

TOWARD AN UNDERSTANDING OF THE PSYCHOLOGY OF STEWARDSHIP

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ABSTRACT

In this article, I pursue two objectives. First, I refine the definition of *stewardship* by exploring the underlying assumptions of stewardship theory and examining the conceptual distinctiveness of the stewardship construct. Second, I propose a model of stewardship antecedents. In so doing, I discuss how structural and psychological factors influence stewardship behaviors through psychological ownership and the ways in which stewardship behaviors can collectively create feedback loop processes to systematically shift organizational governance from agency toward stewardship.

In 2008, Bernard L. Madoff, founder and president of Bernard L. Madoff Investment Securities LLC, a market-maker for hedge funds and banks, was charged with securities fraud for a multi-billion dollar Ponzi scheme that he perpetrated on advisory clients of his firm. For years, Madoff deposited investors' money into a bank account, paying returns to certain investors out of the principal received from other investors, rather than out of any profits generated by share trading (Reid, 2008). Financial reporters described the scandal as "bigger than Enron... bigger than Tyco. It attacks at the core of investor confidence – because if true, and this could happen... investors might think that almost anything imaginable could happen to the money they have entrusted to their fiduciaries" (Panzner, 2008: 1). Madoff's quest for immediate, personal gain sacrificed the interests and long-term well-being of many individuals and organizations. Given the significant influence that individuals can have on the welfare of society, it is important to understand the factors that may cause some of them to feel responsible for ensuring the long-term well-being of their businesses and communities while others to focus on their own success.

One perspective on this matter is found in agency theory. Agency theory sprouts from an economics-based paradigm that views humans as rational actors who seek to maximize their self-interest (e.g., Eisenhardt, 1985; Jensen & Meckling, 1976). Within this paradigm, individuals prefer optimizing their own gains to sacrificing for the benefit of another individual or a collective. Agency theory represents the extreme end of focusing on individual self-gains, positing that agents will pursue actions that benefit them, regardless of the consequences for principals (Jensen & Meckling, 1976). In order to manage agents' self-interests, organizations use control mechanisms such as executive compensation schemes (e.g., pay-for-performance) and governance structures (e.g., boards of directors) to ensure that agents' and principals' interests are aligned (Demsetz & Lehn, 1985; Eisenhardt, 1989; Jensen, 1983).

In contrast to agency theory, stewardship theory draws from sociology and psychology to offer an alternate view in which organizational actors see greater long-term utility in other-focused, prosocial behavior rather than in self-serving, short-term opportunistic behavior. Within this paradigm, relationship-centered collaboration within the organization fosters pro-organizational and trustworthy behavior in managers (Davis, Schoorman, & Donaldson, 1997; Haskins, Liedtka, & Rosenblum, 1998). Stewardship entails placing the “the long-term best interests of a group ahead of personal goals that serve an individual’s self-interests” (Hernandez, 2008: 122). Executives display stewardship behaviors by placing the organization’s interests above their own, thus acting in the best interests of their principals (Davis et al., 1997; Donaldson, 1990). Moreover, stewardship theorists have contended that feelings of autonomy and responsibility ultimately drive employees’ motivation to perform (Donaldson, 2008). Accordingly, control mechanisms may be not only unnecessary, but also counterproductive.

Although past work has outlined the general tenets of stewardship theory, numerous gaps in the literature remain. To date, scholars of stewardship theory have focused on distinguishing it from agency theory, rather than advancing an understanding of the stewardship construct. Subsequently, though many have theorized about stewardship theory, none have provided a precise definition of stewardship. Whilst scholars have posited that a sense of responsibility and obligation may characterize stewardship governance strategies and individual behavior, there has been little theoretical development of the psychological dynamics that give rise to stewardship behaviors in organizations. Scholars have focused on how organizations and managers behave (or do not behave) as stewards rather than examining the antecedents that facilitate and explain the emergence of stewardship behaviors. In particular, relatively little attention has been paid to how organizational level factors create the distinct psychological processes that lead to

stewardship behaviors. Knowledge of how stewardship is created is conspicuously absent from the theoretical development of this construct, particularly when we consider that management is a self-perpetuating process: executives train subordinates to become future managers; those subordinates in turn train their direct reports; and so on. In view of that, past theorizing has not been able to provide organizations with prescriptions on how to generate and sustain stewardship. Thus, practical relevance is also lacking.

The purpose of this article is twofold. First, I advance the current construct understanding of stewardship. Specifically, I develop a systematic analysis of the stewardship construct by clarifying its underlying assumptions, definition, and its conceptual distinctiveness. Second, I propose a model of stewardship antecedents that explicates the factors that lead individuals to sacrifice their short-term personal gain in order to protect the long-term well-being of others. In so doing, I examine the influence of structural and psychological factors on stewardship behaviors, positing that psychological ownership can determine whether or not these factors give rise to stewardship behaviors, and explore the feedback loop processes that can generate or sustain stewardship governance.

Several theoretical contributions result from this work. By examining the cross-level influences of organizational-level structural factors on the underlying cognitive and affective causal mechanisms that drive stewardship behaviors in organizations, as well as the central function of psychological ownership in this process, I explicate the psychology of stewardship. Further, I explore how individuals can create stewardship governance through specific feedback loop processes, shedding light on the behavioral foundations of corporate governance strategies. By these means, I expand the current theory on stewardship, which has largely been developed in and applied to the strategy domain, in the field of organizational behavior. Finally, from a

managerial perspective, this research informs efforts to motivate workers to use prosocial strategies in making decisions and taking action, an approach that may positively influence a firm's longevity and the community in which it resides.

EXPLORING THE CONSTRUCT OF STEWARDSHIP

Underlying Assumptions

In order to define stewardship, it is necessary to first understand the concept of a covenantal relationship. Stewardship theorists have posited that individuals hold a "covenantal" relationship with their organizations that represents a moral commitment and binds both parties to work toward a common goal without taking advantage of each other (Caldwell, Bischoff, & Karri, 2002; Caldwell & Karri, 2005; DePree, 1989). A sense of mutual obligation arises from this implicit social contract (Solomon, 1993). At a macro-organizational level, this social contract binds industries, companies, and economic systems into communities (Donaldson & Dunfee, 1999; Schein, 1980). At the individual and group levels, the social contract represents a commitment between an employee and the organization (Barnett & Schubert, 2002) to "a transcendent set of values," which can include "an overarching mission, the furtherance of a distinctive concept, or a vision of some idealized future state or condition" (Graham & Organ, 1993: 490). Individuals are bound by this social contract by a sense of moral obligation: an internalized pressure to behave consistently with their value system (Harrison, 1995). Thus, the covenantal relationship is a reciprocal promise-based agreement, containing both transactional and psychological elements: individuals recognize their fiduciary obligations to protect the interests of stakeholders *and* believe they are morally obliged to pursue these interests (Caldwell et al., 2002).

Research on psychological contracts can help to elucidate the role of a covenantal relationship in defining the psychological underpinnings of stewardship. Adopting an employee-based perspective, psychological contracts are defined as an individual's belief in the mutual obligations between themselves and another party, such as their organization (Rousseau, 1989). These obligations may not be written into formal agreements but nonetheless operate as powerful determinants of organizational behavior. Indeed, the perceived obligations within a psychological contract have been found to affect job-related attitudes and behavior to a greater extent than do formal and explicit contractual agreements (Rousseau & Tijoriwala, 1998).

