

Leadership in a Changing Business World:
A Multilevel Perspective on Connecting Employees to
Organizational Goals

by

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LEADERSHIP IN A CHANGING BUSINESS WORLD:
A MULTILEVEL PERSPECTIVE ON CONNECTING EMPLOYEES TO
ORGANIZATIONAL GOALS

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VRIJE UNIVERSITEIT

Leadership in a Changing Business World:
A Multilevel Perspective on Connecting Employees to Organizational Goals

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SUMMARY

Work realities have changed considerably. In times of frequent downsizing, organizations cannot promise predictable careers anymore, workforces become increasingly nationally diverse, and organization need to adapt flexibly to dynamic business demands. In these challenging times, supervisors need to link employees to the organization and its goals. By shaping employees' individual- and group-level perceptions about the organization and by ensuring the attainment of organizational objectives, supervisors can play a crucial role in organizational career development, nationality diversity management, and organizational change. Yet, how supervisors can fulfill this intermediary role is not well understood. We know little about how supervisor behaviors operate at different levels within teams or which boundary conditions limit supervisors' effectiveness. This dissertation addresses these important questions and considers the alignment between supervisor attributes and the organizational context from several angles.

In Chapter 2, I show that supervisors can play a crucial role in organizational career management by offering psycho-social and career mentoring. Applying a multilevel framework, I distinguish between individual-level differentiated mentoring (i.e., the deviation of an employee's individual perception from the average perception within the group) and group-level mentoring (i.e., the average perception across all group members). Differentiated psycho-social mentoring enhances employees' promotability via an increase in career motivation, whereas job satisfaction mediates the favorable effects of differentiated career and psycho-social mentoring on intentions to stay. As career mentoring is aligned with more general aspects of the organization, shared perceptions of group-level career mentoring have an additional contextual effect on these outcomes beyond individual-level differentiated career mentoring. In contrast, psycho-social mentoring, which is focused on the dyadic employee-supervisor relationship, operates only at the individual level.

In Chapter 3, I find that nationality diversity is only positively related to diversity climate and team performance in interdependent teams when supervisors' cultural intelligence is high. However, the relationship is nonsignificant when the team is diverse in terms of age or gender instead of nationalities, or when team members do not need to cooperate closely (i.e., low task interdependence). Thus, in order to be effective, supervisors' characteristics need to be aligned with the specific needs of the work group. In addition, supplementary analyses do not corroborate that nondiscriminatory, fair diversity climate mediates the interactive effect of nationality diversity, supervisors' cultural intelligence and task interdependence on team performance.

Finally, Chapter 4 explores the importance of alignment between supervisor and the organization, represented by supervisors' cynicism about change. Results show that supervisors' contingent reward leadership only attenuates employees' cynicism about change and enhances performance when supervisors' cynicism about change is low but not when supervisors' cynicism about change is high. The interactive effect between supervisors' cynicism and contingent reward leadership is mediated by employees' group-level cynicism about change.

In sum, my research documents that supervisors can be important assets for managing the challenges of modern work settings. At the same time, I demonstrate that the mechanisms through which supervisors become sense-makers and climate engineers are complex and constitute a worthwhile avenue for further research. As my research taps a wide range of work domains, organizations may consider the implications of alignment, in order to capitalize on supervisors' potential to manage modern careers, diversity and change effectively.

NEDERLANDSE SAMENVATTING

Leiderschap in een veranderende zakenwereld:

Een multilevel visie op het verbinden van werknemers aan organisatiedoelen

Werkomstandigheden zijn aanzienlijk veranderd. In tijden van voortdurende bezuinigingen kunnen organisaties hun werknemers geen voorspelbare loopbaan meer toezeggen; werknemers hebben steeds meer diverse nationale achtergronden; en organisaties moeten zich flexibel aan kunnen passen aan dynamische eisen die aan organisaties gesteld worden. Leidinggevendenden moeten in deze uitdagende tijden hun medewerkers toch proberen te verbinden aan de organisatie en haar doelen. Door de visie op de organisatie van de medewerkers op individueel en groepsniveau te vormen, en door het behalen van organisatorische doelstellingen, kunnen leidinggevendenden in de organisatie een cruciale rol spelen bij de loopbaanontwikkeling, bij het omgaan met diverse nationaliteiten, en bij organisatieveranderingen. Hoe leidinggevendenden deze bemiddelende rol kunnen vervullen is echter nog niet goed bekend. We weten nog weinig over hoe leidinggevend gedrag op verschillende niveaus binnen teams opereert of over welke randvoorwaarden de effectiviteit van leidinggevendenden beperken. Dit proefschrift richt zich op deze belangrijke vragen en bekijkt de afstemming van eigenschappen van de leidinggevende met de organisatorische context vanuit verschillende invalshoeken.

In hoofdstuk 2 laat ik zien dat leidinggevendenden door het aanbieden van begeleiding op psychosociaal en loopbaan gebied een cruciale rol kan spelen in de organisatorische loopbaanbegeleiding. Door een multilevel raamwerk toe te passen maak ik onderscheid tussen gedifferentieerde begeleiding op individueel niveau (d.w.z. de afwijking van de individuele beleving van een werknemer van de gemiddelde beleving binnen de groep) en begeleiding op groepsniveau (d.w.z. de gemiddelde beleving van alle groepsleden). Door

gedifferentieerde psychosociale begeleiding worden werknemers meer geschikt voor promotie vanwege een verhoogde motivatie om carrière te maken. Daarnaast medieert werktevredenheid de positieve effecten van gedifferentieerde loopbaan- en psychosociale begeleiding op de intenties om bij de organisatie te blijven. Omdat loopbaanbegeleiding gebonden is aan meer algemene aspecten van de organisatie, hebben gedeelde belevingen van carrièrebegeleiding op groepsniveau een aanvullend contextueel effect op deze uitkomsten boven gedifferentieerde carrièrebegeleiding op individueel niveau. Daar staat tegenover dat psychosociale begeleiding, die gericht is op de dyadische werknemer-leidinggevende relatie, alleen effect heeft op individueel niveau.

In hoofdstuk 3 beschrijf ik hoe de diversiteit van nationaliteiten alleen positief samenhangt met het diversiteitsklimaat en teamprestaties in onderling afhankelijke teams wanneer de culturele intelligentie van de leidinggevers hoog is. Die relatie is echter niet significant wanneer het team divers is qua leeftijd en geslacht in plaats van nationaliteit, of wanneer teamleden niet nauw samen hoeven te werken (dat wil zeggen, met weinig onderlinge taakafhankelijkheid). Dus, om effectief te zijn, moeten de kenmerken van de leidinggevers worden afgestemd op de specifieke behoeften van de werkeenheid. Daarnaast ondersteunen aanvullende analyses niet dat een niet-discriminerend eerlijk divers klimaat het interactie-effect van diversiteit in nationaliteit, de culturele intelligentie van de leidinggevende en onderlinge taakafhankelijkheid op teamprestatie medieert.

Tot slot verkent hoofdstuk 4 het belang van afstemming tussen leidinggevers en de organisatie aan de hand van de mate waarin de leidinggevende cynisch is ten opzichte van de verandering. Resultaten tonen aan dat leiderschap dat gekenmerkt wordt door contingente beloningen alleen met succes het cynisme van een werknemer over veranderingen kan verminderen als de leidinggevende zelf weinig cynisch is over de verandering; dit heeft geen effect als hij/zij zelf erg cynisch is over verandering. Het interactie-effect tussen cynisme van

de leider en leiderschap met contingente beloningen wordt gemedieerd door het cynisme van medewerkers over veranderingen op groepsniveau.

Samenvattend laat mijn onderzoek zien dat leidinggevend van grote waarde kunnen zijn bij het begeleiden van de uitdagingen in moderne werkomgevingen. Tegelijkertijd heb ik laten zien dat de mechanismen waardoor leidinggevend zingever en klimaatingenieurs worden complex zijn en waardevolle ideeën geven voor verder onderzoek. Omdat mijn onderzoek een breed scala aan werkdomeinen aanboort, kunnen organisaties rekening houden met de implicaties van de juiste afstemming om te profiteren van de potentie van leidinggevend om moderne carrières, diversiteit en verandering effectief te begeleiden.

CHAPTER 1

GENERAL INTRODUCTION

Modern business challenges call into question the status quo and confront employees with new workplace realities (Cascio, 2003). The most prominent challenges concern the shift towards complex and flexible career patterns, the increasing demographic diversity of the workforce, and continuous organizational change (Cascio, 2003). In these uncertain times, supervisors represent an important reference point for employees, facilitate employees' sense-making of the work environment, and ensure that employees' attitudes and behaviors benefit the organization (Morgeson, DeRue, & Karam, 2010; Smircich & Morgan, 1982). Given these important functions, it is surprising that our knowledge about how supervisors link employees and the organization lacks a comprehensive theoretical underpinning (c.f., Coyle-Shapiro & Shore, 2007). For instance, it is unclear how leadership operates at different levels in team contexts or which boundary conditions may influence supervisors' effectiveness in these changing times.

To address these issues, this dissertation aims to explore the role of leader attributes in modern business contexts. Inspired by contingency theories of leadership (Fiedler, 1967), I draw from the idea that leadership and situational characteristics need to be considered jointly. I put this assumption into a new perspective and elaborate how supervisors' behaviors, characteristics, and the interaction of both can be interpreted in general terms of alignment between the supervisor and the organizational requirements. Then, I combine these considerations with the business challenges mentioned above and describe how and, if appropriate, when supervisors fulfill their roles in contemporary organizational career management, nationality diversity management, and the implementation of organizational change.

Across all these topics, my research is inspired by the guiding question how employees' shared versus individual perception of the supervisor and the organizational

environment relate to outcomes of organizational interest. Thus, I will provide a multilevel excursus on individual- and group-level perceptions first.

Subsequently, I will describe shifts in organizational career development, nationality diversity management, and organizational change as important business challenges and highlight why supervisors are needed as sense-makers more than ever. I will then discuss the implications of supervisors' alignment with the organizational context in terms of behaviors, characteristics and the interplay of both and elaborate on the role of organizational perceptions and climates. Finally, I will give an outlook the structure of the dissertation, which integrates these practical and theoretical perspectives in a series of field studies.

A Multilevel Perspective on Organizational Perceptions

A reoccurring theme across all the studies included in my dissertation is that employees' perceptions can have different implications at different levels. Before presenting the research, which I have conducted, I would like to clarify the conceptual differences between individual and group-level perceptions.

From Individual-Level Perceptions to Emergent Group-Level Climates

Employees form a multitude of organizational perceptions, for instance, about their supervisors (e.g., "My supervisor provides me with challenging assignments"), the general mode of treating employees (e.g., "Employees here are treated fairly regardless of their cultural background"), or general opinions about the organization (e.g., "Most of the programs that are supposed to solve problems around here will not do much good"). These perceptions serve to make sense of the organizational environment and inform employees in more or less abstract representations about "the way things are done around here" (Schneider & Reichers, 1990, p. 22). James and James (1989) argued that individual perceptions, labeled psychological climate, represent an overall, gestalt-like valuation of the work environment. Thus, employees do not merely take notice of their work environment but interpret and assign

psychological meaning to it (L. R. James et al., 2008). Interestingly, although rooted in individual perceptions, a group of employees may share climate perceptions, such that a higher-order *organizational* climate develops. In contrast to psychological climate, organizational climate is a collective phenomenon and constitutes a descriptive attribute of the organization (L. R. James, James, & Ashe, 1990; Kuenzi & Schminke, 2009).

In a multilevel terminology, organizational climate constitutes a shared group-level phenomenon (Kozlowski & Klein, 2000), which emerges via fuzzy composition processes. Defining this process, Bliese (2000 p., 369) suggests that "the aggregation of lower-level constructs into higher-level variables is likely to create an aggregate level variable that is simultaneously related to and different from its lower-level counterpart." In this vein, an intriguing feature of higher-level climates is that they are apt to have unique, contextual effects beyond the individual-level characteristic or perception that underlies them (Firebaugh, 1978; Raudenbush & Bryk, 2002).

As specific climates can develop, which pertain to particular aspects of the work environment (Schneider, 1975), the concept may be useful to address specific modern business challenges, such as organizational career development, diversity management, and organizational change, because climates fulfill important sense-making functions.

As climates are *shared* assumption about what behaviors are considered "typical" for the organization, they provide informative guidelines to employees. Employees develop a common schema for workplace behaviors, which result in collective attitudes and behaviors (Ostroff, Kinicki, & Tamkins, 2003). Simply put, employees are prone to adopt behaviors and attitudes, which (apparently) "everybody else" in their environment displays as well (DeCelles, Tesluk, & Taxman, 2013; Mathieu & Kohler, 1990).

Moreover, climates are interpreted as manifestations of the underlying values and beliefs, which the organization endorses (Ostroff et al., 2003). In this regard, organizational

climates signal to employees what they can expect from the organization (cf., Purdie-Vaughns, Steele, Davies, Dittmann, & Crosby, 2008; Walumbwa, Wu, & Orwa, 2008). Thus, next to guiding behaviors, organizational climates may serve as evaluation criteria for future decisions, such as whether the organization is an attractive employer (Purdie-Vaughns et al., 2008).

My dissertation reflects these multilevel considerations, in that I consider the effects of organizational perceptions at multiple levels and especially focus on antecedents and consequences of group-level perceptions within the context of modern work settings.

