in the Performance catalogues	0.18	0.00	0.18
12. I understand the types of behavior that lead to receiving rewards (e.g. points)	-0.01	-0.01	**0.96**
13. Points are awarded in a fair and consistent manner.	**0.82**	0.03	0.07
14. Recognition is given in a fair and consistent manner.	**0.91**	0.00	0.00

Eigenvalues from Geomin (.0001) rotation given at top of column

Table 2.

Final factor loadings for recognition scale

	Manager Recognition	Peer Recognition	Understanding the System
When I perform “above and beyond”, I am rewarded by unit management.	0.66	--	--
When I receive recognition from unit management, it is usually in a form that	0.58		
My manager recognizes good behavior in a timely manner.	0.77	--	--
Recognition by my work unit management is given fairly and consistently	0.84	--	--
Points are awarded in a fair and consistent manner	0.80	--	--
Recognition is given in a fair and consistent manner	0.87	--	--
When I perform “above and beyond”, I am recognized directly by my peers.	--	0.78	--
When I perform “above and beyond”, I am recognized by my peers via a request to unit management.	--	0.81	--
When I perform “above and beyond”, I am recognized by my higher levels of bank management	--	0.57	
I understand the types of behavior that lead to receiving recognition	--	--	0.67
I understand the types of behavior that lead to receiving rewards (e.g. points)	--	--	0.77

Notes: The table presents rotated loadings on each factor.
$\chi^2(595, N = 3490) = 4896.75$, $p < 0.001$, CFI = 0.93, TLI = 0.93, RMSEA = 0.053, SRMR=0.053

Measurement Model Results

After determining the factors and questions we would use, we assessed the measurement model using the full sample of 3,504 observations using a confirmatory factor analysis (CFA). We included all of the latent variables (3 recognition variables as defined above, POS, LMX, distributive justice, and procedural justice). We followed a rigorous CFA approach to demonstrate and appropriately define the underlying factors of our model, test discriminant validity, and verify construct validity and reliability.

Due to the large number (12 items) of items predicting the Leader-Member Exchange construct we used parceling techniques. Items parceled tend to behave better psychometrically than the originally individual items, are more reliable, and have also less variance (Hau & Marsh, 2004; Marsh & O'Neill, 1984). We defined four parcels (L1, L2, L3, L4) based on the similarity of questions in the original 12 item scale. We found the three factors to from the customer oriented citizenship behavior to be highly correlated (Service with Participation, $\rho = .74$; Service with Loyalty, $\rho = .71$; Participation with Loyalty, $\rho = .70$). Therefore we used the average of the subscale scores to create single latent variable for COB in all of our analysis.

To assess the unidimensionality of our latent variables we used the fit statistics suggested by Muthén (2004). Our final measurement model had good fit statistics, χ^2 (537, N = 3490) = 4961.93, $p < .001$, CFI = 0.94, TLI = 0.93, RMSEA = .053, SMSR = .053. We also found that all of the factor loadings were at acceptable levels, even though some were what might be considered low. For completeness, we ran the analyses without these scale questions and found no significant differences.

For the pre-existing scales, all other reliability measures are within acceptable limits. For perceived organizational support, the average variance explained (AVE) was .76, the composite reliability (CR) was .88, and Chronbach's alpha (α) was .87. For Leader-Member exchange, these values were .76, .84, and .83 respectively, while the citizenship behaviors variable had values of .83, .84, and .85. All of these are above the recommended levels for reliability (Gerbing & Anderson, 1988; Hau & Marsh, 2004; Nunnally & Bernstein, 2005). Distributional Justice had AVE = .91, CR = .95, and $\alpha = .95$, procedural justice had values of .80, .92, and .92 respectively, all well above recommended levels for construct validity.

We further assess validity comparing the AVE to the Squared Inter-item correlation (SIC) Because these are all higher than the inter-item correlations, we believe that these measures possess good discriminant validity (Fornell & Larcker, 1981). For the recognition scale, convergent validity is shown by the coefficient reliabilities with manager recognition having AVE = .76, CR = .89, and $\alpha = .88$. For peer recognition AVE = .79, CR = .77 and $\alpha = .75$. Understanding the system had AVE = .52, CR = .72, and $\alpha = .68$. All of these statistics are well above the recommended cutoff for construct validity.