The content of these perceived obligations, which affects the fundamental nature of psychological contracting, has been grouped into three types of currency: economic, socioemotional, and ideological (Rousseau & McLean Parks, 1993; Thompson & Bunderson, 2003). Whereas *economic currency* defines the transactional nature of a psychological contract (i.e., the employee completes certain tasks in exchange for monetary compensation), *socioemotional currency* defines the relational nature of the psychological contract (i.e., the employee fulfills generalized work role obligations in exchange for job security, professional development, and group membership) (e.g., Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1995; Rousseau & McLean Parks, 1993). *Ideological currency* "provides an alternative inducement on which the employment relationship may be founded: the pursuit of a cause" (Thompson & Bunderson, 2003: 574). The employee builds the organization's capacity to pursue a valued cause or principle in exchange for participation in meeting ideological objectives. In an ideology-infused contract, the organization is obligated to support the cause and act as a vehicle through which the employee can contribute, directly or indirectly, to the cause (Bunderson, 2001; Thompson & Bunderson, 2003). Thompson and Bunderson (2003) recognize that ideology-

infused contracts typically include economic and socioemotional components, and therefore represent a multidimensional phenomenon.

Building on this past work, I posit that the covenantal relationship is defined by the exchange of ideological currency from which social benefits can be derived. It thus, represents an ideology-infused contract that obliges the organization to pursue a valued cause or principle and the employee to promote “the organization’s ability to pursue that cause, even if it involves some sacrifice on the part of the employee” (Thompson & Bunderson, 2003: 576). In this way, the pursuit of a valued cause demonstrates a fundamental orientation toward communal welfare.

It is important to note that although contributing to the welfare of others can constitute a valued cause, not all causes benefit others. The covenantal relationship necessarily involves the pursuit of a cause that contributes to ongoing social welfare; individuals express their mutual obligation to this relationship through their willingness to sacrifice short-term personal gain for longer-term, generally beneficial, collective ends (Donaldson & Davis, 1991; Donaldson & Preston, 1995). Moreover, a covenantal relationship implies that an organization does not view its employees merely as means to an end (Caldwell et al., 2002; Freeman, 1984); instead, employees are entrusted by the organization to protect a valued cause. Thus, employees behave pro-organizationally in ways that serve the interests of stakeholders affected by that cause.

Definition

Stewardship reflects an ongoing sense of obligation or duty to others based on the intention to uphold the covenantal relationship. I therefore define stewardship as the extent to which an individual willingly subjugates his or her personal interests to act in protection of others’ long-term welfare. Accordingly, stewardship behaviors are a type of prosocial action, intended to have a positive effect on other people (Penner, Dovidio, Piliavin, & Schroeder,

2005). Because individuals need not hold a position of power or authority to have a covenantal relationship with the organization, stewardship behaviors can be enacted across all levels of the organization. Indeed, Davis et al. (1997) noted that personal power, which is developed outside of formal roles and over time, is more characteristic of stewardship than institutional power, which is derived from formal position in the organization (cf. Gibson, Ivancevich, & Donnelly, 1991).

Furthermore, I propose that stewardship behaviors are created by two distinct psychological mechanisms. First, individuals personally value actions that benefit the long-term welfare of others, and are guided in their behavior by this “other-regarding” perspective (Frankforter, Berman, & Jones, 2000) and long-term orientation. In decision-making processes, they place a higher utility on serving the ongoing needs of others and preserving collective resources than on ensuring personal gain. Second, an affective sense of connection with others prompts individuals to feel compelled to positively influence the collective. Hence, individuals’ sense of obligation is created in part by their emotional link to the beneficiaries of their decisions. These cognitive and affective psychological factors, in turn, influence an individual’s willingness to subjugate his or her personal interests to behave in ways that serve the long-term well-being of these beneficiaries. In this way, stewardship behaviors are reminiscent of the tale of a Dutch boy who put his finger in the dike to prevent a flood (Dodge, 1875). The protagonist’s other-regarding, long-term construal of his primary objective (i.e., the protection of the land and his town), and affective connection to his family, neighbors and country, led to his willingness to subjugate his own needs in order to protect the welfare of his beneficiaries.

The beneficiaries of stewardship behaviors can include the organization, its owners, its constituents (Donaldson, 2008; Donaldson & Davis, 1991), as well as the outside community and

its members (Caldwell et al., 2002; Donaldson & Preston, 1995). In line with past theorizing on prosocial behavior, the beneficiaries of stewardship behaviors are the “people and groups of people whom employees believe their actions at work have the potential to positively affect” (Grant, 2007: 395). The definition of *beneficiaries* therefore depends on an individual’s perspective, which I posit is shaped by his or her psychological ownership of the beneficiary collective.

Conceptual Distinctiveness

Stewardship is theoretically and conceptually distinct from altruism, organizational citizenship behavior, and behaviors that result from classic social dilemmas. Altruism is “a motivational state with the ultimate goal of increasing another person's welfare” (Batson, 1995: 1042). Research has demonstrated that empathetic emotions create altruistic behaviors (see Batson, 1991; Batson & Oleson, 1991 for reviews). Individuals are more likely to behave in a manner to benefit others without regard for their own welfare when they experience empathy (Batson, 1987). Such self-sacrificial behavior, however, does not necessarily consider collective well-being. Studies have shown that when individuals are given the choice of allocating benefits to themselves, a group, or specific members within a group, individuals who experience high empathy preferentially allocate resources to the individual for whom empathy was felt (Batson, Batson, Todd, Brummett, Shaw, & Aldeguer 1995). By serving the interest of a single beneficiary, empathy-induced altruistic behaviors can undermine the collective good (Batson, Klein, Highberger, & Shaw, 1995). In contrast, stewardship behaviors serve the interests of multiple individuals; self-sacrificial behaviors are aimed at benefiting collective interests. Thus, stewardship is a more expansive construct than altruism, drawing the decision maker’s focus to broadly beneficial ends.

Organizational citizenship behaviors (OCBs) are discretionary behaviors “not directly or explicitly recognized by the formal reward system and that in the aggregate promote[s] the effective functioning of the organization” (Organ, 1988: 4). Although there is some disagreement as to whether OCBs are in- or extra-role (Organ, 1997), OCBs include activities that target other individuals in the workplace (e.g., helping coworkers or communicating changes that affect others) and the organization itself (e.g., actively participating in group meetings or representing the organization positively to outsiders) (Podsakoff, Mackenzie, Paine, & Bachrach, 2000). Whereas the longevity of the organization could arise as a consequence of improving the effectiveness of organizational functioning, individuals enacting OCBs do not necessarily aim to ensure such a long-term effect. In contrast, stewardship behaviors necessarily arise from a consideration of the long-term consequences on others’ welfare (Donaldson & Preston, 1995; Hosmer, 1996). They involve taking into account the costs and benefits of actions to beneficiary well-being, and making sacrifices in order to ensure that collective welfare is long-lived (Hernandez, 2008). As illustrated by research on family-owned businesses (FOB’s), the goal orientation manifest in stewardship behaviors emphasizes a commitment to the continuity and longevity of the company and its stakeholders (e.g., Miller, Le Breton-Miller, & Scholnick, 2008; Uhlaner, Floren, & Geerlings, 2007). Thus, a central difference between stewardship behaviors and OCBs is the time horizon adopted in considering beneficiary welfare.

Crucially, stewardship behaviors can occur outside of a classic social dilemma. Social dilemmas have traditionally been defined as situations “in which a group of persons must decide between maximizing selfish interests or maximizing collective interests” (Komorita & Parks, 1995: 190). In these situations, “self” and “other” interests are in conflict such that individuals receive a higher material payoff for making selfish decisions that harm collective interests;

however, if all individuals choose to maximize their self-interests, they are worse off than if everyone had maximized collective interests (Messick & Brewer, 1983). Research on social dilemmas has also examined situations in which long- and short-term interests are in conflict. Social delayed traps, for example, are situations in which behaviors with immediate positive consequences for the self result in long-term negative consequences for the self and others (Cross & Guyer, 1980; Platt, 1973), and social delayed fences are situations in which behavior with immediate costs for the self (e.g., OCBs) results in long-term benefits for the self and others (Joireman, Kamdar, Daniels, & Duell, 2006; Joireman, Daniels, George-Falvy, & Kamdar, 2006). A consistent feature of classic social dilemmas is that the decision maker is a member of the collective whose interests are at stake (Tost, Hernandez, & Wade-Benzoni, 2008). In contrast, stewardship behaviors have been found to emerge within the context of intergenerational social dilemmas (Wade-Benzoni, Hernandez, Medvec, & Messick, 2008); the decision maker acts in the present and it is future others alone who experience the future consequences of the decision (Wade-Benzoni, 2002; 2003). Accordingly, stewardship behaviors can transpire within, but are not limited to, the context of classic social dilemmas. Individuals can be both temporally and interpersonally removed from the consequences of their stewardship behaviors.