Business Challenges in Modern Work Settings

Maintaining an adaptable, competitive workforce is essential for organizations in order to survive in today's dynamic business environments. However, organizations need to overcome considerable challenges in this regard as modern work settings comprise several characteristics that are prone to alienate employees from the organization (Cascio, 2003). In times of downsizing and flat hierarchies, organizations cannot guarantee stable, predictable career paths anymore (Voelpel, Sauer, & Biemann, 2012), such that career considerations may drive employees towards different employers. Additionally, increasing diversity in the workforce bears the potential of tensions and frictions between minority and majority members (Van Knippenberg, De Dreu, & Homan, 2004). Finally, organizations frequently engage in change projects to stay competitive in dynamic, fast-paced business environments (Voelpel, Leibold, & Habtay, 2004). However, change projects bear the risk to instigate uncertainty and endanger trust in the organization (Morgan & Zeffane, 2003).

As a consequence of these business challenges, employees need points of orientation to make sense of what goals the organization pursues and what implications may result for them. In this regard, supervisors can serve as important organizational agents who facilitate employees' sense-making for the benefit of the organization across all three domains.

Shifts in Organizational Career Development

Increasingly harsh and dynamic competition requires organization to be flexible (Beer, Voelpel, Leibold, & Tekie, 2005). This need for flexibility has substantial implications for the employment relationship. The trend towards flat organizations constrains the possibilities for upward promotions (Lips-Wiersma & Hall, 2007; Newell & Dopson, 1996). Moreover, organizations cannot guarantee stable, life-long employment anymore in times of frequent organizational downsizing and restructuring projects (Currie, Tempest, & Starkey, 2006)

In light of these instable work settings, perspectives on the career concept have changed tremendously. Whereas the traditional view on career development was greatly determined by predefined organizational career paths, employees take an active role in their own career management (King, 2004). Employees are considered independent entrepreneurs of their own careers, who strive for employability and promotability, which allows them to seize unforeseen career opportunities (De Pater, Van Vianen, Bechtoldt, & Klehe, 2009; Savickas et al., 2009; Thijssen, Van der Heijden, & Rocco, 2008). To this end, employees may engage in different career strategies, which may aim at career advancement within, but also outside the current organization (Gould & Penley, 1984; Nabi, 2000; Sturges, Conway, Guest, & Liefvooghe, 2005).

In fact, the independence of boundaryless careers from a specific employer was proclaimed as a radical shift away from traditional career paths (Arthur & Rousseau, 2001; Hall, 1996) and has challenged the relevance of organizational career development altogether. Some have questioned whether organizational career development is still needed when employees take care of their careers themselves (Capelli, 1999). Others have even warned that career support may backfire, such that employees' increased career potential may

motivate them to seize career opportunities at a different organization (Ito & Brotheridge, 2005).

These concerns may be overstated as the traditional intraorganizational career continuous to be an appealing concept for employees and organization alike (Biemann, Zacher, & Feldman, 2012; Chudzikowski, 2012; Rodrigues & Guest, 2010). However, there is evidence that career patterns become more complex (Sullivan & Baruch, 2009). Chudzikowski (2012) compared career experiences over a span of 15 years of university alumni who graduated in 1970 vs. in 1990. She found support that the 1990 cohort engaged more frequently in both intra- and interorganizational career transitions. Whereas the older cohort followed the more traditional pattern of upward promotions, the more recent cohort experienced more cross-functional or lateral career transitions. Taken together, organizational career management is still necessary but it needs to accommodate for the complexity of modern careers (Lips-Wiersma & Hall, 2007).

For this purpose, organizations need to provide flexible forms a career development, which are integrated in daily work, rather than rigid, predefined career paths (Lips-Wiersma & Hall, 2007; McDonald & Hite, 2005). In this regard, supervisors can greatly contribute to contemporary organizational career development by offering mentoring (McDonald & Hite, 2005). Due to their direct influence on employees daily work experiences, supervisors' career mentoring can facilitate intraorganizational developmental experiences and informal learning activities, such that employees' personal and organizational career development complement each other (Powell, Hubschman, & Doran, 2001; Sturges et al., 2005). Moreover, supervisor and employees interact closely, such that supervisors may be better informed about the idiosyncratic career concerns of employees. Therefore, they may be able to personalize career support through psycho-social mentoring in order to facilitate that employees achieve their career goals (Hite & McDonald, 2008). While mentoring has been found to have beneficial

effects on dyadic mentoring relationships (Allen, Eby, Poteet, Lentz, & Lima, 2004), previous research has not yet explored the usefulness of mentoring in team contexts, in which supervisors work with several employees. As the team context constitute a salient frame of reference, it is important to understand how mentoring experiences affect employees' responses at the individual and the group level. In this regard, supervisors may facilitate twofold sense-making processes: First, supervisors assist the development of employees' personal career development. Moreover, they also present the organization as an attractive employer who offers ample developmental opportunities. In sum, supervisors can contribute to employees' promotability, while they simultaneously increase the likelihood that employees will stay (Sturges, Guest, Conway, & Davey, 2002).

Nationality Diversity Management

Cascio (2003) identified demographic changes as another impactful business trend, which will lead to increasing demographic diversity of the workforce. This dissertation will consider nationality diversity in particular, which is expected to increase considerably in many Western societies in the next years (Arends-Tóth & Van De Vijver, 2003; McKay, Avery, & Morris, 2008; Zick, Wagner, Van Dick, & Petzel, 2001). Moreover, the latest report of the World Economic Forum acknowledges the importance of successful nationality diversity management, by stating that Germany's competitiveness will depend on its ability to integrate minorities at work (World Economic Forum, 2014).

The effect of diversity on team outcomes is not universal, but depends on specific team processes that are activated. The categorization-elaboration model (CEM) describes different team processes, which can either result in favorable or detrimental diversity effects in teams (Van Knippenberg et al., 2004).

From an informational resource perspective, diversity is apt to foster team performance. Diverse team members often hold different perspectives, which can contribute

to develop effective work strategies and solutions (Milliken & Martins, 1996), if team members succeed in integrating the various sources of information (Van Knippenberg et al., 2004). Thus, when team members elaborate information and develop adequate communication patterns, they can work together effectively (Greer, Homan, De Hoogh, & Den Hartog, 2012; Homan, Van Knippenberg, Van Kleef, & De Dreu, 2007; Kearney & Gebert, 2009).

On the other hand, social categorization theory (Tajfel & Turner, 1986) and the similarity-attraction paradigm (D. Byrne, 1971) provide a theoretical basis to explain why diversity can be challenging in teams. According to social categorization theory (Tajfel & Turner, 1986), self-concepts are largely defined by membership in a group, to which the focal individual feels attached. In order to maintain and enhance self-esteem, individuals tend to favor ingroup members, whereas they tend to evaluate outgroup members in a less favorable way. Moreover, according to the similarity-attraction paradigm (D. Byrne, 1971), individuals feel more attracted to others who are similar to themselves in terms of attitudes as well as demographic characteristics. Conversely, when team members are dissimilar to others, they feel less accepted (Thomas, 1999) and less committed to their work group (Riordan & Shore, 1997; Tsui, Egan, & O'Reilly, 1992). As a consequence, diversity can trigger unfavorable team processes, such as subgroup perceptions, tensions and conflicts (Ely & Thomas, 2001; Homan, Greer, Jehn, & Koning, 2010; Jehn, Northcraft, & Neale, 1999), which can impair work group functioning and performance.

Thus, the CEM proposes that the effects of diversity on team outcomes are contingent upon the specific team processes that emerge. As supervisors have important influence on team processes (Zaccaro, Rittman, & Marks, 2001), they can contribute to the successful management of diversity. In particular, they can shape whether employees experience the positive or the negative aspects of diversity through their personal approach towards diversity

(Van Knippenberg, Van Ginkel, & Homan, 2013). Supervisors need to recognize the unique contributions of each member, instead of reinforcing demographic subgroups in diverse teams (Greer et al., 2012). In the latter case, equivocal situations can emerge, which lead to a tense, unfavorable diversity climate (Ely & Thomas, 2001).

Furthermore, when supervisors exclusively focus on preventing performance losses, they may miss out on the potential performance gains associated with diversity (Van Knippenberg, Homan, & Van Ginkel, 2013). In contrast, when supervisors establish a favorable view on diversity and encourage information elaboration, team members are able to capitalize on diverse knowledge within the team, which leads to performance gains (Homan et al., 2007). Thus, how supervisors make sense of diversity in teams can have important consequences for diversity climates and performance.

Organizational Change

Nowadays, constant change has become a matter of organizational survival (Beer et al., 2005). The decline of previously proud market leaders across a variety of different branches (e.g., IBM, Kodak, Nokia) demonstrates that size and prestige alone do not guarantee long-term success anymore. Like the ostensibly invulnerable Titanic, large corporations find themselves in a sea of icebergs, represented by agile competitors from all over the world, which are ready to hit their core competencies. Thus, organizations need to reinvent themselves continuously in order to maintain flexibility and efficient processes, which enable them to meet dynamic, competitive market demands.

While the necessity of change is widely uncontested, its implementation frequently falls short to meet expectations. Cameron and Green (2009) presented a number consulting firm reports, which illustrate that many change projects derail in terms of costs and time, or fail to fulfill their original purpose. Alarmingly, Beer and Nohira (2000) estimated that up to 70% of change initiatives turn out to be unsuccessful. In light of these concerning number,

research and practitioners agree that careful task planning on its own is not enough. In addition, organizations need to ensure that employees support change (Herscovitch & Meyer, 2002). Indeed, change projects oftentimes undermine trust in management and instigate anxiety, uncertainty and confusion (Bordia, Hobman, Jones, Gallois, & Callan, 2004; McKinsey & Company, 2006; Morgan & Zeffane, 2003). Thus, effective change management should clarify the underlying purposes and strive for transparency in order to foster favorable employee responses toward change. In this regard, participation, procedural justice and top management communication have been proposed as important tools in change management (c.f., By, 2005; Mento, Jones, & Dirndorfer, 2002). "However, the unfortunate reality is that, in spite of what we think we know about change management, many, if not most, significant organizational change initiatives fail to meet expectations" (Herold, Fedor, & Caldwell, 2007, p. 942). Possibly, even if management *believes* that adequate actions were taken, employees may feel quite different about it. For instance, Reichers, Wanous and Austin (1997) reported a case in which management closed down the executive cafeteria in order to bring managers and employees closer together. However, as managers often sat at separate tables in the common cafeteria, employees suspected even more that they wanted to distance themselves from the rest of the workforce. In another case, management introduced a new structure of intraorganizational cooperation, accompanied by broad communication initiatives and vision workshops (Balogun, 2003). Despite these textbook procedures, employees had tremendous difficulties to understand what exactly management expected them to do within the new structure. As a consequence, cooperation and efficiency suffered for several years. These findings may reflect that most recommendations for change concentrate on setting the stage, while the implementation has received less attention. In this vein, models of change process devote comparatively few steps to the implementation process (for a comparison of different models, see By, 2005; Mento et al., 2002).

Supervisors are indispensable assets during this crucial phase of change management. As illustrated by the anecdotes, employees may find it difficult to decipher the intentions of change initiatives and derive implications for their daily work. Thus, supervisors who act on behalf of the organization can facilitate these crucial sense-making processes (Balogun, 2003). First, supervisors may serve as a point of reference, which represents what organization stands for and may reinstate confidence toward management. In this regard, Hill et al. (2012) found that leadership competencies of the *immediate* supervisors positively influence employees' commitment to change. Notably, perceived *top management* communication adequacy acted as a mediator in this relationship. This empirical finding demonstrates that direct supervisors are crucial to effectively foster employees' comprehension of the underlying purposes of change. Moreover, supervisors may translate an abstract change vision into specific work activities and encourage that these new procedures are adopted in daily work routines. Thereby, supervisors ensure that the "new way of doing things" is integrated sustainably and avoid that change initiatives fizzle out without any impact (cf., Voelpel et al., 2004). Taken together, supervisors can contribute greatly to the success of change projects.

Alignment between Supervisor Attributes and Organizational Context

As illustrated above, supervisors are crucial for sustainable organizational success in modern business settings. Despite supervisors' important role in linking employees to the organization, this intermediary process is not well understood (Coyle-Shapiro & Shore, 2007). In this regard, it is still unclear when supervisor behaviors operate at the individual level, at the group level, or at both levels (D. V. Day, Gronn, & Salas, 2006). Moreover, as supervisors are needed to connect employees to the organization and its goals, it is important to understand what factors enable them to fulfill this task successfully, and under which conditions their effectiveness will be limited. In order to provide a structured approach to

these important questions, I reconsider the relevance of the contingency approach to leadership. The core assumption of this leadership theory is that situational factors determine whether specific leadership behaviors will be successful (Fiedler, 1967; Hersey & Blanchard, 1977; Vroom & Yetton, 1973). However, the traditional approach to contingency factors is limited in several ways. First, this line of research focused predominantly on leadership styles (e.g., person vs. task orientation: Fiedler, 1967; House, 1971) without considering other leader attributes such as personal characteristics and attitudes. Second, the majority of the research focused on task characteristics, such as task structure (Fiedler, 1967) and informational and quality requirements (Vroom & Yetton, 1973), but did not address other aspects of the organizational context (as an exception, Hersey & Blanchard [1977] considered team members' maturity levels). This dissertation strives to expand the original contingency idea that leadership style and situational characteristics need to be considered in concert to a more general principle of alignment. Specifically, I propose that the extent to which supervisor attributes match the organizational context will affect how supervisors influence employees' sense-making and related outcomes, which are relevant for the organization. I will elaborate how alignment can be construed in terms of supervisor behaviors, characteristics and the interplay of both, and discuss the implications for supervisors' contributions for the different business challenges.