Structural Model Results

After developing what we considered to be a satisfactory measurement model, we turned to structural equation modeling (SEM) to test our mediation hypotheses. Baron and Kenny (1986) recommended a 4-step process to show mediation which required multiple ordinary least square regressions. While this conceptual model of mediation has remained, newer analysis methods have developed that are more robust. Structural Equation Modeling (SEM) has been used to simultaneously test both direct effects (IV on DV) and indirect effects (testing mediation paths). We used this recommended method as it is more reliable and also gave us the ability to test multiple mediators (POS and LMX) at the same time. In running our model, we used bias-corrected bootstrapped standard errors as recommended in other methodological research (MacKinnon, Lockwood, & Williams, 2004).

The goal of our research was to assess the effects of recognition behaviors on Service Oriented Citizenship Behaviors through their effects on POS and LMX. Table 3 reports the standardized path coefficients and the 95% confidence interval obtained through bootstrapping using 5000 draws.

Table 3

SEM Analysis of Direct, Indirect, and Total Effects (Mediation Analysis)

	Manager Recognition to COB		Peer Recognition to COB		Understanding the System to COB	
	β (s.e.)	95% Interval	β (s.e.)	95% Interval	β (s.e.)	95% Interval
Direct Effect	-.01 (.04)	[-.11,.09]	.15*** (.03)	[.08,.21]	.10** (.03)	[.04,.16]
Indirect Effects:						
Through POS	.15*** (.02)	[.11,.18]	-.01 (.01)	[-.02,.01]	.04*** (.01)	[.02,.06]
Through LMX	.17*** (.02)	[.12,.21]	-.04*** (.01)	[-.06,-.02]	.02* (.01)	[.00,.04]
Total Effect	.30*** (.03)	[.23,.38]	.10*** (.03)	[.03,.17]	.16*** (.03)	[.10,.22]

*** p < .001, ** p < .01, * p < .05. Standardized coefficients, standard error, and Bias Corrected 95% confidence interval for coefficient based upon 5000 bootstrapping draws

To show mediation, there must be a direct effect between the dependent variable (COB) and recognition (the explanatory variables). The results in Table 3 support mediation on all three measures of recognition. For manager recognition, there is a total effect of $\beta = 0.30$, $Z = 7.88$, $p < .001$. Thus, there is a significant correlation between manager behavior and citizenship behaviors. This result was confirmed using a bias-corrected bootstrapping interval with 5000 draws [.23, .38]. Since this interval does not contain zero, this coefficient is significant at $\alpha = .05$.

Mediation occurs with the inclusion of POS and LMX variables as can be seen by the indirect effects and the direct effect. The indirect effect of manager behavior on OCBs through its effect on perceived organizational support is positive and significant, $\beta = .15$, Z = 7.68, $p < .001$. This is also confirmed by a bootstrap 95% confidence interval that does not contain zero. The effect of manager recognition behavior on COB through its effect on Leader Member Exchange is also positive and significant, $\beta = .17$, Z = 6.87, $p < .001$. This is also confirmed by a 95% interval that does not include zero. Full mediation is shown not only by significant coefficients on the proposed mediators but also by the changing of the coefficient on the direct effect. Full mediation requires that the coefficient (in this case the direct effect) becomes statistically insignificant, which occurs in our model, $\beta = -.01$, Z = -0.22, $p = .83$.

Peer recognition has a smaller positive but significant effect on the provision of OCBs, $\beta = .10$, Z = 2.95, $p < .01$. The indirect effect of peer recognition through perceived organizational support is not significant, $\beta = -.01$, $Z = 0.57$, *ns*, meaning that this construct does not mediate the relationship between peer recognition and citizenship behaviors. The indirect effect through LMX is significant but negative, $\beta = -.04$, $Z = -4.11$, $p < .001$, meaning that the effect is one of suppression (MacKinnon, Krull, & Lockwood, 2000). In other words, the inclusion of LMX in the model reveals a stronger relationship between peer recognition and customer oriented citizenship behaviors. In other words, the inclusion of LMX in the model increases the effect of recognition on the provision of customer oriented citizenship behaviors.