These distinctive elements of the stewardship construct foreshadow the unique dynamics that arise in the creation of stewardship behaviors; namely, a shared sense of ongoing responsibility to multiple stakeholders, which affects a focus on collective welfare over the long-term. Furthermore, it is because stewardship behaviors are ideological in nature that individuals can be both interpersonally and temporally removed from the collective toward whom their stewardship behaviors are directed. In formulating a model of stewardship antecedents, I

examine how organizational-level structural factors and individual-level psychological factors can generate an individual's willingness to sacrifice his or her personal gains to protect others' long-term well-being.

A MODEL OF STEWARDSHIP ANTECEDENTS

Although stewardship theorists have described the characteristics of “stewards,” or more broadly, “stewardship,” previous research lacks an in-depth examination that teases apart organizational- and individual-level factors and clarifies their causal influence on stewardship behaviors. Davis and colleagues (1997) made the first significant stride in moving beyond an assessment of the general organizational components of stewardship theory to identify relevant psychological factors. They posited, for instance, that higher-order needs and intrinsic factors are important to motivating individuals to become stewards of the organization and recognized that identification with and commitment to the organization can facilitate an individual's motivation to promote the success of the organization. In addition, they examined “situational factors” such as management philosophy and national culture.

Davis et al.'s (1997) analysis, however, focused on differentiating between agency and stewardship theories by discussing several elements representative of each theory. The purpose of this article is not to differentiate stewardship from agency governance, but rather to study the stewardship construct. Accordingly, I examine the structural and psychological causal mechanisms that create stewardship behaviors and the feedback loop processes through which stewardship behaviors can generate and sustain stewardship governance. Departing from Davis et al.'s (1997) broad discussion of cultural differences, for example, I focus on the effect of specific cognitive mechanisms that can influence an individual's interpretation of collective interests and the role of time in decision making processes. Rather than differentiating

institutional from personal power, I examine the psychological expression of this power. Accordingly, my aim is not to expand on the categorical distinctions between steward- or agency-like characteristics; instead, it is to explicate the psychology of stewardship.

In the following sections, I build on past research to develop a comprehensive understanding of the structural and psychological factors that drive stewardship behaviors. I adopt a constructivist point of view to discuss how stewardship behaviors can be created within the organization. I begin by clarifying the role that structural factors play in creating the control and reward systems that characterize stewardship governance. I then theorize how these structural factors can exert cross-level influences on the cognitive and affective mechanisms that, in turn, drive stewardship behaviors through psychological ownership. Finally, I explore feedback loop processes through which stewardship behaviors influence structural factors. Figure 1 depicts these relationships, which serve as the foundation for a psychological theory of stewardship.

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Structural Factors

In contrast to agency theorists who have proposed a model of governance that constrains employee behavior through the rules and regulations imposed by the organization, stewardship theorists have put forth a model of governance that promotes the ability for employees to contribute to strategic objectives and make decisions. Whereas agency theory delineates how organizations can align the interests of the manager with those of the shareholders through external rewards such as monetary incentives (salary, bonuses, stock options) or external monitoring (boards of directors, outside shareholders) and threats (of takeover, competition from

the market), stewardship theory involves a model of governance that orients employee behavior toward advancing collective benefit.

Stewardship governance has been associated with various structural factors (e.g., managerial practices, leadership, policies, procedures, systems, routines, etc.), which I categorize into control and reward systems: Control systems allow for a high degree of collaboration and a significant level of autonomy and responsibility, and reward systems emphasize intrinsic rewards. I begin by examining how control systems are enacted through shared leadership practices that promote employees' collective responsibility for work outcomes. I then expand on how reward systems enable employees to derive intrinsic benefits from working toward a valued end and their ongoing development.

Control Systems. Control systems within stewardship governance foster relationship-centered collaboration, which establishes “an infrastructure for working together that transcends specific teams and specific projects. It enables large groups of individuals, even organizations, to go beyond working at tasks (Haskins et al., 1998: 35)”. Characterized by social influence processes that promote individuals' ability to jointly mobilize resources and adapt to ongoing organizational demands (Haskins et al., 1998), relationship-centered collaboration is derived from relationships, built over time, that enable the use of personal power (Davis et al., 1997).

Building on these insights, I posit relationship-centered collaboration represents a shared model of leadership practices where non-hierarchical relationships can be legitimized as means of influence (Pearce & Conger, 2003; Sparrowe & Liden, 2005). Shared leadership is a “dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organizational goals or both” (Pearce & Conger, 2003: 1). Past research has demonstrated how leadership practices can significantly influence

collaborative action toward a common mission by appealing to the ideals or values of employees (Burns, 1978; Bass, 1985). Rather than a few individuals exerting power over the collective, however, a shared leadership dynamic is comprised of lateral influence exchanges among peers or team members (Cox, Pearce, & Perry, 2003), occurring within networks, and traveling through various relationships within the network (Fletcher & Kaeufer, 2003). Because shared leadership does not constitute a position in a hierarchy but rather a process that occurs throughout organizations, it can exist both in centralized and decentralized organizational contexts (Bradford & Cohen, 1998; Ensley, Pearson, & Pearce, 2003). Special operations elite military units, for instance, exemplify the shared and dynamic coordination of leadership.

In line with this shared influence process, control systems can promote a flexible, inclusive culture (Miller et al., 2008) in which individuals behave with autonomy but collectively share responsibility for work outcomes that can affect multiple stakeholders (Donaldson, 2008). Within this culture, individuals both exert and receive social pressure to work collectively toward such outcomes. Thus, by promoting individuals' collective role in working toward communal goals, control systems facilitate employees' commitment to upholding fiduciary obligations to institutional interests, as well as non-fiduciary moral obligations to stakeholders affected by an organization's actions.

Reward Systems. Repeated social exchanges and influence relationships can not only create relationship-centered collaboration thereby promoting a sense of collective responsibility, but they can also facilitate shared mental models of organizational values and purpose (Mathieu, Heffner, Goodwin, Salas, & Cannon-Bowers, 2000), spreading the exchange of ideological currency across networks. This ideological currency represents a guidepost to determining the behaviors that are socially endorsed and rewarded within the organization. Social worth, an

important enabler of intrinsic motivation (Amabile, 1993; Gagné & Deci, 2005; Ryan & Deci, 2000), is thus, derived from the pursuit of shared principles. Companies such as Patagonia and Seventh Generation are often cited examples of organizations that typify how ideological currency can create such social worth. Accordingly, through shared mental models of the organization's *raison d'être*, the reward systems of stewardship governance enable employees to derive intrinsic benefits from working toward a valued end.