Supervisor Behaviors

My first argument is that leader behaviors may vary in the degree to which they are considered idiosyncratic for the supervisor or are aligned with other organizational aspects, which go beyond the unique relationship with the supervisor. The distinction between idiosyncratic supervisor behaviors (e.g., directed at the unique relationship between the supervisor and the employee), and supervisor behaviors with a broader focus (e.g., directed to more general aspects of the organization) may have important implications for the level at

which supervisor behaviors operate in team contexts. In particular, I propose that idiosyncratic behaviors will operate predominantly at the individual level, whereas behaviors with a broader focus will have additional, contextual effects at the group level.

This distinction can meaningfully inform how supervisors mentoring behaviors contribute to organizational career development. In this regard, I distinguish the mechanisms of psycho-social mentoring and career mentoring at multiple levels in team contexts. Psycho-social mentoring is a dyadic behavior in nature, which strives to establish a trustful and intimate interpersonal relationship between the employee and the supervisor (Allen et al., 2004; Kram, 1985). As these efforts signal supervisors' personal interest and genuine concern for the employee, psycho-social mentoring is likely to be interpreted as an idiosyncratic supervisor behavior. Thus, within a team context, the individual mentoring experience should be the primary driver of psycho-social mentoring effects. In contrast, career mentoring includes behaviors such as sponsorship and access to career and developmental opportunities, such that career mentoring directs employees focus towards the organization in general (Noe, 1988; Ragins & McFarlin, 1990). That is, through career mentoring, employees make a variety of organizational experiences, which go beyond the unique relationship with their supervisor, and shape how employees perceive the organization in general (Baranik, Roling, & Eby, 2010). Thus, career mentoring may create a contextual group-level effect, which goes beyond the personal career mentoring perception at the individual level.

Chapter 2 presents a study, which corroborates this reasoning. Psycho-social mentoring, which is a more dyadic, idiosyncratic behavior, unfolded its favorable effects on employees' promotability and intentions to stay only at the individual level within teams, whereas career mentoring, which is aligned with broader aspects of the organization, had predominantly group-level effects on these outcomes.

Supervisor Characteristics

A second reading of the alignment principle concerns the match between supervisor characteristics and the specific requirements of the work group. The functional approach takes a pragmatic perspective on leadership and states that effective leaders need to manage any possible team needs, which may arise (McGrath, 1962). In particular, supervisors need to ensure that the team develops favorable team processes, which are instrumental for team effectiveness (Zaccaro et al., 2001). That is, supervisors can effectively manage teams, when their characteristics enable them to address the team's needs adequately and are aligned with the particular challenges, which the team has to handle. To illustrate this notion, I will consider two work group attributes, team diversity and task interdependence, which require an active management of team processes.

First, team diversity can lead to negative or positive consequences depending on whether unfavorable team processes (e.g., conflicts) or favorable team processes (e.g., elaboration of information) prevail.

Second, previous research demonstrated that task interdependence moderates how important supervisors and team processes are for team success (Burke et al., 2006; Joshi & Roh, 2009; Somech, Desivilya, & Lidogoster, 2009; Van Der Vegt & Janssen, 2003). When task interdependence is low, team members can individually perform their jobs, such that interactions with others are not necessarily needed to accomplish the team task. In contrast, in interdependent teams effective coordination and smooth cooperation are prerequisites for performance.

From an alignment perspective, supervisors should be effective in such settings when their characteristics enable them to establish favorable team processes in interdependent, diverse teams. The study reported in Chapter 3 serves to exemplify this proposition by considering the importance of supervisors' cultural intelligence in interdependent teams with

high nationality diversity with regard to diversity climate and team performance. Under this condition, the supervisor characteristic of cultural intelligence is aligned with the team's needs in several ways: First, diversity often creates equivocal situations, which are prone to alienate majority and minority team members alike (Ely & Thomas, 2001). As cultural intelligent supervisors possess the skills to communicate effectively across different nationalities (Imai & Gelfand, 2010), they are able to make sense of and dissolve ambiguities. Thereby, they contribute to a favorable and fair diversity climate. Second, Van Knippenberg et al. (2013) suggested that supervisors' beliefs about diversity will influence how they try to manage diversity in teams. Culturally intelligent supervisors are likely to recognize the potential that nationality diversity brings to the team. Therefore, they will encourage team members to cooperate and effectively utilize the various perspectives represented in nationally diverse teams, which benefit team performance (c.f., Greer et al., 2012). Conversely, when the team is less nationally diverse, supervisor's cultural intelligence is less needed. As illustrated by the study in Chapter 3, the resulting misalignment might even be detrimental for the teams' outcomes.

Moreover, other team constellations do not require supervisors to be culturally intelligent. For instance, cultural intelligence may be misaligned with other types of diversity, such as gender or age. The findings reported in Chapter 3 support the reasoning that supervisor characteristics need to be aligned with team requirements. In addition, I explored whether fair diversity climate mediated the interactive effect of nationality diversity, cultural intelligence, and task interdependence on team performance, but this mediation effect was not significant.

Interaction of Characteristics and Behaviors

Whereas the previous section focused on the alignment of supervisors' characteristics with regard to the workgroup needs, supervisors' personal attitude towards the organization

can also represent a form of (mis)alignment. In this regard, I consider the interactive effect of supervisor characteristics and behaviors, and their implications for employees' responses.

The employee-organization relationship can be interpreted within a social exchange framework (Coyle-Shapiro & Conway, 2004). Basically, an employee will be motivated to invest effort to the organizational benefit to the extent to which the organization (over-/under)fulfills its obligations towards the employee (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001). As the organization itself represents an abstract social system, the exchange relationship is realized by organizational officials who represent the organization (Levinson, 1965). In this regard, supervisors constitute important exchange partners who shape the employment relationship (Liden, Bauer, & Erdogan, 2004). When the supervisor and the organization are perceived as a unity, employees tend to generalize their personal experiences with their supervisor to the organization; a process labeled anthropomorphization or personification of the organization (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002; Rhoades & Eisenberger, 2002; Sluss & Ashforth, 2008).

However, when there is a misalignment between the organization and the supervisor, these generalization tendencies are set off (Eisenberger et al., 2002; Eisenberger et al., 2010; Koivisto, Lipponen, & Platow, 2013). Under these circumstances, employees do not consider their supervisors as organizational agents (Sluss & Ashforth, 2008), such that they have limited influence on how employees perceive the organization (Sluss et al., 2012). In line with this reasoning, several studies showed that supervisor support only affects perceived organizational support when supervisors themselves identify with and are perceived to embody the organization (Eisenberger et al., 2002; Eisenberger et al., 2010). Similarly, supervisory interactional fairness is unrelated to how threatening employees perceive the organization during change when supervisors seem to be nonrepresentative for the organization (Koivisto et al., 2013).

In Chapter 4, I will explore the implications for supervisors' (mis)alignment with the organization in the context of organizational change. In particular, I will consider the interplay between supervisors' cynicism about change and contingent reward behavior. My central proposition is that supervisors' cynicism about change will indicate the level of (mis)alignment between the supervisor and the organizations. When supervisors' cynicism is low, contingent reward leadership helps to restore trust and provides orientation about what employees are supposed to do. Thus, this leader behavior is apt to attenuate employees' cynicism about change and increase their in-role performance (Podsakoff, Bommer, Podsakoff, & MacKenzie, 2006). Importantly, however, high supervisors' cynicism about change sheds a new light on the exchange relationship that employees maintain with their supervisor and with the organization. When supervisors are cynical about change, employees may perceive the organization and the supervisor as distinct entities. As employees may not equate a cynical supervisor with the organization, a favorable relationship with the supervisor, established by contingent reward, will leave their own cynicism about change unaffected. Moreover, Wayne and colleagues (2002, p. 593) noted that employees are motivated to reciprocate favorable supervisor behaviors "in terms of behaviors valued by the supervisor." Under conditions of estrangement between the supervisor and the organization, employees may not consider performance as an adequate way to respond to favorable supervisor treatment (Erdogan & Enders, 2007). My empirical study generally supported these ideas. Moreover, employees' cynicism about change at the group-level mediated the interactive effect of supervisors' cynicism about change and contingent reward on employees' performance, whereas individual-level cynicism was unrelated to performance. This finding indicates that cynicism *climate* may have relevant implications for organizations.

Outline of the Dissertation

The research presented here aims to advance our understanding about supervisors' role in managing the challenges of modern work settings. The dissertation was based on the cooperation with a partner company, at which I collected questionnaire data from employees and their supervisors. For each field study, data were collected in separate surveys, such that the data does not overlap in the studies reported here. When appropriate and feasible, I complemented these data with objective information obtained from company records.

Chapters 2 through 4 present different field studies, which address the topic of organizational career development, diversity management, and organizational change, respectively, and reflect the theoretical reasoning about how supervisors link employees to the organization. Table 1 summarizes the topics addressed by each chapter. As the chapters were written as articles for the submission to scientific journals, they can be read independently of each other. Furthermore, I had the chance to collaborate with several researchers who contributed valuable input to my research. In order to acknowledge the co-authors' contributions, I use the plural form "we" instead of "I" in the empirical chapters.

Chapter 5 concludes the dissertation and provides an integrative discussion of its theoretical and practical contributions. I will also address the limitations of my work and sketch avenues for future research.

Table 1.1: Overview of topics covered in the empirical chapters

	Chapter 1	Chapter 2	Chapter 3
<i>Employees' Organizational Perceptions</i>			
Group-level Climates	X	X	X
Individual-level Perceptions	X		X
<i>Business Challenge</i>			
Career Development	X		
Diversity Management		X	
Organizational Change			X
<i>Supervisor Attributes</i>			
Behavior	X		
Characteristic		X	
Interaction: Behavior X Characteristic			X
<i>Alignment</i>			
Behavior is Dyadic vs. Aligned with Organization	X		
Alignment with Work Group Requirements		X	
Alignment with Organizational Strategy			X

CHAPTER 2

MENTORING IN CONTEXT: A MULTILEVEL STUDY ON DIFFERENTIATED AND GROUP-LEVEL MENTORING*

* I would like to thank Annelies E. M. Van Vianen, Astrid C. Homan, Christiane A. L. Horstmeier, and Sven C. Voelpel for co-authoring this manuscript. Paper is submitted for publication.

Abstract

Purpose – Mentoring by supervisors has become an important tool to meet the objectives of contemporary organizational career management, namely enhancing employees' promotability and intentions to stay. As supervisors usually work with several employees, traditional dyadic mentoring research needs to be extended to the team context. *Design* – Applying a multilevel framework, we distinguish between individual-level differentiated mentoring (i.e., the deviation of an employee's individual perceptions from the average perception within the group) and group-level mentoring (i.e., the average perception across all group members). We explore the effects of these distinct constructs in a sample of 290 vocational job starters and their supervisors. *Findings* – We find that career motivation mediates the positive relationship between differentiated psycho-social mentoring and promotability, whereas job satisfaction mediates the positive effect of differentiated career and psycho-social mentoring on intentions to stay. At the group level, only career mentoring is positively related to promotability and intentions to stay. *Implications* – Career mentoring seems to operate mainly at the group-level, indicating that supervisors who readily provide career mentoring create a favorable career climate for all employees in their team. Thus, career mentoring may be an effective way to mass customize organizational career development. Moreover, supervisors may use differentiated psycho-social mentoring to provide additional, personalized career support. *Originality* – Our study is the first to distinguish differentiated and group-level mentoring within teams. Thereby, we extend traditional mentoring theory to group contexts and provide practitioners with a more detailed understanding of how to use mentoring by supervisors in organizational career management.

In today's dynamic and accelerated business environments, organizations' need for adaptability has resulted in flatter organizational hierarchies and frequent restructuring programs. This development has changed the nature of organizational career development such that lifelong employment and predictable career paths along hierarchical promotions cannot be automatically assumed (Voelpel et al., 2012). Instead, career development needs to become more flexible and individualized to ensure an adaptable workforce as well as to complement employees' own career self-management (Lips-Wiersma & Hall, 2007; Sullivan & Baruch, 2009). In this regard, supervisor's mentoring behaviors – both career and psychosocial mentoring – have become central in providing contemporary career development support (S. Kim, Egan, Kim, & Kim, 2013; McDonald & Hite, 2005; Rafferty & Griffin, 2006).

Career mentoring includes instrumental support for career advancement through the provision of learning opportunities and sponsorship (Ragins & McFarlin, 1990). Psychosocial mentoring entails supervisors' counseling behaviors, which enhance employees' vocational confidence (Noe, 1988). Interestingly, previous research mainly focused on isolated mentoring experiences of individual employees and did not address group-level phenomena, which are highly relevant as group-based organizational structures have become ubiquitous in today's business world (Kozlowski & Bell, 2003). That is, in order to understand the role of mentoring by supervisors for organizational career development, we need to gain a more detailed understanding of how both mentoring functions operate at different levels within team contexts. In this respect, we consider two distinct outcomes, employee's promotability and intentions to stay, which reflect the primary objectives of organizational career development, namely developing and retaining an adaptable workforce.