Understanding the system had a significant and positive total effect on the provision of citizenship behaviors, $\beta = .16$, $Z = 5.04$, $p < .001$. This effect is partially mediated by perceived organizational support, $\beta = .04$, $Z = 4.69$, $p < .001$ and by Leader Member Exchange, $\beta = .02$, $Z = 2.54$, $p < .05$. The direct effect is still positive and significant although smaller, being reduced from $\beta = .16$ to $\beta =.10$, $Z = 3.22$, $p < .01$, thus only partial mediation is occurring. All of these coefficients were confirmed to be significant at $\alpha = .05$ using 95% bias corrected bootstrapping intervals.

We also performed analyses (not reported) using the component parts of citizenship behavior of loyalty, service, and participation as outlined by Bettencourt and colleagues (2001) The results of this analysis did not differ significantly from the model that used a single variable for COB, therefore we only report the results of the single factor COB model.

Discussion

The strongest results we have deal with manager recognition behavior. As employee's perceptions of manager recognition behaviors become more positive, employees reported observing more citizenship behaviors in the organization. While reinforcement theory would predict that increased manager recognition would lead to more citizenship behaviors, we found this relationship to be fully mediated by changes in attitudinal variables. Therefore, while recognizing positive service behaviors can increase the provision of citizenship behaviors by employees, this happens *only* through the effect of recognition on the employee-employer relationship constructs of perceived organizational support and leader-member exchange. This leads us to reject the idea that direct reinforcement of customer oriented citizenship behaviors is leading employees to provide more of the same behavior. We did however find some verification of reinforcement theory by showing that when employees understand what is recognized, they engage in more of that behavior.

Peer recognition also had a significant, though smaller, positive effect on the provision of citizenship behaviors. Perceived organizational support does not mediate this as would be expected, since peers do not directly represent the organization. The indirect effect through the leader-member exchange variable is more interesting as this effect is actually negative, making LMX a suppressor variable. This means that when the effect of peer recognition on LMX is controlled for, a stronger effect of peer recognition on the provision of citizenship behaviors is revealed. We analyzed this further and found that this could be explained by a negative relationship between perceptions of peer recognition and LMX. While clearly speculation, we believe this is because peer recognition is perceived by employees as a substitute for manager recognition. This implies that as perceptions of peer recognition increase, leader-member relationship beliefs are negatively impacted. However, the direct effect of peer recognition on the provision of COBs is positive. This provides a point of caution. Branch management should endeavor to not allow peer recognition to become a substitute for manager recognition. In other words, make sure that manager recognition is occurring in areas where peer recognition is strong. This does not mean that managers should attempt to reduce or eliminate peer recognition, as this type of recognition has a strong impact on the provision of citizenship behaviors.

Theoretical implications. The most important theoretical contribution to this article is that simple reinforcement of positive service behaviors is not sufficient to increase this type of behavior by employees. Reinforcement through manager recognition does impact the provision of these behaviors but the effect is *indirect*, working through a change in employee attitudes towards the firm and its managers caused by recognition behaviors.

This article also reports on the development of a scale for measuring recognition behaviors in an organization. The psychometric properties of the scale were shown to be reliable using a sample of 3,504 branch employees of a large Canadian charter bank. While this is a good first step, future research should further refine and test these questions as well as develop additional questions that might also aid in the predictive validity of the scale as well of our understanding of recognition behaviors.

Practical implications. There are clear practical implications of this research as well. Our results highlight the importance of local management in a service organization. Managers' recognition behaviors led to an increase of customer oriented citizenship behavior through their effects on both perceived organizational support and leader-member exchange. We believe that these effects will be stronger in larger organizations with many branches such as the one we studied. As the organization size grows, it becomes more likely that the branch manager will become the "face" of the company. This result demonstrates the importance of the selection and promotion of branch managers; firms should identify managers who are good at employee recognition. It also reinforces the importance of continually training managers on how to recognize employees. In fact, the bank we studied will be using our final scale questions as a template for training management.

Limitations and future research. One potential concern is that the self-report nature of many of our variables may have led to a common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). We are reasonably confident that this was not an issue in our study. The first reason is that there is still some debate that common method variance actually inflates correlations. Some scholars believe that instead of inflation, attenuation may be occurring, particular when the measured correlations are high as they are in our study (Batista-Foguet, Revilla, Saris, Boyatzis, & Serlavós, 2014; Conway & Lance, 2010). For example, a large scale meta-analysis found that the average same method correlation was actually lower than the mean trait factor (Lance, Dawson, Birkelbach, & Hoffman, 2010). Another study simulated various mono-method bias effects and found a similar result (Williams & Brown, 1994), showing that at high levels of correlations, it is just as likely if not more so that mono-method effects may actually attenuate underlying true correlation. Thus, we believe that concerns about common method bias may be overblown.