Reward systems further bring to light the intrinsic benefits of work by generating self-efficacy and self-determination (Davis et al., 1997). Through self-efficacy, the belief in one's capabilities to perform specified tasks (Gist & Mitchell, 1992), and self-determination, a sense of choice in initiating and regulating one's own actions (Deci, Connell, & Ryan, 1989), the reward systems of stewardship governance instill in the employee not only the belief in his or her ability to perform, but also the desire to accomplish the task at hand (Sundaramurthy & Lewis, 2003). Specifically, reward systems are designed to create employees' long-term effectiveness by cultivating their self-efficacy and self-determination through developmental opportunities such as training, increased responsibility, variety in tasks, and challenge (Lawler, 1986; 1992). Employees' ongoing growth is thus facilitated by a continuous and multi-faceted organizational approach to employee development.

Psychological Factors

As shown in Figure 1, I posit the structural factors of stewardship governance influence the cognitive and affective mechanisms that drive stewardship behaviors. In order to provide conceptual clarity, I examine each mechanism separately, although significant interactive and additive effects may exist between them. Additionally, I explore the cross-level, antecedent causal influences that structural factors can have on each mechanism. I then propose that

psychological ownership fundamentally influences an individual's willingness to sacrifice his or her own interest for the benefit of others. In this way, psychological ownership plays a pivotal role in determining how structural and psychological factors cultivate individual action in service of the organization and its stakeholders.

Cognitive Mechanisms. Stewardship is necessarily an other-oriented phenomenon; “service is central to the idea of stewardship” (Block, 1993: 41). By placing weight on communal welfare in the consideration of tradeoffs between short- and long-term objectives, stewardship behaviors create long-term benefits for their beneficiaries (Donaldson & Preston, 1995; Hosmer, 1996). Accordingly, stewardship behaviors are influenced by a cognitive process that frames decisions in terms of (1) stakeholder interests as a whole (e.g., Sundaramurthy & Lewis, 2003), i.e., an other-regarding perspective; and (2) long-term benefits (e.g., Hernandez, 2008), i.e., long-term orientation.

Other-Regarding Perspective. Control systems enacted through mutual social exchanges means “various leadership functions may be carried out by different people who influence what the group does, how it is done, and the way people in the group relate to each other (Yukl, 1998: 3).” This dynamic creates a greater awareness of not only what others are doing, but also who those others are and the significance of their individual roles within collective processes. As such, control systems can cultivate individuals' cognitive capabilities and shared sense of responsibility to consider multiple stakeholder perspectives in decision making. At the same time, interactive social processes are likely to facilitate shared mental models that define common principles and objectives (Mathieu et al., 2000). In so doing, rewards are based not on short-term material benefits, but rather on deriving social value from contributing to collective welfare.

Given these cross-level influences, I propose an other-regarding perspective is created by how individuals define themselves through other-regarding attributes (i.e., how others' well-being is linked to their identity), and their construal of the purpose of work (i.e., the psychological crafting of work as socially valuable), which, in turn, lead to stewardship behaviors. First, past research has demonstrated that the extent to which individuals define themselves in terms of other-regarding attributes can significantly influence their other-regarding cognitive frame. For example, research on moral identity (e.g., Aquino & Reed, 2002) has demonstrated how individuals develop a broader "circle of moral regard" as a consequence of construing themselves as giving, compassionate, and caring (Reed & Aquino, 2003). Although individuals can hold multiple identities, when elements of a moral identity are activated (either due to its centrality to the individual or through situational cues), individuals behave more cooperatively than when financial incentives are emphasized (Aquino, Freeman, Reed, Lim, & Felps, 2009). Past findings have also suggested that when individuals construct their identity with virtuous attributes (e.g., care and compassion), they are more likely not only to expand their in-group boundaries and behave more cooperatively, but they may also build higher-quality relationships with others (Dutton, Roberts, & Bednar, 2010). An individual whose prosocial identity is activated, and whose self-concept is thus concerned with helping and empathizing with others (Grant, 2007; Grant, Dutton, & Rosso, 2008), or more broadly, whose identity is imbued with other-regarding virtuous qualities (Dutton et al., 2010), is likely to display stewardship behaviors in order to maintain consistency between his or her self-concept and actions.

Second, employees' understanding of the purpose of their work (i.e., the "meaning of work") (Brief & Nord, 1990), may also trigger the cognitive mechanisms which influence an

other-regarding perspective. Individuals' cognitive framing of work is critical in determining how they structure their work and define their responsibilities and work objectives, as well as design their roles and tasks (Wrzesniewski & Dutton, 2001). In particular, work orientations, which guide people's reasons for working, encompass beliefs about the role of work in life (Baumeister, 1991). Scholars have identified three subjectively distinct ways people frame their work experience: as a job, where material benefits are the primary reason for working; as a career, where rewards such as money, status and power gained from occupational advancement are primary; or as a calling, where the work itself is the reward (Bellah, Madsen, Sullivan, Swidler, & Tipton, 1985; Wrzesniewski, McCauley, Rozin & Schwartz, 1997). "Work that people feel called to do is usually seen as socially valuable—an end in itself—involving activities that may, but need not be, pleasurable" (Wrzesniewski et al., 1997: 22). Calling orientations are thus associated with an other-regarding framing of work roles, which may influence a cognitive focus on others, as compared to the self, to a greater degree than job or career orientations, which tend to drive an individual's focus on how behavior affects the self. In this way, the construal of work as socially valuable emphasizes the need to serve others, which may ultimately be incarnated in stewardship behaviors.

Long-Term Orientation. Although a long-term time horizon, or orientation, in decision making has remained a feature of stewardship theory, this cognitive aspect has also been consistently associated with considering collective interests (e.g., Donaldson & Davis, 1991; Donaldson & Preston, 1995). In other words, a long-term orientation has not been theoretically disentangled from an other-regarding perspective. The role of time in stewardship theory thus, has remained underdeveloped, if not conflated with a consideration for the welfare of others. This issue is problematic to developing a clear understanding of how cognitive mechanisms

drive stewardship behaviors. I address this gap in the literature by discussing the cross-level influence structural factors can have on long-term orientation (apart from an other-regarding perspective), and examine how long-term orientation, once activated in decision making, can lead to stewardship behaviors.

I posit that both the control and reward systems of stewardship governance can facilitate the psychological processes that create a long-term orientation in decision making. Structural factors are enacted through ongoing social processes, which typically necessitate a long-term orientation. For instance, relationship-centered collaboration unfolds from employees' repeated social exchanges; fostering collective responsibility requires an awareness of various stakeholder perspectives, which can take time to develop; shared mental models through which the organizational cause is interpreted continually evolve through social networks; and an emphasis on employee development necessitates the long-term investment of resources. By enacting such long-term organizational processes, structural factors can activate a long-term orientation in employees' decision making processes. Such a trickle-down effect from the organizational to the individual level has been widely supported in justice and ethics-related phenomena (e.g., Masterson, 2001; Mayer, Kuenzi, Greenbaum, Bardes, & Salvador, 2009).

Furthermore, research on construal level theory (Liberman & Trope, 1998; Trope & Liberman, 2003) suggests that temporal distance can shape the mental representation of events and outcomes. A distal time perspective has been shown to facilitate an individual's expression of valued principles (i.e., their idealistic self) over practical considerations (i.e., their pragmatic self) (Kivetz & Tyler, 2007). In line with this finding, a long-term orientation can instill adherence to the covenantal relationship, and thus, the exchange of ideological currency.

Accordingly, stewardship behaviors are created through a cognitive decision making process that activates long-term consequences, bringing to mind the pursuit of a valued cause.

Affective Mechanisms. It is important to note that whereas the cognitive mechanisms of stewardship behaviors are derived from individuals' self-definition relative to others (both relationally and temporally), the affective mechanisms of stewardship behaviors are derived from an individual's attitude toward others. This distinction is in line with past research that has distinguished organizational identification from organizational commitment (van Knippenberg & Sleebos, 2006). Identification is a cognitive construct closely tied to how group membership is defined (Ashforth & Mael, 1989), and the sense of obligation one feels (i.e., commitment) refers to the relationship among separate entities created through mutual social exchange (Blau, 1964; Rousseau & McLean Parks, 1993).