We propose that employees' mentoring perceptions are not only shaped by their idiosyncratic mentoring experiences but also by observing their supervisor's mentoring

behaviors toward others in the group, which implies that mentoring may operate at the both the individual and the group level (Nielsen & Daniels, 2012). At the individual (employee) level within a group, different employees establish relationships of varying quality with their supervisor (Dansereau, Graen, & Haga, 1975), such that some employees report higher or lower levels of received mentoring than others. To assess an employee's unique mentoring experience in comparison to other group members, we define *differentiated mentoring* as the deviation of an employee's individual mentoring perception from the shared mentoring perceptions within the group. Thus, differentiated mentoring characterizes the extent to which an employee experiences relatively more or less mentoring as compared to others in the group (Nielsen & Daniels, 2012). We will argue that differentiated career and psycho-social mentoring strengthen career motivation (R. Day & Allen, 2004), which in turn should foster promotability. With regards to intentions to stay, we will test competing hypotheses, because previous research suggests that differentiated career and psycho-social mentoring can both increase and decrease intentions to stay (Ito & Brotheridge, 2005).

At the group level, group members' average mentoring perceptions represent the overall mentoring climate, to which we refer as *group-level mentoring*. We argue that mentoring climates can affect career outcomes beyond differentiated mentoring when they extend the individual supervisor-employee relationship to be informative about group-level career support. Moreover, we propose that this cross-level effect will be relevant only for group-level career mentoring, but not for psycho-social mentoring.

Our research yields important contributions. With the increasing importance of mentoring by supervisors as a tool of organizational career development, it is important to understand the different mechanisms in group contexts. Thus, we introduce differential and group-level career and psycho-social mentoring as distinct theoretical constructs and explore their independent contribution to employees' individual-level promotability and intentions to

stay. Moreover, practitioners need to find a way to "mass customize" organizational career development, in that they provide individualized career assistance that is available for all employees (Lips-Wiersma & Hall, 2007). A more detailed understanding of the mentoring mechanisms in group contexts thus may help to determine an effective mix of career and psycho-social mentoring.

Mentoring in a Group Context

Supervisors play a crucial role in employee's career development by offering mentoring (Baranik et al., 2010; Greenhaus, Parasuraman, & Wormley, 1990; Rafferty & Griffin, 2006). Typically, two broad mentoring functions are distinguished (Allen et al., 2004; Kram, 1985): Career and psycho-social mentoring. Career mentoring refers to instrumental assistance for career advancement. Supervisors who provide career mentoring give their employees challenging assignments and learning opportunities, assist them in achieving their goals, and bring them in contact with influential persons within the organization (Ragins & McFarlin, 1990). On the other hand, psycho-social mentoring helps employees to develop a professional identity, confidence, and work effectiveness by providing a positive role model, counseling and coaching (Noe, 1988; Sosik & Godshalk, 2000). With the increasing importance of group contexts (Kozlowski & Bell, 2003), multilevel theorists have discussed whether leader behavior is best represented in terms of individual perceptions or in terms of a shared leadership climate, which emerges from the shared perceptions of employees who work with the same supervisor (Klein & Kozlowski, 2000). Reconciling these contrary perspectives, Nielsen and Daniels (2012) suggested that within group contexts, leader behaviors may manifest as independent theoretical concepts at both levels.

Considering the individual level within groups, supervisors maintain relationships of varying quality with different group members (Dansereau et al., 1975), such that some members may report higher, whereas others may report lower levels of career and psycho-

social mentoring. As suggested by social comparison theory (Festinger, 1954), differentiated supervisor behaviors are likely to be salient to employees in work groups (Henderson, Wayne, Shore, Bommer, & Tetrick, 2008), such that employees may perceive differences between their own mentoring experiences and those of peers, which may affect their career attitudes. For instance, Vidyarthi and colleagues (2010) assessed employee's actual relative relationship quality with the supervisor in comparison to their colleagues using a difference measure and explored whether their relative standing would trigger social comparisons. They found that employee's *actual* relative relationship quality was indeed reflected in their *subjective* perception of their differential relationship status within the group.

At the same time, supervisors shape a certain work climate at the group level, which is represented by the average level of mentoring that group members perceive. In other words, mentoring at the group level emerges from the shared mentoring perceptions of individual team members (Bliese, 2000). Consistent supervisor behaviors can potentially translate into more general work climates, which shape the interpretation of work context (González-Romá, Peiró, & Tordera, 2002). For instance, when employees are exposed to a supervisor who consistently reinforces organizational procedures, they infer a general favorable procedural justice climate (Naumann & Bennett, 2000). In a similar vein, shared group-level mentoring will create a mentoring climate.¹

These different manifestations raise the question of the relative importance of differentiated and group-level mentoring for employees' promotability and intentions to stay. Traditional approaches imply that mentoring primarily operates at the individual level as it enables individualized experiences that support protégés' career progress. However, the effectiveness of mentoring is contingent upon how employees evaluate their mentoring experience (Eby, Butts, Durley, & Ragins, 2010). In this respect, mentoring effectiveness suffers particularly when employees doubt whether they can meet their mentor's expectations

(Ensher & Murphy, 2011) or feel that their supervisors does not fulfill their mentoring responsibilities towards them (Haggard, 2012). As the group creates an evaluative framework to assess one's personal mentoring quality, differentiated mentoring may affect employee's personal career and job attitudes and, in turn, promotability and intentions to stay. Moreover, given the important role of mentoring by supervisors in contemporary organizational career development, it is also crucial to understand whether mentoring climates can affect employee outcomes beyond the individual mentoring experience. Psycho-social mentoring mainly concerns the unique relationship between the supervisor and the employee rather than characterizing the organization (Allen et al., 2004; Baranik et al., 2010), such that psycho-social mentoring climates may not contribute beyond the positive effects of differentiating psycho-social mentoring. In contrast, career mentoring meaningfully extends the dyadic supervisor-employee relationship in that it paves the way for a variety of organizational experiences in form of challenging assignments and access to developmental and networking opportunities (Baranik et al., 2010), such that group-level mentoring will have an additional, cross-level effect on employees' career outcomes at the individual level.

Individual-Level Differentiated Mentoring

Promotability

Promotability entails supervisors' "perception of an individual's capacities and willingness to effectively perform at higher levels" (De Pater et al., 2009, p. 298). We propose that both differentiated career and psycho-social mentoring are positively related to promotability. Employees who experience more individual career mentoring have greater access to challenging assignments and career opportunities than their colleagues. As a result, they acquire a broader set of skills which improve their career capacities (Allen et al., 2004). Psycho-social mentoring is primarily important for establishing a professional identity. Individual psycho-social mentoring supports employees' work role effectiveness and the

development of a career-enhancing mindset (Kram, 1985), which are in turn predictors of promotability (De Pater et al., 2009; De Vos & Soens, 2008). Consequently, employees who receive more psycho-social mentoring will have a career advantage over their colleagues.

We propose career motivation, for which previous research has shown associations with both mentoring functions (R. Day & Allen, 2004), as the mediating process that links differentiated career and psycho-social mentoring to promotability. When career motivation is high, individuals assign high personal importance to their career, feel self-efficacious to master career challenges, and plan their further career development (Carson & Bedeian, 1994; London, 1983). According to social comparison theory (Festinger, 1954; J. V. Wood, 1996), differentiated career mentoring will serve as an indicator for one's relative career potential. Individual career mentoring will enable employees to gain more successful career experiences and be confident to cope with career challenges (R. Wood & Bandura, 1989), such that those employees who receive more career mentoring may be more motivated to advance their career. In contrast, employees receiving less individual career mentoring than their colleagues will question whether they have the necessary abilities for career advancement (R. Wood & Bandura, 1989), which may undermine their career motivation.

Besides differentiated career mentoring, we propose that differentiated psycho-social mentoring will also enhance career motivation. Counseling and coaching help employees to develop effective strategies for setting and achieving career goals which are essential aspects of career motivation. Moreover, positive affirmation conveyed in counseling is crucial to strengthen career motivation (Noe, Noe, & Bachhuber, 1990). Thus, employees who receive more psycho-social mentoring benefit from higher support to develop their professional identity and their career goals than their colleagues, resulting in enhanced career motivation (London, 1983; Noe et al., 1990).

In line with our mediation argument, we propose that career motivation is positively related to promotability (c.f., R. Day & Allen, 2004). Employees who invest time and effort in preparing for career advancement are likely to be more promotable (De Vos & Soens, 2008; Eby, Butts, & Lockwood, 2003), so that supervisors will perceive them as able and willing to advance in their career. Altogether, we propose that differentiated career and psycho-social mentoring will positively relate to supervisor-rated promotability via its association with career motivation.

Hypothesis 1: Differentiated career mentoring (Hypothesis 1a) and psycho-social mentoring (Hypothesis 1b) are positively related to promotability via career motivation.

Intentions to Stay

Whereas mentoring seems to have a generally positive effect on career success, its relationship with intentions to stay is more ambiguous because increasing employees' career potential might make them more suited for career opportunities outside the organization (Ito & Brotheridge, 2005). Thus, we also take into account potential downsides of mentoring in order to evaluate how useful mentoring by supervisors is for organizational career development. We argue that the effect of career and psycho-social mentoring on employees' intentions to stay depends on the specific, competing processes that may be activated (Ito & Brotheridge, 2005). As argued above, one such process is the promotion of career motivation; another process is an increase in job satisfaction. Contrasting both mechanisms leads us to competing hypotheses that suggest contrary effects of differentiated career and psycho-social mentoring on intentions to stay.

Research on career motivation would predict a negative indirect effect on intentions to stay. First, employees high in career motivation invest in their human capital, which increase their career marketability for the external job market (Eby et al., 2003). Second, changing

employers is an effective way to speed up personal career progress (Inkson & Arthur, 2001). Thus, employees with high career motivation might be more likely to accept employer transitions in order to achieve their career goals faster. In accordance with our previously outlined reasoning, stating that differentiated mentoring increases career motivation, we expect negative indirect effects of differentiated career and psycho-social mentoring on intentions to stay.

Hypothesis 2: Differentiated career mentoring (Hypothesis 2a) and psycho-social mentoring (Hypothesis 2b) are negatively related to intentions to stay via career motivation.

In contrast, research on job satisfaction would suggest a positive indirect association between differentiated career and psycho-social mentoring and intentions to stay. Job satisfaction describes an individual's general affective attitude towards the job (Spector, 1997), which includes career-related job components such as the availability of developmental opportunities and promotions, and social relationships at work (e.g., Hackman & Oldham, 1975; Weiss, Dawis, & England, 1967). Employees who receive more career mentoring than their colleagues experience relatively higher job variety as well as greater access to challenging tasks and developmental opportunities, all of which are crucial determinants of job satisfaction (Hackman & Oldham, 1975; Preenen, De Pater, Van Vianen, & Keijzer, 2011). Moreover, employees who receive more psycho-social mentoring have better relationships with their supervisor (Allen et al., 2004), which result in higher job satisfaction (Hu & Liden, 2012), than those who receive less psycho-social mentoring.

Previous research has consistently reported a positive relationship between job satisfaction and intentions to stay (Hom & Kinicki, 2001; Tett & Meyer, 1993). When employees' needs are satisfied, they have less reason to leave the organization. Therefore, in

contrast to Hypothesis 2, which predicts a negative effect on intentions to stay via heightened career motivation, we propose the following alternative hypothesis:

Hypothesis 3: Differentiated career mentoring (Hypothesis 3a) and psycho-social mentoring (Hypothesis 3b) are positively related to intentions to stay via job satisfaction.

Group-Level Perceptions of Mentoring

Whereas the beneficial effects of individualized mentoring in dyadic, one-on-one relationships have been well documented (Allen et al., 2004), research has not yet theorized about the contextual effects of mentoring climates in groups, in which supervisors maintain relationships with several employees. We argue that mentoring climate has to go beyond the individual supervisor-employee relationship in order to create an added value, and that this will be the case for career mentoring but not for psycho-social mentoring.

Career mentoring enables learning and networking experiences within the company, so that broader organizational experiences beyond the relationship with the immediate supervisor become generally visible and accessible for employees (Rafferty & Griffin, 2006). In contrast to career mentoring, the essence of psycho-social mentoring reflects the supervisor's support for an individual employee and lies in establishing an affective bond between the supervisor and the employee (Allen et al., 2004). Therefore, perceptions of psycho-social mentoring are much more bound to the person of the supervisor, whereas career mentoring is apt to inform perceptions of the organization. In support of this reasoning, Eby and colleagues (2013) found in a recent meta-analysis that psycho-social mentoring has a stronger influence on the relationship quality with the supervisor than career mentoring, whereas career mentoring has a stronger impact on sense of affiliation with the organization in work place settings. In a similar vein, only career mentoring, but not psycho-social mentoring, seems to generalize to perceptions of the organization (Baranik et al., 2010). In

this regard, we propose that psycho-social mentoring affects outcomes mostly through the individual, differentiated mentoring experience, and less so as a group-level mentoring climate. In sum, we argue that group-level career mentoring will yield additional information about the organization and explain additional variance in promotability and intentions to stay beyond differentiated mentoring, but that this will not be the case for psycho-social mentoring.

Promotability

When group-level career mentoring is favorable, supervisors offer a rich learning environment (Amy, 2008; Marsick & Watkins, 2003), in which employees can acquire a broad set of career relevant competencies. When supervisors readily promote organizational experiences through networking opportunities and challenging assignments, employees are likely to conclude that these activities are valued within the organization. A development-orientated climate does not only motivate employees to apply their knowledge in practice (Egan, Yang, & Bartlett, 2004), so that they improve and broaden their skills, but also enhances employees willingness to seize career development opportunities (Nauta, Van Vianen, Van Der Heijden, Van Dam, & Willemsen, 2009). Thereby, favorable group-level career mentoring may positively influence both the capacity and willingness components of promotability. We therefore propose the following hypothesis:

Hypothesis 4: Group-level perceptions of career mentoring are positively related to promotability beyond differentiated career mentoring.