Another reason we believe this to not be a problem is that the effect sizes and correlations between our study variables are similar to other studies looking at perceived organizational support and leader-member exchange. Finally, our key dependent variable (COB) was asked about the branch and not the individual responding to the survey while POS and LMX were self-report. While this might cast some doubt on causality (since attitudes are not measured in the same way as behaviors), we believe this reduces the chances of common method variance. We also believed that this method of asking about citizenship behaviors would be more reliable than asking individuals about their own positive behaviors. If people were to report on themselves, we would have run the risk of socially desirable responding, which would reduce the validity of our results (Steenkamp, Jong, & Baumgartner, 2010).

Due to privacy concerns from the bank, we were not able to gather as much demographic information as we wanted (e.g. age, gender). The bank was concerned that due to the small size of some branches, the combination of branch information and other demographic information would have made specific bank employees too easy to identify. This could have led to fear by respondents regarding confidentiality and therefore the possibly of a response bias. Because we did not have this data, we were unable to use it to utilize some obvious control variables in our study. In addition, we were not able to test for non-response bias using this information. However, since the study questionnaire was available for an extended period of time (2 weeks), we were able to perform an analysis using a median split of early vs. late responders. No significant differences were found on any of our study variables using the split time analysis. While we cannot completely rule out a response bias, these results, along with significant variance in all of our study variables suggest that there was no bias.

Finally, the location of the study (a Canadian bank) may limit the generalizability of our results. The services delivered in a bank are substantively different than those provided in other service organizations such as hotels or restaurants, therefore this is a limitation of our results. Clearly future work should attempt to replicate these findings in other service venues as well as other banks. In addition, the cross-sectional nature of our questions (taken at one point in time) may be less than optimal as we did not study the long term effects of recognition. Future research should address these relationships over a longer period of time. That type of research could also test a causal relationship rather than a correlational one as was done in this article. Future research could introduce a training manipulation at a set of locations while doing nothing for a control group of locations. Researchers could then measure any changes in attitudes and behaviors. Researchers could also measure any changes caused by exchanging a highly regarded manager and a less well regarded one.

Conclusion

This article has shown how recognition behavior by front-line firm managers can increase the occurrence of customer service behaviors above and beyond those behaviors that can be contracted for ex-ante. These positive service behaviors are what you want from employees but can't demand that they perform them, nor can they be fired if they don't provide them (Organ, 1997). It is important to emphasize that this set of desirable employee behaviors is extra-role, in the sense that many customer oriented behaviors cannot be specified in advance and therefore are not enforceable in a contract (Van Dyne & LePine, 1998). It is also important to stress that the effect of manager recognition is entirely indirect, working through changes in perceived organizational support and leader-member exchange, rather than a direct effect as would be predicted by reinforcement theory.

Our study also showed that peer recognition has an important but more direct effect on the provision of these behaviors. Interestingly, we found that higher levels of peer recognition may have a depressive effect on LMX meaning that local managers must be careful not to allow peer recognition to become a substitute for manager recognition. Peer recognition does however have a strong positive effect on the provision of citizenship behaviors and so it is important to increase manager recognition rather than suppressing peer recognition. Finally, we have confirmed the importance of making sure that employees understand the types of behaviors that lead to recognition from the firm, as the understanding of the recognition system of a company had both a direct and indirect effect on customer oriented citizenship behaviors.

Since service is now at 79.7% of GDP and becoming a much larger part of the US economy, (Central Intelligence Agency, 2014), it is critical that practitioners understand how to drive positive service behaviors. By examining the questions in the appendix, it is clear that managers must be trained to be fair, consistent, and timely with their recognition of employees. It is also necessary to be certain that employees have a clear understanding of the types of behaviors that are recognized. Finally, managers should actively encourage peer to peer recognition (provided it does not serve as a substitute for manager recognition), as this also leads to better service.

Many marketing people correctly claim that you should never underestimate the power of a thank you. We show this to be true in an employment context as well. Recognition is an important tool in a manager's motivational toolbox. We believe this article has confirmed the benefits of a "thank you" in a field location with real service employees. Therefore the strongest contribution of this article is to encourage managers as well as peers to not be stingy with recognition of desired behaviors.

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