Reward systems facilitate mutual social exchanges by rewarding employees' contributions to shared organizational objectives with investments in employee development. Such investments communicate to employees that the organization values and cares about their needs and well-being (McAllister & Bigley, 2002). Moreover, reward systems that focus on employees' personal growth build the foundation for reciprocal exchange (Blau, 1964): the organization enacts structural factors that demonstrate organizational concern for employees, thereby facilitating employees' emotional connection and indebtedness to the organization. Takeuchi, Chen, and Lepak (2010) empirically tested this cross-level influence by examining the effect of an organizational climate characterized by concern for employees (Burke, Borucki, & Hurley, 1992) on affective commitment, an individual's emotional attachment to the organization (Meyer & Allen, 1991). The results of their field study suggested organizational-level practices that emphasize employee growth through, for example, developmental

performance appraisals and skills training (Burke, et al., 1992; Sun, Aryee, & Law, 2007), signal support to employees, which directly facilitates employees' emotional connection with the organization. Their finding supports earlier theorizing, which proposed organizational policies and procedures that facilitate intrinsic rewards and self-determination enable affective commitment (Meyer, Becker, & Vandenberghe, 2004).

Past studies have found affective commitment to be a consistent predictor of organizationally desired outcomes such as in- and extra-role performance (Mathieu & Zajac, 1990). Scholars have proposed that because individuals' emotional connection with the organization may at once heighten their ability to anticipate detriments to its well-being and facilitate their willingness to sacrifice on its behalf, affective commitment can lead to stewardship behaviors (Uhlener et al., 2007; Vilaseca, 2002). Although the specific emotions related to affective commitment that lead to stewardship behaviors have remained largely unexamined, it is likely that affective reactions to mutual social exchanges, such as feelings of gratitude, are involved in creating a sense of obligation. Feelings of gratitude can function as a moral motive that causes individuals to help people even beyond their direct benefactors (McCullough, Kilpatrick, Emmons, & Larson, 2001). Characterized as an important human strength, feelings of gratitude have also been found to contribute to civic engagement (Emmons & Crumpler, 2000; Emmons & Shelton, 2002). Thus, to the extent that mutual social exchanges occur between the organization and employee, affective responses such as gratitude may enhance an individual's affective motivation to perform socially beneficial acts.

Summary of Causal Relationships. The cross-level causal influences of control and reward systems have been posited to exert complementary and concurrent effects on both cognitive and affective mechanisms. Because dynamic, reciprocal influence relationships

facilitate an awareness of others' needs and perspectives, a sense of collective responsibility, and the development of shared mental models, individuals' self-definition and their construal of work is guided by collective welfare. Additionally, such ongoing influences coupled with a persistent focus on employee development, direct individuals' attention toward a long-term time horizon. The emphasis on employee growth, in particular, demonstrates organizational care and concern for organizational members, which strengthens employees' emotional attachment to the organization.

Although I have examined cognitive and affective mechanisms separately, it is likely that mutually reinforcing effects occur through which stewardship behaviors are created. By defining their identities and work purpose through other-regarding attributes, and adopting a long-term orientation to evaluate the implications of their decisions on a valued cause, employees' feelings of attachment to the organizational collective are positively influenced. This emotional attachment can accentuate the need to consider both the needs of the collective and employees' contribution to collective welfare in decision making. As a result, considering others' long-term welfare and feeling connected to stakeholders jointly prompt employees to sacrifice their own self-interests in protection of collective well-being. Although these mechanisms are likely activated to varying strengths by structural factors, I posit that both are needed to create stewardship behaviors.

Next, I examine the mediating role of psychological ownership on the joint process created by cognitive and affective mechanisms. Specifically, I propose that the internalized desire to protect that which is psychologically owned channels employees' cognitive and affective motivations to willingly subjugate their self-interests for the long-term welfare of the

collective. I begin by examining how psychological ownership is created by both structural and psychological factors, and then discuss its influence on stewardship behaviors.

The Mediating Role of Psychological Ownership

Ownership “represents a source of power that can be used to either support or oppose management depending on how it is concentrated and used” (Salancik & Pfeffer, 1980: 655).

Being an “owner” means having possession of something; it stems from an individual’s basic need for control and the ability to affect that environment as a result of personal actions

(McIntyre, Srivastava, & Fuller, 2009). According to agency theorists, this need is expressed through instrumental possessions that are typically used to influence the environment.

Stewardship theorists, however, focus on an individual’s need for psychological control over his or her own behavior and the meaning derived from such behavior. Accordingly, I posit a stewardship governance approach facilitates a sense of psychological ownership rather than material ownership.

Psychological ownership is “the state of mind in which an individual feels as though the target of ownership or a piece of it is ‘theirs’” (Pierce, Kostova, & Dirks, 2003: 86); it is a cognitive-affective construct manifest in the meaning and emotion of phrases like “my job” or “my organization” (Van de Walle, Van Dyne, & Kostova, 1995). It is characterized by the personal motivation to protect the object of ownership, which can include an entity such as an organization or more broadly, an idea or mission (Avey, Avolio, Crossley, & Luthans, 2009). Unlike material ownership, which entails the literal control of organizational resources which grant institutional power to the owner, psychological ownership can develop independently of financial or legal ownership status (Pierce, Kostova, & Dirks, 2001). To clarify, consider a parallel distinction, the difference between internal and external locus of control (see Rotter,

1966; 1982). Although not a personality trait, psychological ownership is similar to having an internal locus of control because it represents an internally-based drive to affect personally relevant circumstances, and material ownership resembles an external locus of control because it externally imposes the measure of influence individuals can assume in affecting their circumstances.

Pierce and colleagues (2001) posited that psychological ownership of the organization is created when: (1) the organization provides employees with opportunities to feel in control; (2) the organization becomes part of employees' identities by offering a vehicle through which individuals can define themselves; (3) the organization fulfills employees' basic desire for belonging. Each of these motives—the desire for self-direction, self-definition, and connection to others—is met, respectively, by the structural factors, cognitive and affective mechanisms that lead to stewardship behaviors.

First, opportunities for employees to experience self-direction (i.e., feeling in control) are facilitated through the control and reward systems manifest in stewardship governance. Structural factors that facilitate shared leadership practices, in particular, allow individuals autonomy in how and toward whom their efforts are directed in the organization. Shared leadership practices “make everyone a leader and enlarge the psychological ownership of everyone (Bradford & Cohen, 1998: 15).” Additionally, fostering employee development promotes employees' ability to direct their own career growth. Second, through other-regarding, long-term oriented cognitive mechanisms, individuals construe the organization's ongoing well-being as a primary objective; by defining themselves through organizational attributes, individuals' self-concepts motivate pro-organizational behaviors. Third, through affective

mechanisms that build a sense connection with, and emotional attachment to the organization and its constituents, individuals fulfill their basic need for belonging.

A sense of psychological ownership imbues individuals with the internal drive to protect that which is psychologically owned (Avey, et al., 2009; Pierce et al., 2003). Thus, when employees feel a sense of psychological ownership of the organization, they adopt the protection of its welfare as an internal motive. Their cognitive focus and emotional attachment to the organization and its stakeholders is channeled through this internalized desire to personally act in protection of collective interests. Thus, rather than relying on structural factors to promote broadly beneficial ends, employees are individually motivated to affect such ends. In this way, psychological ownership can engender individuals' willingness to subjugate their own interests to ensure the ongoing welfare of the organization. It is important to note, however, that the target of ownership can extend beyond the organization to the broader community. Individuals' cognitive construal of beneficiaries and their affective connection to that group will determine the target of psychological ownership and thus, what individuals are motivated to protect. A sense of psychological ownership, in turn, creates an individual's willingness to sacrifice for this target.