Intentions to Stay

Group-level career mentoring is likely to increase intentions to stay because it creates a stimulating working environment full of developmental opportunities, such that dissatisfaction with the working conditions is less likely to inspire turnover intentions (Nauta et al., 2009). Indeed, career mentoring has been shown to strengthen intentions to stay

through increased perceptions of support and commitment to the organization, as employees experience the organization as an attractive employer (Baranik et al., 2010; Rafferty & Griffin, 2006; Wayne, Liden, Kraimer, & Graf, 1999). Therefore, we propose:

Hypothesis 5: Group-level perceptions of career mentoring are positively related to intentions to stay beyond differentiated career mentoring.

Method

Participants and Procedure

Vocational job starters and their respective company supervisors of a German facility management company participated in the survey. Germany has a unique, standardized vocational training (apprenticeship) system, which lasts three to four years and is organized in a dual educational system. Trainees work at their employing company on about four days a week on average in order to acquire the necessary practical skills that are needed to practice the respective craft or profession. Although vocational schools ('Berufsschulen') provide complementary theoretical education, the major focus of the apprenticeship is the company-based, on-the-job training, which clearly distinguishes a German apprenticeship from academic training.

We chose this sample for three reasons: First, trainees are in an early career stage and therefore especially sensitive to career-related topics relevant to our research hypotheses (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2010). Second, workplace mentoring by trainees' supervisors has a crucial impact on early career development because trainees acquire their professional skills through their work at the company. Finally, due to the lack of qualified employees, German organizations are highly interested in developing and retaining trainees. Within the participating company, for example, 95 % of the trainees receive an offer for permanent employment. Thus, our sample was perfectly suited to test our research hypotheses.

Two researchers collected data from trainees and supervisors at the company during working hours. For practical reasons and to ensure a representative sample, we invited those individuals who could not attend the first meeting for data collection to participate at a second occasion about six months later. Overall, 73% of the company's apprentices attended one of the meetings for data collection, and 94% of these participated in the survey. Supervisors answered questionnaires about three months after the trainee survey. A total of 378 trainees completed the questionnaire. We excluded 58 trainees who could not be matched to a supervisor and those supervisors who were only responsible for one single trainee because these data could not be meaningfully used for our group-context analyses. Finally, we ensured that data from at least 60% of a supervisor's trainees contributed to the multilevel analysis. Applying these selection criteria, we obtained a sample of 230 trainees and 56 supervisors (average group size: 6.28, range 2 - 13) for the models on promotability ratings, which were not available for all trainees, and a sample of 290 trainees and 68 supervisors (average group size: 6.58, range 2-14) for the intentions to stay models.

Of the final sample, 243 trainees participated at the first occasion and 47 trainees at the second one. Most participants were male (80%) and German (70%) with a mean age of 20.01 years ($SD = 2.86$). While 33% were trained to be professional building cleaners², 59% were trained for a technical profession (e.g., electrician, industrial mechanic) and 8% for a clerical profession. On average, trainees were in their second year of apprenticeship ($M = 1.99$, $SD = 0.92$). Participants were representative for all trainees at the company in terms of apprenticeship duration ($M = 2.02$, $SD = 1.00$) but technical trainees were somewhat underrepresented (57% of the entire technical trainee population). Unfortunately, demographic information about nonparticipants was unavailable due to strict data protection regulations. Supervisors were responsible for the company-based training at the company throughout the entire duration of the apprenticeships and had several years of experience with

this job ($M = 7.21$, $SD = .6.06$). Most supervisors were male (85%) and German (84%) with a mean age of 45 years ($SD = 9.79$).

Measures

Participants rated all items on a scale ranging from 1 ("*strongly disagree*") to 5 ("*strongly agree*"). Supervisors provided promotability assessments, whereas trainees rated all other variables. We computed scale mean scores to represent each construct.

Career and psycho-social mentoring. We measured career and psycho-social mentoring with six items per construct, which we adopted from existing measures (Noe, 1988; Ragins & McFarlin, 1990). Sample items for career mentoring ($\alpha = .86$) and psycho-social mentoring ($\alpha = .88$) respectively are "My supervisor provides me with challenging assignments" and "My supervisor has encouraged me to prepare for advancement." Career and psycho-social mentoring were modeled as latent variables, such that differentiated mentoring was modeled at the individual level, whereas group-level perceptions of mentoring were modeled at the group level (see data analysis section, cf. Nielsen & Daniels, 2012).

Career motivation. Ten items from existing scales (Carson & Bedeian, 1994; R. Day & Allen, 2004) represented career motivation. A sample item is: "I have clear career goals." One item ("Given the problems I encounter in my professional career, I sometimes wonder if it is worth it," reversed coded) was excluded because it reduced the scale reliability considerably. The final nine-item scale had a reliability of Cronbach's $\alpha = .82$.

Job satisfaction. Job satisfaction was measured with three items from Hackman and Oldman (1975), such as "All in all I am satisfied with my job" ($\alpha = .80$).

Intentions to stay. We chose three items, which emphasized career-related aspects, to measure intentions to stay. We used two items from Sturges, Conway, Guest, and Liefhooghe (2005). A sample item is: "I have made plans to leave this organization if it cannot offer me a rewarding career," reversed coded). We added one item that we developed specifically for

this context: "I will probably stay with this organization after my apprenticeship." Cronbach's α was $\alpha = .84$.

Promotability. Supervisors rated trainees' promotability with two items (adapted from De Pater et al., 2009), for example "This employee demonstrates the ambition to work in a higher position." The item correlation was $r = .83$ ($p < .001$).

Control variables. We identified a list of possible control variables based on previous research. However, in order to preserve statistical power, researchers should only include control variables that significantly affect the outcome variables (Becker, 2005). Therefore, we selected only those control variables from the following list that were actually relevant in our sample based on preliminary analyses. Mentoring researchers recommend controlling for demographic factors, such as ethnicity, gender, and age, and length of relationship, represented by year of apprenticeship and time spent with supervisors (e.g., Ensher, Thomas, & Murphy, 2001). Moreover, human capital, represented by educational level, is an important predictor in career development (Ng, Eby, Sorensen, & Feldman, 2005). Finally, we considered profession (cleaning, technical, clerical) and time of data collection as sample-specific variables.

Data Analysis

As we conducted multilevel analysis, we assessed the between-group variance on all variables in baseline models without predictors that served as comparison models to evaluate the path models. For the promotability models, the between-group variance was significant for career mentoring ($\tau_{00} = .10$, $p = .03$), psycho-social mentoring ($\tau_{00} = .12$, $p = .04$), marginally significant for promotability ($\tau_{00} = .09$, $p = .08$), but nonsignificant for career motivation ($\tau_{00} = .00$, $p = .73$). For the intentions to stay models, the between-group variance was significant for career mentoring ($\tau_{00} = .08$, $p = .02$), job satisfaction ($\tau_{00} = .10$, $p = .01$), intentions to stay ($\tau_{00} = .15$, $p = .04$), marginally significant for psycho-social mentoring

($\tau_{00} = .10$, $p = .06$), but nonsignificant for career motivation ($\tau_{00} = .01$, $p = .56$). Corrected ICC(1) for the outcome variables were .10, $F(55,174) = 1.46$, $p = .04$, for promotability and .11, $F(67,222) = 1.55$, $p = .01$, for intentions to stay, and indicated that employees differed in the outcome variables due to their group membership, so that multilevel analyses were appropriate.

We applied a multilevel approach to operationalize differentiated and group-level mentoring (Nielsen & Daniels, 2012) and modeled both constructs via latent variable decomposition. Within- and between-level parts of the variables are separated and modeled as independent latent variables (Muthén & Muthén, 1998-2010). The within-level part reflects the deviation of an individual's perception from the shared, average perception of a supervisor's mentoring behavior and represents differentiated mentoring. Differentiated mentoring can take on positive values when a trainee perceives more mentoring than his/her colleagues as well as negative values when a trainee perceives less mentoring than his/her colleagues. The between-level part represents group-level perceptions of mentoring, that is the average perception of all trainees rating the same supervisor. Our data supports aggregation for career mentoring (corrected ICC[1] = .09, $F[67, 216] = 1.45$, $p = .03$; ICC[2] = .31; mean $r_{wg(J)} = .78$) and psycho-social mentoring (corrected ICC[1] = .15, $F[67, 219] = 1.73$, $p = .002$, ICC[2] = .42, mean $r_{wg(J)} = .76$).

We used multilevel structural equation modeling (Preacher, Zyphur, & Zhang, 2010) to test the hypothesized relationships between differentiated career and psycho-social mentoring and the outcome variables, which represent within-level (1-1-1) mediation models. This approach combined several advantages: First, we could assess the relationships between differentiated career and psycho-social mentoring and the outcome variables (Hypotheses 1-3) while controlling for group-level career and psycho-social mentoring respectively. Second, we could examine whether mediation occurs at the individual or at the group level. For this

purpose, mediators with significant between-level variance were modeled as latent variables on both levels. Next to Sobel tests, we provide 95% confidence intervals for the indirect effect obtained via a Monte Carlo simulation (Selig & Preacher, 2008). Third, based on these models, we were able to test whether group-level mentoring has a contextual effect above and beyond differentiated mentoring and explain additional variance in the outcome variables beyond differentiated mentoring (Hypotheses 4 and 5). Enders and Tofighi (2007) recommend to test whether the direct effect of differentiated mentoring is significantly different from group-level mentoring in order to explore whether a contextual effect is meaningful.

Career motivation was group-mean centered and modeled only at individual level due to the lack of group-level variance. At the individual level, categorical control variables were uncentered (Nezlek, 2011), whereas continuous control variables were grand-mean centered because to partial out possible between-level differences (Enders & Tofighi, 2007).

Results

Before conducting the main analysis, we explored the association between the control and the outcomes variables (Becker, 2005). Neither profession nor type of educational degree was related to promotability or intentions to stay ($.20 < F < 2.77$, $.06 < p < .93$; Bonferroni post-hoc group comparisons showed no significant group differences). When controlling for the nested data structure, participants at the first occasion received more favorable promotability ratings ($b = -.29$, $p = .04$), and older trainees ($b = .06$, $p = .01$) and participants at the first occasion ($b = -.30$, $p = .06$) reported higher levels of intentions to stay. Table 2.1 shows descriptive statistics and zero-order correlations for all variables included in the main analyses. Maasen and Bakker (2001) suggested that even moderate correlations (e.g., $r = .31$) may lead to suppression effects, which may be interpreted inaccurately. As career and psycho-social mentoring were strongly correlated ($r = .59$, $p < .001$), we ran separate models

for each function to avoid negative suppression effects due to multicollinearity (c.f., Smith, Amiot, Callan, Terry, & Smith, 2012 for a similar approach).

Individual-Level Differentiated Mentoring

Promotability. Figure 2.1A represents the relationship between differentiated career mentoring and promotability. The model fit was excellent ($\chi^2[1] = .08, p = .78; CFI = 1.00, TLI = 1.31, RMSEA < .001, SRMR_{within} = .01, SRMR_{between} = .02$). Hypothesis 1a, proposing a positive relationship between differentiated career mentoring and promotability via career motivation, received no support. Although the paths connecting differentiated career mentoring with career motivation ($b = .10, p = .03$) and career motivation with promotability ($b = .22, p = .02$) were significant, the indirect effect was not ($ab = .02, p = .14, 95\% CI [.00; .06]$). The predictors reduced the proportion of unexplained individual-level variance (Snijders & Bosker, 1994) for career motivation ($R^2_{within} = .21$) and for promotability ($R^2_{within} = .13$).

Figure 2.1B represents the model that links differentiated psycho-social mentoring to promotability and that fitted the data very well ($\chi^2[1] = .02, p = .89; CFI = 1.00, TLI = 1.35, RMSEA < .001, SRMR_{within} = .003, SRMR_{between} = .001$). In line with Hypothesis 1b, differentiated psycho-social mentoring had a positive indirect effect on promotability via its association with career motivation ($ab = .04, p = .046, 95\% CI [.01; .09]$). The individual-level predictors explained additional variance in career motivation ($R^2_{within} = .24$) and promotability ($R^2_{within} = .05$).

Table 2.1

Means, Standard Deviations, and Zero-Order Correlations

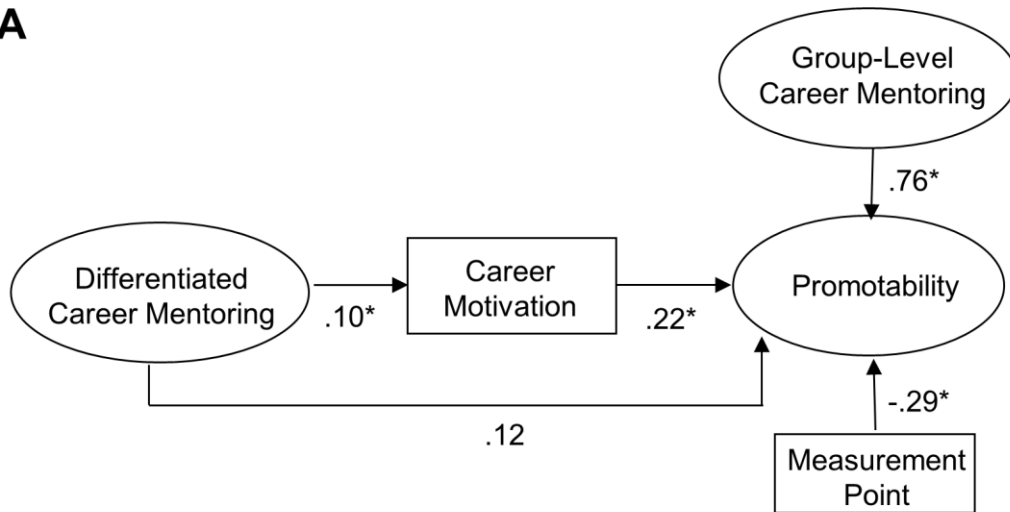
	Mean (SD)	1	2	3	4	5	6	7	8
1. Measurement point ^a									
2. Age	20.01 (2.86)	.02							
3. Career mentoring	2.96 (0.84)	-.11	.05	(.86)					
4. Psycho-social mentoring	3.49 (0.83)	-.05	-.03	.59**	(.88)				
5. Career motivation	4.07 (0.57)	-.03	.08	.16**	.24**	(.82)			
6. Job satisfaction	3.85 (0.94)	-.11	-.00	.32**	.32**	.39**	(.80)		
7. Promotability ^b	2.81 (0.92)	-.11	.07	.20**	-.02	.07	-.09	(.82)	
8. Intentions to stay	2.68 (1.15)	-.10	.14*	.28**	.23**	.20**	.53**	.15*	(.84)

Note. $N = 290$. Cronbach's α for scales indicated in brackets on the diagonal.

^acoded 0 = first measurement point, 1 = second measurement point; ^bfor two-item measures correlations are reported instead of Cronbach's α .

* $p < .05$, ** $p < .01$.

A



B

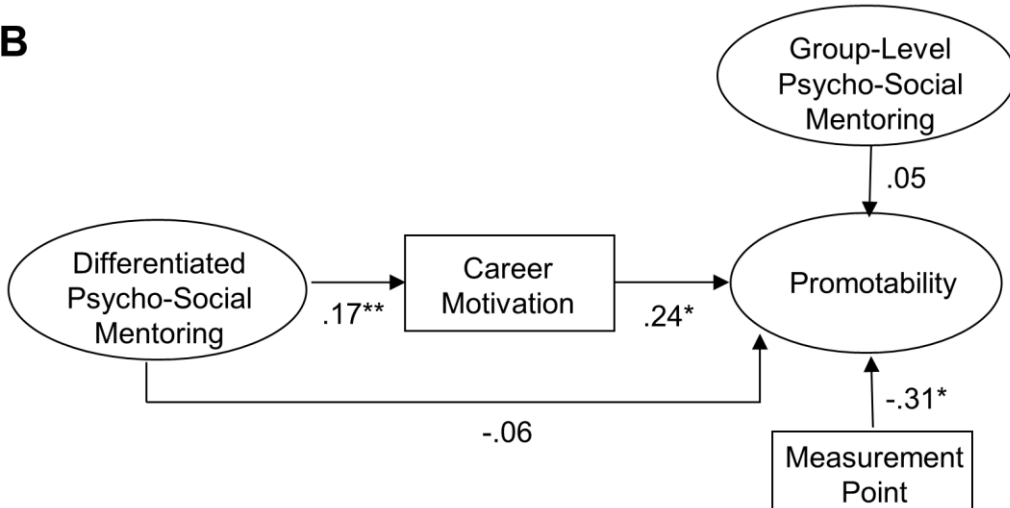


Figure 2.1. Multilevel 1-1-1 mediation model for promotability regressed on (A) career mentoring (Hypothesis 1a) and (B) psycho-social mentoring (Hypothesis 1b).

* $p < .05$, ** $p < .01$.

Intentions to stay. Figure 2.2A shows the relationships between differentiated career mentoring and intentions to stay. Although not hypothesized a priori, we added a path connecting job satisfaction and career motivation because model fit indices indicated serious misspecification otherwise ($\chi^2[5] = 30.73$, $p < .001$; $CFI = .83$, $TLI = .48$, $RMSEA = .14$, $SRMR_{\text{within}} = .08$, $SRMR_{\text{between}} = .04$). As this link is in line with previous research (Goulet & Singh, 2002; S. Kim et al., 2013), we included it in the final model, which showed excellent model fit ($\chi^2[4] = 3.29$, $p = .51$; $CFI = 1.00$, $TLI = 1.02$, $RMSEA < .001$, $SRMR_{\text{within}} = .02$, $SRMR_{\text{between}} = .01$). Hypothesis 2a, which proposed a negative indirect relationship between differentiated career mentoring and intentions to stay via career motivation, was not supported ($ab = -.01$, $p = .25$, 95% CI $[-.04; .01]$). The direct association between differentiated career mentoring and career motivation was not significant ($b = .05$, $p = .29$). Instead, differentiated career mentoring was only indirectly linked to career motivation via its association with job satisfaction ($ab = .07$, $p = .001$, 95% CI $[.03; .13]$). Nevertheless, although only marginally significant, the negative association between career motivation and intentions to stay ($b = -.23$, $p = .06$) was in line with our general reasoning. Hypothesis 3a, proposing a positive indirect effect of differentiated career mentoring on intentions to stay via job satisfaction, received support ($ab = .25$, $p < .001$, 95% CI $[.14; .37]$). Overall, the individual-level predictors explained variance in career motivation ($R^2_{\text{within}} = .33$), job satisfaction ($R^2_{\text{within}} = .09$), and intentions to stay ($R^2_{\text{within}} = .36$).

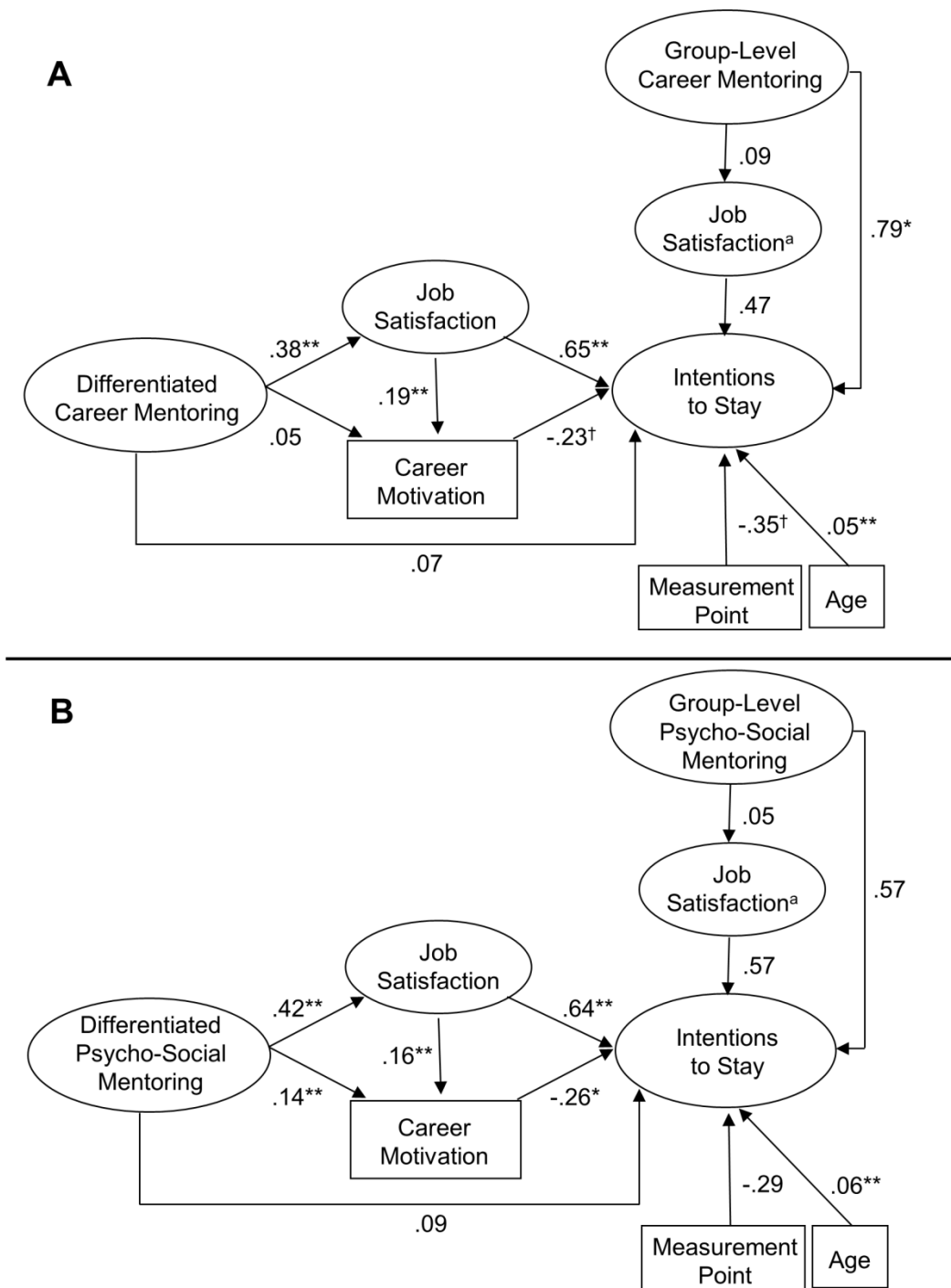


Figure 2.2. Multilevel 1-1-1 mediation model for intentions to stay regressed on (A) career mentoring (Hypothesis 2a and 3a) and (B) psycho-social mentoring (Hypothesis 3a and 3b).

^aestimated because of significant between-level variance (Preacher, Zyphur, & Zhang, 2010).

[†] $p < .10$, $*p < .05$, $**p < .01$.

Figure 2.2B displays the model that links differentiated psycho-social mentoring to intentions to stay. Again, we added the path between job satisfaction and career motivation as the model would have been misspecified otherwise ($\chi^2[5] = 22.24$, $p < .001$; $CFI = .90$, $TLI = .67$, $RMSEA = .11$, $SRMR_{within} = .06$, $SRMR_{between} = .06$). The resulting model had excellent model fit ($\chi^2[4] = 2.44$, $p = .66$; $CFI = 1.00$, $TLI = 1.04$, $RMSEA < .001$, $SRMR_{within} = .02$, $SRMR_{between} = .01$). Hypothesis 2b was not supported as the negative indirect effect of differentiated psycho-social mentoring via career motivation was not significant ($ab = -.04$, $p = .10$, 95% CI $[-.09; .00]$). However, we again obtained a negative relationship between career motivation and intentions to stay ($b = -.26$, $p = .04$). In line with Hypothesis 3b, the positive indirect effect of differentiated psycho-social mentoring via job satisfaction was significant ($ab = .27$, $p < .001$, 95% CI $[.14; .41]$). The individual-level predictors explained variance in career motivation ($R^2_{within} = .34$), job satisfaction ($R^2_{within} = .11$), and intentions to stay ($R^2_{within} = .35$).

Group-Level Mentoring

Promotability. Expanding the analysis to the group level, we explored whether group-level perceptions of career mentoring explained additional variance in promotability beyond differentiated career mentoring at the individual level (Hypothesis 4, Figure 2.1A). In line with our hypothesis, the difference between the group- and individual-level direct effect parameters was marginally significant ($\gamma_{01} - \gamma_{10} = .65$, $p = .054$). The model explained 42% of the between-level variance in promotability. Taken together, the results indicate that supervisors' general tendency to provide career mentoring to all, rather than some individual members of the group, was positively associated with promotability.

Intentions to stay. We found support for Hypothesis 5 as group-level career mentoring explained additional variance in intentions to stay beyond differentiated career mentoring at the individual level ($\gamma_{01} - \gamma_{10} = .71$, $p = .04$, Figure 2.2A). The model reduced the

amount of unexplained between-level variance in intentions to stay ($R^2_{\text{between}} = .56$). Thus, career mentoring unfolded its positive association with intentions to stay via two levels. At the individual level, differentiated career mentoring was indirectly and positively related to intentions to stay via job satisfaction. At the group level, trainees reported higher levels of intentions to stay when they worked with a supervisor who generally engaged in career mentoring.

Supplementary analysis. In contrast to group-level perceptions of career mentoring, we did not expect that group-level perceptions of psycho-social mentoring would explain variance in promotability or intentions to stay beyond differentiated psycho-social mentoring. Indeed, the difference between the group- and individual-level direct effect parameters was neither significant for promotability ($\gamma_{01} - \gamma_{10} = .11, p = .66$, Figure 2.1B) nor for intentions to stay ($\gamma_{01} - \gamma_{10} = .49, p = .35$, Figure 2.2B).

Discussion

Given the importance of mentoring by supervisors in contemporary organizational career development and the increased importance of teams, we explored how career and psycho-social mentoring operates at distinct levels within group contexts in their relationship with promotability and intentions to stay. At the individual level, we considered differentiated mentoring, that is, the deviation of an employee's perceived mentoring from the average shared mentoring perceptions within the group. We suggested that differentiated mentoring for both functions would have a positive indirect effect on promotability via career motivation. However, this hypothesis was only supported for differentiated psycho-social mentoring. For intentions to stay, neither differentiated career nor psycho-social mentoring had a negative indirect effect through career motivation. Instead, we found a positive indirect effect for both differentiated mentoring functions on intentions to stay mediated by job satisfaction. At the group level, we included the shared perceptions of career and psycho-

social mentoring, reflecting the average level of mentoring within the group. As hypothesized, only group-level career, but not group-level psycho-social mentoring, explained additional variance in promotability and intentions to stay beyond differentiated mentoring.