To illustrate this set of causal relationships, take for instance the case of United Airlines' 2002 bankruptcy filing. Within the first two years after the filing, "United Airlines spent a great deal of time talking about 'success sharing' as the ying of the 'shared sacrifice' yang" (Davidowitch, 2005: 1). Pilot and flight attendant unions, along with several other smaller unions, came together with management in repeated social exchanges to evaluate how to best handle the crisis, and how to move forward to achieve a shared valued cause: emerging from bankruptcy. Shortly after the filing, press releases from these unions reported how many United

Airlines employees felt a strong sense of attachment to the organization and its members, and how various constituencies focused their decision making on how to develop a long-term set of objectives that would benefit multiple stakeholders (e.g., Davidowitch, 2003). Hence, there is evidence to suggest that employees' motivation to protect the collective well-being of the organization and its stakeholders guided their willingness to accept drastic concessions, such as cuts in pay, benefits, and changes in work rules, to facilitate recovery (Yamanouchi, 2005). In a media release by the Association of Flight Attendants (2003), front-line employees stated: "we will do everything in our power to ensure that our airline prospers." As illustrated by this statement, it is because employees thought and felt that the beneficiary of their stewardship behaviors was in part "theirs" (i.e., "my job," "my organization") that they were willing to give ongoing beneficiary welfare precedence over their own immediate gain.

Unfortunately, this case also illustrates how short-lived stewardship behaviors can be if not displayed across the entire organization: at the same time United Airlines' CEO Glenn Tilton proposed and executed the elimination of pensions, which represented the largest corporate-pension default in American history, he and his management team also accepted millions in compensation and bonuses. Such self-interested and short-term focused conduct promptly deteriorated the shared leadership process that had allowed various stakeholders to develop relationship-centered collaboration and promote collective responsibility for work outcomes, consequently, diminishing the psychological antecedent influences on stewardship behaviors.

Although an extraordinary case, these events highlight the notion that a single collective display of stewardship behaviors may not be enough to significantly affect the governance of an organization. A systematic change of governance from agency toward stewardship may require a paradigm shift in how obligations are defined and upheld within a social context. Thus, I now

turn my attention to exploring the mechanisms through which stewardship behaviors can fundamentally influence the structural factors of the organization.

Feedback Loop Processes

As discussed earlier, past research on stewardship governance has focused primarily on differentiating the organizational-level characteristics of this approach from the characteristics related to agency governance (e.g., Fox & Hamilton, 1994; Lee & O'Neill, 2003). The current theorizing has examined how these organizational-level factors create the distinct psychological processes which lead to stewardship behavior. The question remains, however, how such psychological processes and behavioral outcomes can, in turn, influence organizational functioning: How can individuals create stewardship organizing? In other words, what feedback loops from stewardship behaviors to structural factors lead to stewardship governance?

Research on dynamic complexity, which examines how integrative mental processes emerge, has recently explored how individuals' behaviors can transform collective functioning through social interactive processes (Hannah, Lord, & Pearce, in press; Lord, Hannah & Jennings, in press). This work is based on the notion that individuals make sense of current situations by constructing self-relevant interpretations (Gusnard, 2005). That is, others' behaviors help individuals define the social context (Hazy, Goldstein, & Lichtenstein, 2007), which, in turn, can guide individuals' motivational, cognitive, and affective reactions (Higgins, Van Hook, & Dorfman, 1988; Markus & Wurf, 1987). In this way, individual actions cumulatively generalize to collective levels by defining the social context and subsequent collective reactions to that context.

Building on these insights, I posit that stewardship behaviors can generalize to influence structural factors by altering individuals' understanding of their obligation to others (i.e., the

covenantal relationship). Taking into account the covenantal relationship develops over time and is based on the pursuit of a valued cause or principle, I examine processes relevant to each of these features: intergenerational reciprocity and organizational identity orientation formation. I propose that individuals' collective understanding of the ongoing and ideological nature of this relationship influences structural factors through intergenerational reciprocity and organizational identity orientation formation, respectively.

Intergenerational Reciprocity. In the psychological framework of stewardship presented here, I have emphasized that when considering the tradeoffs between personal gain and the collective welfare of beneficiaries, individuals consider the long-term consequences of their actions in order to evaluate the costs and benefits of those actions on beneficiaries. Past research on intergenerational issues has demonstrated, however, that this decision making process does not occur within a social or temporal vacuum. Although individuals may desire to treat others as they would have liked to have been treated, evidence suggests that they are more likely to respond to how they were actually treated by previous others (Wade-Benzoni, 2002; Wade-Benzoni et al., 2008). Thus, how individuals have been affected by the outcomes created by past decision makers can influence their current decisions, which subsequently affect future beneficiaries. Because individuals cannot directly reciprocate the benefits or burdens left to them by previous others, "they will 'reciprocate' by behaving similarly to the next generation" (Wade-Benzoni, 2002: 1014). This phenomenon is called *intergenerational reciprocity*. Based on the moral argument that some obligations to future generations have their source in the good received from past generations (Becker, 1986), research suggests that individuals realize the need for this retrospective obligation by allocating benefits to future generations (Wade-Benzoni, 2002).

Indeed, scholars have contended that the temporal aspect of organizational life can significantly influence individuals' experiences (Johns, 2006; Rousseau & Fried, 2001). Shipp and Jansen (2011) argued that decisions are made in *media res* (i.e., "in the middle of things"). Individuals make retrospected and anticipated judgments of their current fit with the organization from "snippets," which represent particular episodes of remembered, current, or forecasted fit experiences (Sims, Huxham, & Beech, 2009). I propose that this mechanism can also function in creating a norm of beneficent intergenerational reciprocity. In particular, instances in which individuals have displayed stewardship behaviors can create snippets for other individuals in the organization. These snippets then influence the decisions made in *media res*; remembering past stewardship behaviors will positively influence individuals' sense of retrospective obligation. Eventually, this process can generate a norm of beneficent intergenerational reciprocity.

Further, I propose that through a norm of beneficent intergenerational reciprocity, stewardship behaviors can affect the control and reward systems of an organization. Stewardship theorists have noted that individuals' "capacity to see the contextual fit of choices and their consequences... the systems and relationships that interplay, and an historical insight that connects the past to the future ... [is] fundamental [to their] ability to make calls that contribute to the best interests of others" (Caldwell et al., 2002: 157). A norm of beneficent intergenerational reciprocity, which represents a self-reinforcing cycle of service to others, can mitigate the risks associated with delegating autonomy to employees, expanding employee's field of responsibility, and establishing managerial practices based on relationship-centered collaboration. By emphasizing a sense of obligation to others, this norm can affect the way in which control and reward systems are enacted.

The peer-review process illustrates how beneficent intergenerational reciprocity norms can emerge from stewardship behaviors and function to influence structural factors. When academics act as reviewers, they subjugate their own immediate needs (e.g., working on their own research) to benefit the long-term welfare of the collective (i.e., the field of researchers). Academics generally do not conceptualize their behaviors as benefiting one researcher; the beneficiary collective is the community of scholars to which they belong. Reviewing behavior therefore, can represent a type of stewardship action. A beneficent intergenerational reciprocity norm can emerge from the repeated process of receiving useful, constructive reviews, and constructing such reviews for others. This norm can generalize to an entire profession to affect the structural factors instituted at a particular journal. For example, journal editors are often influenced by their own past experiences receiving and writing countless reviews; they generally feel a sense to “give back” to their community of colleagues (Personal communication, Tom Lee, 2011). The need to uphold a retrospective obligation can influence the types of controls and rewards they institute in their management practices in order, for instance, to augment the autonomy and responsibility of their associate editors, as well as enhance a collaborative relationship between editors and contributors. Thus, a norm of beneficent intergenerational reciprocity created through a self-reinforcing cycle of individual reviewer stewardship actions can ultimately affect the conceptualization and enactment of a journal’s control and reward systems.

Organizational Identity Orientation Formation. Much of the previous research on stewardship theory has been based on the assumption that organizations take either a stewardship or an agency approach to governance. Organizations are either structured so that individuals behave in self-governing, self-directed, internally motivated ways, or they are structured to

constrain, monitor, and police individual behavior. I argue that rather than organizations existing on different orthogonal planes, they occupy a place along a continuum anchored by stewardship and agency; the same “theoretic landscape, relative to agency theory, rather than opposed to it” (Davis et al., 1997: 21). This view is in line with the work of economists such as Fehr and colleagues (e.g., Fehr & Fischbacher, 2002, 2003; Fehr & Schmidt, 1999) who have theorized that individuals can develop “social preferences” based on fairness concerns, reciprocity, or altruism, which drive their motivation to care about the resources allocated to not only themselves but also to other agents. Notably, I posit specific collective capabilities that develop a focus on others may sway the organization from agency toward stewardship. For example, compassion organizing, which represents an organizational capability to “alleviate pain by extracting, generation, coordinating, and calibrating resources to direct toward those who are suffering” (Dutton, Worline, Frost, & Lilius, 2006: 61), may promote structural factors that facilitate stewardship behaviors by enabling organizational members collectively to care about and respond in service of others. Hence, the structural factors within organizations represent a pendulum anchored by stewardship and agency governance approaches, which can swing from one end to the other depending on individuals’ collective focus on long-term communal welfare.

The pendulum’s swing may signify a shift in how employees collectively conceptualize the stakeholders of the organization. Brickson (2005) defined this phenomenon as *organizational identity orientation*, which refers to the assumed nature of association between an organization and its stakeholders as perceived by its members. “Do members understand the organization as a sole entity, as a dyadic interentity relationship partner, or as a member of some larger collective?” (Brickson, 2007: 867). That is, is the locus of self-definition individualistic, relational or collectivistic? Brickson (2005; 2007) theorized that an individualistic orientation

emphasizes the organization's own welfare, whereas a relational orientation emphasizes the welfare of particular outsiders and insiders with whom the organization is perceived to have meaningful relationships. In contrast, a collectivistic orientation seeks to promote and protect the well-being of an internal and external community, an end that can be more or less abstract (Brickson, 2007).

Empirical studies have found that organizations can contain multiple "pure" ideal orientations, to varying strengths, creating hybrid identity orientations (Brickson, 2005). I propose that stewardship behaviors, en masse, can broaden the nature of association perceived by employees between an organization and its stakeholders. This process of organizational identity orientation formation is the organizational equivalent to broadening the "circle of moral regard," which can result from individual actions that demonstrate care for other individuals (Aquino & Reed, 2002; Reed & Aquino, 2003). Stewardship behaviors can intensify collectivistic tendencies within a hybrid identity orientation, which can then influence the structural factors of the organization through intrinsic rewards by emphasizing a valued cause or principle, and relationship-centered collaboration by emphasizing common agendas and shared leadership processes. Through their stewardship behaviors, individuals collectively and systematically push the pendulum from agency toward stewardship governance by broadening the organization's conceptualization of its stakeholders, and thus, its circle of moral regard.

DISCUSSION

This article advances the present state of stewardship theory by expounding the psychological underpinnings and dynamics of stewardship behaviors. In particular, the proposed framework identifies key antecedents and processes relevant to understanding how stewardship

behaviors are created and maintained within corporations. As such, it offers important implications for both organizational theory and practice.

Theoretical Contributions

My examination of stewardship theory has explicated its underlying assumptions, defining both the construct of stewardship and the mechanisms by which stewardship behaviors are created and maintained. Formed from a covenantal relationship and activated through both cognitive and affective pathways, stewardship behaviors are a type of prosocial action that individuals undertake through their willingness to sacrifice their own gains to serve others. Psychological ownership of the beneficiaries of stewardship behaviors creates individuals' willingness to subjugate their personal interests to protect beneficiaries' ongoing well-being.

Different from altruism and OCBs, which can be targeted toward a single individual, motivated by relational concerns alone and aimed to provide short-term benefits, stewardship behaviors serve a shared valued end, which provides social benefits to collective interests, over the long-term. Given the sense of obligation individuals construe and feel toward others is based on the exchange of ideological currency, individuals can be both temporally and interpersonally removed from the consequences of their stewardship behaviors.

More broadly, this article expands upon an alternative perspective to agency theory, offering a counterweight to how we understand organizations, managers, and employees. Organizational actors are theorized to care more for the welfare of others than their personal gain because of their psychological connection to these stakeholders. In contrast to the agency theory, which assumes that in the exchange relationship the principal and agent interests are not aligned, the tenets of stewardship theory imply that the principal-steward relationship has just the opposite effect: organizational and employee interests align because a sense of connection exists.

By explicating the stewardship end of the organizational governance continuum, I offer a psychological lens through which to study the factors that motivate organizational actors to behave in service of others.

Intergenerational Decision Making. In addition to advancing the knowledge of stewardship behaviors, this article offers important contributions to understanding intergenerational decision making. Past work on intergenerational decision making has found that when individuals consider the tradeoffs between allocating short- and long-term benefits and burdens, conflicting psychological processes can emerge (Wade-Benzoni, 2002). Evidence suggests that because intergenerational implications are both temporally and personally removed, individuals experience a sense of psychological distance, a sense of disconnect from others, or a lack of identification with a collective entity (Hernandez, Chen, & Wade-Benzoni, 2006). This psychological distance can make it difficult for individuals to sacrifice current benefits or assume current burdens for the future benefit of others. Nevertheless, when individuals are confronted with others who are completely powerless—for example, future generations who cannot directly reciprocate the good or bad left to them—a social responsibility norm emerges that elicits stewardship behaviors (Suleiman, 1996; Wade-Benzoni et al., 2008).

These findings suggest that individuals in a position of power do not necessarily act out of self-interest, but may instead act automatically out of an intuitive sense of right and wrong (Lerner, 2003; Reynolds, 2006). By explicating the psychological dynamics of stewardship behaviors, I shed light on the factors that drive such processes. Future research should examine how an other-regarding, long-term oriented cognitive frame and affective commitment may influence the moral intuition of individuals, which could enhance an individual's sense of personal accountability and social responsibility toward others.

Scholars should also consider integrating the findings of construal level theory (Liberman & Trope, 1998; Trope & Liberman, 2003) and intergenerational decision making (Wade-Benzoni, 2002). As discussed earlier, there is evidence that a distal time frame can trigger an individual's idealistic self (Kivetz & Tyler, 2007). It has also been found that individuals are more intergenerationally beneficent when they vicariously experience the benefits and burdens left to future generations (Wade-Benzoni, 2003). Linking the needs of distant, future beneficiaries to a principle valued by current decision makers could be one avenue for psychological distance reduction.

Leadership. As discussed earlier, leadership can play a critical role in building relationship-centered collaboration through shared influence processes that drive the pursuit of a common value or cause. This research highlights the dynamic and shared nature of this structural factor and highlights the need for leadership theory to take into consideration the multiple simultaneous interactions leaders have with different stakeholders in a variety of settings that may change at any given time (Hooijberg, Hunt, & Dodge, 1997). This research examines why and how individuals choose to sacrifice their own self-interests for the welfare of others. Accordingly, the psychological dynamics discussed here inform how transformational leadership, which motivates followers to transcend their own self-interest for the sake of the organizational goals (e.g., Bass, 1985; Bass & Avolio, 1994), can be enhanced. Specifically, the cognitive pathway to stewardship behaviors can help delineate the beneficiaries who should be included in developing a compelling vision; as well, the affective pathway to stewardship behaviors can direct the use of emotional arguments to inspire followers. Additionally, the role of psychological ownership in creating stewardship behaviors advances our understanding of how leaders create a sense of shared meaning, driving followers' motivations to fulfill the

leader's vision as if it were their own. Future research should explore how leaders systematically affect the psychological mechanisms that drive the stewardship behaviors of their followers.