Theoretical Implications and Future Research

Our framework extends traditional mentoring theory to group contexts. Integrating multilevel and mentoring theory reveals that career and psycho-social mentoring operate at different levels. It is noteworthy that the positive effects of career mentoring mainly reside at the group level. Thus, when supervisors engage in career mentoring, they contribute to a favorable development-orientated organizational climate, as learning and career opportunities within the organization become visible and accessible to employees (Kraimer, Seibert, Wayne, Liden, & Bravo, 2011; Nauta et al., 2009). This finding corroborates research showing that career mentoring contributes to perceptions about the organization in general (Baranik et al., 2010; Kraimer et al., 2011; Wayne, Shore, & Liden, 1997) and highlights the central role of the supervisor in this regard.

In contrast to career mentoring, group-level psycho-social mentoring did not have additional predictive value above differentiated mentoring, illustrating that this mentoring function mainly operates at the individual level. As shown by previous research, psycho-social mentoring provides the fundament of the relationship between the employee and the supervisor (Allen et al., 2004; Eby et al., 2013) as supervisors need to individually consider the unique career situation of the employee to provide effective career assistance. Given the supervisor's personal investment, employees attribute positive perceptions to the supervisor may not transfer to the general work environment (e.g., Baranik et al., 2010; Rhoades & Eisenberger, 2002).

Furthermore, we contribute to our knowledge about promotability which has received surprisingly little research attention. This is surprising since employee's promotability allows organizations to flexibly react to dynamically changing business requirements (Nauta et al., 2009; Voelpel et al., 2012). Interestingly, only differentiated psycho-social, but not career mentoring, had an indirect relationship via career motivation with promotability, suggesting that especially those aspects of career motivation affected by differentiated psycho-social mentoring are relevant for promotability. A content-related comparison of both mentoring functions suggests that career mentoring facilitates career *experiences*, whereas psycho-social mentoring supports *reflection* upon one's career. These reflection processes may enhance the cognitive aspects of career motivation, such as goal setting and planning, which are dominant drivers of promotability (De Vos & Soens, 2008).

Moreover, we demonstrate that aspects of the work climate as represented by group-level career mentoring are apt to foster promotability. This is an important extension of previous research which has primarily focused on individual experiences that influence promotability (De Pater et al., 2009; Greenhaus et al., 1990). In times when organizations cannot promise stable, long-term employment, their responsibility to facilitate employees' employability increases (Lips-Wiersma & Hall, 2007). Therefore, it is important to identify further contextual factors, such as organizational learning climate, which help organizations to provide career support to the entire workforce.

Notably, only the contextual effect of group-level, but not differentiated career mentoring seemed to be related to promotability; an unexpected finding given that mentoring theory usually highlights that mentored employees have unique experiences (e.g., in comparison to nonmentored employees) that account for their career advantages (e.g., Allen et al., 2004). A possible explanation may be that when supervisors readily provide sponsorship, challenging assignments, and networking opportunities, many team members

acquire instrumental career skills. As such, employees may not only benefit from their own experiences but possibly also from the skills and experiences of their colleagues with whom they interact on a daily basis. In this case, it may be less crucial whether employee's own career mentoring through the supervisor is below or above what their colleagues receive.

For intentions to stay, we put forward two competing hypotheses based on findings showing that mentoring can aid as well as jeopardize retaining qualified employees. Our results support a positive influence of differentiated career and psycho-social mentoring via job satisfaction (Hypothesis 3) rather than a negative indirect effect via career motivation (Hypothesis 2). In this respect, our research complements findings suggesting a positive relationship between mentoring and intentions to stay (Allen et al., 2004) by introducing job satisfaction as crucial mediating mechanism. It is important to note, however, that our participants could assume to receive a permanent-employment offer after finishing their apprenticeship. Kraimer and colleagues (2011) showed that under such favorable career conditions, intentions to stay are increased by career support. However, when there is a lack of career opportunities, intentions to stay are decreased as employees may be inclined to seek career opportunities outside of the organization. Potential career opportunities might thus be an important moderator to take into account in future mentoring research.

Although not operating as a mediator, career motivation appeared to be negatively associated with intentions to stay. This observation is in line with previous research (Inkson & Arthur, 2001; Nauta et al., 2009), as highly career motivated employees are likely to consider external job opportunities instead of pursuing lengthy intra-organizational career paths. The lack of mediation suggests that there are other drivers of career motivation, besides situational variables such as mentoring, which may account for the negative relationship with intentions to stay. London (1983) proposed that personal characteristics, such as need for achievement, internal locus of control, or openness to experience, are also

important determinants of career motivation, which may be predictive of intentions to leave the organization (Eby et al., 2003).

Practical Implications

Our results indicate that mentoring provided by supervisors is an efficient instrument to deal with the requirements of contemporary organizational career management. Most importantly, group-level career mentoring enhances promotability and intentions to stay for all employees beyond differentiated career mentoring. Thus, organizations could train supervisors to provide their employees with challenging tasks as well as networking within the organization in daily business. While maintaining a general level of career support through group-level career mentoring, differentiated psycho-social mentoring can be used as a special incentive for high-potential employees or to provide assistance to those struggling with career progress. Hence, a thoughtful combination of group-level career mentoring and differentiated psycho-social mentoring enables organizations to provide career support for the general workforce and add individualized career assistance for specific employees.

Furthermore, our findings are based on data from blue collar workers who generally receive less formal off-the-job training than other occupational groups (Osterman, 1995). Blue collar workers, however, need to stay promotable as their work complexity increases constantly (Osterman, 1995). Moreover, organizations tend to ignore that blue collar workers' career needs go beyond monetary rewards (Hennequin, 2007). Mentoring, because of its positive relationship with promotability, can thus compensate for the lack of formal training as it increases promotability of blue collar workers, prepares them to deal with challenging job demands, and satisfies their career needs.

Strengths and Limitations

Our sample of vocational trainees was perfectly suited to explore how supervisors influence career development. Given that our participants had just started their careers, we

trust that the observed relationships are driven by trainees' mentoring perceptions and not by previous job experiences. In this respect, we do acknowledge that a potential limitation of this sample is that our participants were quite young in comparison to the general workforce. We are, however, confident that our conclusions will also hold for an older population. First, from a theoretical perspective, mentoring has been proposed to enable continuous learning across the (work-) lifespan (Voelpel et al., 2012). Mentoring also contributes to a stimulating work environment that allows employees to apply their skills, and which becomes more and more important with increasing age (Kooij et al., 2010). Second, our findings are consistent with empirical research on mentoring that was conducted with samples of older employees (e.g., R. Day & Allen, 2004; Greenhaus et al., 1990; Sturges et al., 2005).

A further strength of our study lies in our methodological approach. Our multilevel framework reveals the distinct routes of differentiated and group-level mentoring within a group context. Using latent variable decomposition does not only enable an adequate operationalization of differentiated and group-level mentoring (Enders & Tofighi, 2007) but also corrects for measurement bias (Muthén & Muthén, 1998-2010). Nevertheless, alternative operationalizations could be applied in future research to complement our findings. In this respect, respondents might be asked to compare themselves to their colleagues to assess differentiated mentoring. Likewise, researchers could adopt a referent-shift approach to measure group-level mentoring and directly inquire how the group as a whole perceives the supervisor.

Furthermore, multilevel structural equation modeling (Preacher et al., 2010) enabled us to investigate the mediating mechanisms at the individual level that link differentiated mentoring to the outcome variables. Future research could focus on career mentoring at the group level and different organizational outcomes. For instance, as group-level career mentoring makes organizational career opportunities more accessible, it is possibly related to

constructs that describe the organization as a whole, such as perceived organizational support (Wayne et al., 1997). Due to the focus on learning and skill development, group-level career mentoring might also be an important antecedent of organizational learning climate (Marsick & Watkins, 2003).

Finally, we acknowledge that only experimental research can demonstrate causality between variables. Although theory suggests a causal effect of mentoring on career outcomes, those employees with high career potential who actively pursue their personal career development might be especially prone to receive mentoring from their supervisors (Sturges et al., 2005). Importantly, however, promotability ratings by supervisors were collected about three months after the trainee survey, so that this time-lagged approach boosts our confidence in the directionality of the effects. Future longitudinal and experimental research can provide stronger indications for a causal effect of mentoring.

Conclusion

Integrating the group context in mentoring research reveals that career and psycho-social mentoring operate via multiple mechanisms at different levels: Our research suggests that career mentoring influences promotability and stay intentions mainly at the group level, whereas psycho-social mentoring operates at the individual level. A better understanding of the group-level and differentiated effects enables organizations to fine-tune mentoring by supervisors to optimally accommodate the requirements of contemporary organizational career development.

Footnotes

¹Importantly, mentoring climates characterize the everyday work experience for team members and are distinct from formal mentoring interventions in groups, in which protégés who normally do not work together discuss their career developments outside their daily work settings (Emelo, 2011; Mitchell, 1999).

²Whereas unskilled cleaners usually have limited career options, there is a lack of *qualified* building cleaning professionals who deal with more complex requirements of facility management. Thus, this sample may be unique, but adequate for our research hypothesis.

CHAPTER 3

**CONTINGENCIES OF NATIONALITY DIVERSITY MANAGEMENT: THE
INTERACTIVE EFFECT OF LEADERS' CULTURAL INTELLIGENCE
AND TASK INTERDEPENDENCE***

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Abstract

In light of the workforce's increasing nationality diversity, our study explores the antecedents of successful nationality diversity management characterized by a favorable diversity climate and enhanced team performance. We argue that team leaders with higher cultural intelligence can effectively manage cultural differences and thereby enhance diversity climate and performance of nationally diverse teams. Moreover, we propose that the leaders' cultural intelligence becomes more effective to the degree that team members are required to work interdependently. Using multiple-source data from 63 work teams ($N = 410$), we found that nationality diversity is only positively related to diversity climate and performance when both team leader's cultural intelligence and task interdependence are high. Our study does not only provide recommendations for successful nationality diversity management but also yields theoretical implications for diversity and cultural intelligence research.

Continuous globalization and the growing percentage of nonnative employees have made workforces across the world increasingly diverse in terms of nationalities (e.g., Arends-Tóth & Van De Vijver, 2003; McKay et al., 2008; Zick et al., 2001). Many organizations try to actively address this changing labor market. For instance, 80% of the top ranked Global Fortune 500 companies of 2013, representing a broad range of industries and various countries, advertise organizational diversity programs online. The objectives of these initiatives reflect two different, underlying perspectives (Ely & Thomas, 2001; Van Knippenberg et al., 2013). First, from a fairness perspective, nationality diversity management should strive to create a discrimination-free, fair diversity climate. Second, from a competitiveness perspective, diversity constitutes an asset that enhances performance. In line with this categorization, we focus on diversity climate and enhanced performance as indicators of successful nationality diversity management.

Critical debates concerning diversity management practices have evolved in the *British Journal of Management*. For instance, Lorbiecki and Jack (2000) warned that diversity management may in fact stabilize status differences between the privileged group and minorities, and Oswick and Noon (2014) have found striking similarities between diversity management approaches and superficial management fashions, such that organizations' rhetoric commitments to diversity are not accompanied by adequate practices (Tatli, 2011). Given these critical evaluations of organizational practices, we adopt Rink's and Ellemers' (2007) idea that diversity-embracing norms need to be implemented directly at the team level rather than exclusively through top-down initiatives. Thus, we propose that team leaders can set the stage for effective diversity management because they play an influential role in supporting a favorable diversity climate (Herdman & McMillan-Capehart, 2010) and in managing diverse teams (Greer et al., 2012; Homan & Jehn, 2010; Homan & Greer, 2013). More specifically, we propose that leaders' cultural intelligence can explain how leaders

influence nationally diverse teams (Groves & Feyerherm, 2011).

Culturally intelligent leaders will possess the necessary attitudes and skills to prevent negative effects due to adverse social categorization processes and to unlock the positive potential of the different perspectives represented in nationally diverse teams (Ely & Thomas, 2001; Milliken & Martins, 1996; Van Knippenberg et al., 2004). Importantly, we propose that leaders' cultural intelligence will become more important with increasing task interdependence. Task interdependence requires close cooperation with diverse others, so that team processes, which the leader can shape, have stronger implications for diversity climate perceptions and team performance (Joshi & Roh, 2009; Kossek, Zonia, & Young, 1996; Rink & Ellemers, 2007).

Our study yields important contributions: First, we simultaneously consider characteristics of the team (e.g., nationality diversity), the team leader (e.g., cultural intelligence), and the task (e.g., task interdependence). Thereby, we do not only enhance our theoretical understanding of diversity effects in teams but also provide practical recommendations about when and how nationality diversity needs to be managed. Second, we integrate the predominantly separate streams of research on diversity and cultural intelligence to propose that cultural intelligence is a largely disregarded moderator of the nationality diversity - performance relationship, and help to fill the research gap in respect of antecedents of diversity climate. In sum, we offer a team-level approach to nationality diversity management.