A focus on self-other tradeoffs inherent in stewardship behaviors highlights important implications as to how leaders function within a social network. Sparrowe and Liden (1997, 2005) suggested that the leader-follower relationship may be fully understood only when a consideration of the social structure within which such relationships are embedded is taken into account. Drawing from Sahlins's (1972) work on the dimensions of reciprocity, the authors explored how a leader's and member's network independently and interactively influence their relationship (i.e., leader-member exchange quality). This perspective implies that in order to evaluate the effect of their actions on others, leaders not only consider the relationships they develop with their immediate members, but must take into account the relationships that members have developed and the influence of those relationships on organizational outcomes. In this way, leaders' understanding of the dynamic nature of these relationships may facilitate their other-oriented behavior. In contrast, a lack of understanding of how individuals interact and interpret relational information across networks can negatively affect their ability to foster the psychological factors that give rise to stewardship behaviors.

Moreover, as demonstrated by the actions of Tilton and his management team in the case of United Airlines' 2002 bankruptcy filing, when leaders behave in self-interested ways, they can derail shared leadership processes, thereby inhibiting the formation of the psychological dynamics that lead to stewardship behaviors. Inconsistency between top management's conduct and the structural factors of the organization can thus, function as a moderator to diminish the determinants of stewardship behaviors. Future scholars should further examine the conditions that can thwart or reverse the proposed evolution of antecedent causal relationships.

Practical Implications

Given the central position of leaders in determining acceptable behavioral standards, organizations should pay special attention to the stewardship behaviors of their leaders (Caldwell, Hayes, Karri, & Bernal, 2008; Hernandez, 2008). For example, past work on ethical leadership, which entails "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown, Trevino, & Harrison, 2005: 120), has proposed that followers are more likely to behave in an ethical manner when their leaders demonstrate ethical behaviors, attitudes, and values. This research highlights the need for leaders to demonstrate the behavior they wish to elicit from followers. Similarly, in promoting stewardship behaviors, leaders should draw attention to the effects of follower actions on others and the inherent, often intergenerational tradeoffs in their decisions.

More generally, developing a stewardship approach to governance and promoting the psychological conditions through which stewardship behaviors emerge, entails a different perspective to how instrumentality within the corporation has been traditionally conceptualized. Instrumentality, the belief that certain behaviors will produce a particular outcome (Vroom, 1964), as conceptualized by stewardship theory is linked to behaviors attaining long-term, widely beneficial gains, in contrast to agency theory, which associates instrumentality directly with an individual's compensation. Accordingly, instrumentality in terms of stewardship theory implies the organizational goal of sustainability; that is, meeting the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland, 1987). Sustainability can be enhanced by directing resources to restore and develop all forms of capital (human, natural, manufactured, and financial) to generate stakeholder value over the long term

(Hawken, Lovins, & Lovins, 2008). Therefore, organizations seeking to adopt a stewardship perspective in their management strategies should aim to widen employees' view of beneficiaries to include a broader base of stakeholders and longer timeframe in which to create and maintain value.

CONCLUSION

A profound rift between social responsibility and organizational practices has become apparent in recent years. The Madoff scandal, for instance, epitomizes the pursuit of individual self-interest at the expense of collective welfare. The emergence of such scandals in the corporate arena has propelled the issue of how organizations are governed to the forefront of public and academic attention. The current article expands upon the role of individual behavior in adopting a stewardship approach to governance. In examining the psychological factors and processes that create stewardship behaviors, this research offers a framework that may help organizations to better understand how to promote and sustain the symbiotic integrity of business and society.

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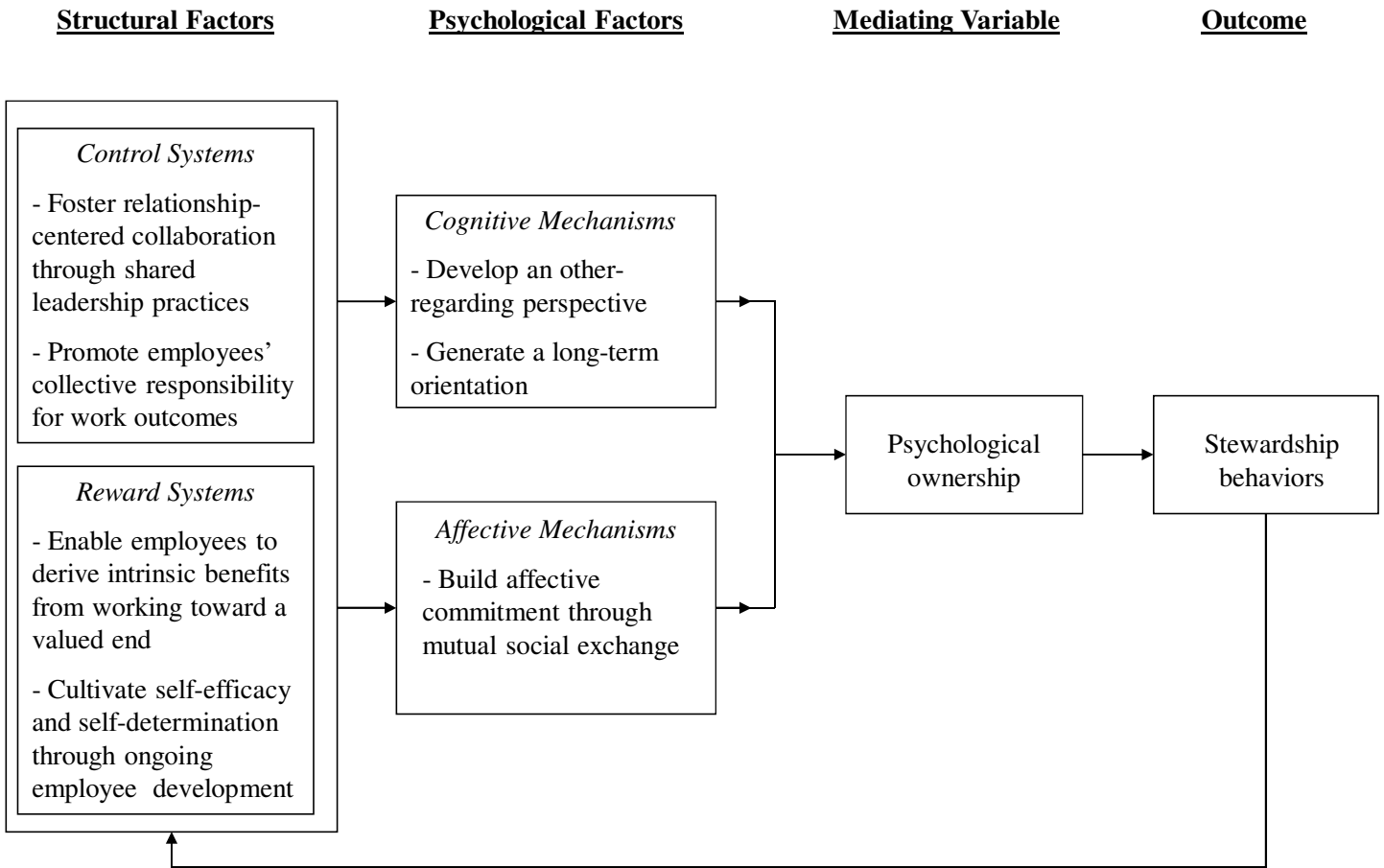
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FIGURE 1
A Model of Stewardship Antecedents



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