Nationality Diversity as Double-Edged Sword

Diversity refers to differences in a group concerning an attribute on which people can differ from or resemble each other (Van Knippenberg & Schippers, 2007). Nationality is especially apt to serve as such an attribute (Stahl, Maznevski, Voigt, & Jonsen, 2010). Easily observable surface-level characteristics (e.g., names, physical appearance, or language

accents) as well as deep-level differences in cultural values, including basic assumptions about appropriate work behavior (e.g., Hofstede, 1980; House, Javidan, Hanges, & Dorfman, 2002), increase the salience of different nationalities in teams (Van Knippenberg et al., 2004).

Diversity has earned the reputation of a double-edged sword (Milliken & Martins, 1996). On the one hand, according to social identity and self-categorization theory, individuals identify with and favor the social group to which they belong (Tajfel & Turner, 1986). Social identification with a salient demographic subgroup bears the risk to displace favorable identification processes with the work group (Hogg & Terry, 2000) and can result in dysfunctional team processes such as subgroup formation (Homan et al., 2010) and conflict (Jehn et al., 1999). Nationality diversity has been shown to elicit these intergroup tensions (Ely & Thomas, 2001). On the other hand, scholars arguing from a cognitive resource perspective have suggested that diversity coincides with a broader range of different perspectives, which can improve team performance, if used effectively (Cox & Blake, 1991; Milliken & Martins, 1996; Webber & Donahue, 2001). Indeed, minority members often contribute novel problem solving approaches (Ely & Thomas, 2001), and ethnically diverse teams are likely to recognize that members possess unique information, if they are not distracted from the existence of their different perspectives (Phillips, Northcraft, & Neale, 2006). Thus, the net effect of diversity depends on whether favorable or unfavorable team processes emerge and is contingent on specific boundary conditions (Joshi & Roh, 2009; Van Knippenberg et al., 2004). As leaders facilitate team functioning (Zaccaro et al., 2001), they can shape whether diversity affects teams in negative or positive ways. For instance, visionary leaders who tend to categorize team members in subgroups hinders communication within diverse teams (Greer et al., 2012), whereas adequate leadership can prevent that diversity impairs team identification in diverse teams (Kearney & Gebert, 2009). As cultural intelligence enables leaders to deal with the particularities of nationality diversity for team

processes, we propose that team leaders' cultural intelligence can act as an important moderator.

The Implications of Leader's Cultural Intelligence for Diversity Climate and Team

Performance in Nationally Diverse Teams

Cultural intelligence describes "an individual's capability to function and manage effectively in culturally diverse settings" (Ang and Van Dyne, p. 3), which originates from effective behavioral adaption (behavioral component), intrinsic motivation and self-efficacy beliefs regarding intercultural situations (motivational component) as well as knowledge of and reflection upon cultural differences (cognitive and metacognitive components). While the majority of research on cultural intelligence has focused on expatriates effectiveness (Ang & Van Dyne, 2008; Earley & Ang, 2003), surprisingly few studies explored its interactive relationship with team nationality diversity. Of those exceptions, Adair, Hideg, and Spence (2013) reported a positive relationship between team members' cultural intelligence and shared team values for culturally diverse, but not homogenous, teams. Additionally, Groves and Feyerham (2011) found that team leaders' cultural intelligence was positively associated with team members' ratings of team competence and leader effectiveness when cultural diversity was high. Extending this research, we predict that the leaders' cultural intelligence influences whether diversity has a positive or negative effect on diversity climate and team performance.

Diversity Climate

Leaders' behaviors towards diversity can shape diversity climate perceptions (Herdman & McMillan-Capehart, 2010; Van Knippenberg et al., 2013). Culturally intelligent leaders enjoy interacting with people from different cultures (Ang et al., 2007; Earley & Ang, 2003) and are aware of cultural differences, which they take into consideration when making judgments about persons and situations (Ang et al., 2007; Triandis, 2006). Given this

favorable combination of positive attitudes and skills, employees of different nationalities may indeed feel treated fairly. Conversely, leaders with low cultural intelligence may have less elaborate diversity cognitions. Therefore, they are more prone to rely on nationality as a cue to categorize their team members (Homan et al., 2010) and to lead their team in terms of objective subgroups rather than as unique individuals (Greer et al., 2012). Thus, they run risk of engendering feelings of unfair treatment.

Furthermore, team leaders shape climate perceptions by helping employees interpret organizational practices (Ostroff et al., 2003). Making sense of diversity practices may be especially necessary, as they easily create equivocal situations (Ely & Thomas, 2001). Minority members tend to distrust diversity initiatives if they doubt whether these practices aim to improve their situation or serve to legitimize the status quo (Lorbiecki & Jack, 2000; Purdie-Vaughns et al., 2008), while majority members easily feel excluded by diversity programs (Plaut, Garnett, Buffardi, & Sanchez-Burks, 2011). Due to their strong intercultural communication skills (Imai & Gelfand, 2010), culturally intelligent leaders may address these concerns in a way that is comprehensible and inclusive to employees of all nationalities resulting in a favorable diversity climate. In contrast, team leaders with low cultural intelligence may lack the skills to defuse ambiguous situations.

Team Performance

In order to turn nationality diversity into a business advantage, team leaders need to facilitate favorable team processes that integrate the varying perspectives in diverse teams (Van Knippenberg et al., 2013). Indeed, team leaders' personal work attitudes determine the emergence of cooperative team norms, especially when team members do not initially expect smooth cooperation with their colleagues (Taggar & Ellis, 2007), which is usually the case in diverse teams (Chatman & Flynn, 2001). As culturally intelligent leaders are not only open-minded towards different cultures but also endorse cooperative norms (Imai & Gelfand,

2010), they are likely to shape team norms that appreciate and consider different perspectives in nationally diverse teams and thereby increase team performance (Homan et al., 2007). On the other hand, leaders with low cultural intelligence have more difficulties to understand and judge cross-cultural interactions appropriately (Ang et al., 2007). Thus, they may be less skilled to identify and overcome cultural obstacles that hinder effective cooperation and, consequently, team performance of nationally diverse teams.

Besides shaping team norms, cultural intelligence enables leaders to elicit and integrate non-shared information in cross-cultural settings (Imai & Gelfand, 2010). In contrast, team leaders with low cultural intelligence are less likely to share ideas with culturally different others (Chua, Morris, & Mor, 2012). Therefore, they may not be inclined to foster information exchange between nationally diverse team members. As the elaboration of information is supposed to account for performance gains in diverse as opposed to homogeneous teams (Van Knippenberg et al., 2004), culturally intelligent leaders may know how to effectively unlock the benefits of diversity, whereas those with low cultural intelligence may overlook that diversity can be an asset rather than a liability for team performance.

Although team leaders may contribute to diversity management (i.e., diversity climate and team performance) through role modeling and their influence on team processes, their impact is likely to be limited when the task characteristics do not require team members to cooperate intensely. Thus, task interdependence may be an additional boundary condition that affects whether diverse teams benefit from their leaders' cultural intelligence.

The Moderating Role of Task Interdependence

Task interdependence describes the extent to which employees need to collaborate in order to fulfill the group task (Shea & Guzzo, 1987). When task interdependence is low, team members have fewer occasions to observe their leader's behavior towards colleagues of

different nationalities. However, these observations, rather than the mere increase in workplace diversity, are important to form (un)favorable diversity climate perceptions (Ely & Thomas, 2001; Kossek et al., 1996). Moreover, team performance in less interdependent teams is additive, rather than conjunctive, so that it is less subject to process losses (e.g., elevated levels of conflicts) or process gains (e.g., more effective work strategies based on various perspectives), associated with diversity (Horwitz & Horwitz, 2007).

The opposite applies to highly interdependent teams, in which team members are more likely to experience the different implications of diversity during the close collaboration with colleagues of different nationalities. Whereas task interdependence is thus a prerequisite to elicit diversity effects (Rink & Ellemers, 2007), it is in itself not sufficient to stimulate effective cooperation and desirable behaviors (e.g., Somech, et al., 2009; Van Der Vegt & Janssen, 2003) but tends to amplify both positive and negative diversity effects (Joshi & Roh, 2009; Jehn et al., 1999). Thus, the team leaders' abilities to effectively facilitate diversity climate perceptions and team performance become more crucial with increasing task interdependence.

Summarizing our reasoning on the interplay between nationality diversity, team leaders' cultural intelligence, and task interdependence, we propose the following hypotheses:

Hypothesis 1: There will be a three-way interaction effect of nationality diversity, task interdependence, and leaders' cultural intelligence on diversity climate. In highly interdependent teams, nationality diversity will be positively related to team perceptions of diversity climate when leaders' cultural intelligence is high but negatively related to team perceptions of diversity climate when leaders' cultural intelligence is low.

Hypothesis 2: There will be a three-way interaction effect of nationality diversity, task interdependence, and leaders' cultural intelligence on team performance. In highly

interdependent teams, nationality diversity will be positively related to team performance when leaders' cultural intelligence is high but negatively related to team performance when leaders' cultural intelligence is low.

Method

Participants and Procedure

We collected data in a German, nationally diverse facility management company (23% non-German employees from 78 different nations), which provided an excellent setting to test our research hypotheses. The company offers a variety of specialized services ranging from building and public facility cleaning to public vehicle cleaning and to technical building maintenance. The work teams were either functional (e.g., providing special services such as graffiti removal or fire protection) or object-based (e.g., maintaining specific real estate objects) resulting in varying levels of task interdependence across and within these divisions.

Data collection was embedded in a broader organizational employee survey. Two researchers collected data in separate meetings for team members and their leaders, which took place during working hours. About six months later, we contacted the team leaders' supervisors to obtain team performance ratings. Participants could choose between a German, Turkish, or English questionnaire. To generate parallel language versions (Brislin, 1970), a team of four native or proficient bi-lingual speakers translated each version from all other language versions (English to German; German to English; German to Turkish; Turkish to English).

We received 488 questionnaires from members of 75 teams. We first defined criteria to identify participants who provided low quality data. First, participants who were not seriously interested in contributing probably stopped completing the questionnaire at an early point. Thus, we excluded questionnaires that yielded more than 70% missing answers. Second, some participants may have quickly checked random response options regardless of

the item content. Therefore, we analyzed the pattern of chosen response categories and excluded 17 participants who had chosen the same category (e.g., 5 – '*strongly agree*') across a whole page that contained multiple constructs and reversed coded items. Finally, we included teams with three or more team members and at least 50% respondents to ensure representativeness. Moreover, teams with missing values on any of our main study variables were excluded.

We ultimately obtained a final sample of 410 employees from 63 teams. Team members were predominantly male (85%), with a mean age of 45 years ($SD = 11.22$), had worked for the company for 20.99 years ($SD = 7.01$), and 22% indicated a nationality other than German.¹ Non-German participants represented various countries in Europe (e.g., Turkey, Poland), Asia (e.g., Vietnam, India), Africa (e.g. Ghana, Senegal) and the Arabic world (e.g., Iraq, Morocco). Whereas 28 teams were nationally homogenous, 35 teams included on average 2.89 different nationalities ($SD = .99$). Most team members completed a German version of the questionnaire ($N = 357$), whereas 51 employees chose the Turkish version and two employees the English version. Team leaders were mostly male (81%), German (68%), on average 45 years old ($SD = 9.41$), and had worked in their current position for 8.25 years ($SD = 7.03$). Only seven team leaders preferred the Turkish questionnaire to the German version ($N = 56$). Thirty percent of the teams belonged to the technical division, 29% to the building cleaning division, and 41% to the vehicle cleaning division. On average, the teams consisted of 9.11 employees ($SD = 5.97$) ranging from four to 36 team members.

Measures

The response scale of all the items ranged from 1 ("*strongly disagree*") to 5 ("*strongly agree*"). We aggregated individual employee responses, such that group-means represented team-level constructs.

Nationality diversity. As we theoretically defined diversity as variety, we calculated

the index of the quality variation (IQV) of each team, which considers the number and percentage distribution of different nationalities. The IQV is a standardized Blau index adjusted for the theoretical maximum of nationality diversity, which depends on the team size (Harrison & Klein, 2007). As the human resource department provided archival data, we obtained an objective measure of nationality diversity, even for teams in which not all team members participated in the survey.

Task interdependence. Team members rated two items adapted from Langfred (2007), namely "Team colleagues have to work together in order to get team tasks done" and "Whether I can do my job depends on whether others do their job." However, participants frequently indicated that the latter item was difficult to understand and the correlation between both items was low ($r = .32, p < .001$). Therefore, we decided to use only the first item. Considered together, $ICC(1) = .11$, $ICC(2) = .45$, and median $r_{wg} = .75$ provided sufficient reason for aggregation and were comparable to previous research findings on task interdependence (e.g., Somech et al., 2009). Moreover, significantly higher between-team than within-team variability, $F(62, 342) = 1.81, p < .001$, supported our conceptualization as team-level construct.

Cultural intelligence. Team leaders completed 11 items from the Cultural Intelligence Scale (Ang et al., 2007). Sample items are "I consciously apply my cultural knowledge when interacting with people with different cultural backgrounds," and "I enjoy interacting with people from different cultures." Cronbach's α was .87.

Diversity climate. Team members answered five items describing a fair diversity climate (Mor Barak, Cherin, & Berkman, 1998), such as "Managers here are known for hiring and promoting employees regardless of their skin color, sex, religion, or age," and "Managers here give feedback and evaluate employees fairly, regardless of the employee's cultural background, sex, religion, or age." After excluding one item that diminished the

reliability ("I feel I have been treated differently here because of my skin color, sex, religion or age," reversed coded), we obtained a Cronbach's $\alpha = .79$. Agreement indices generally provided support for aggregation (ICC[1] = .34, ICC[2] = .76, median $r_{wg(J)} = .67$) and were similar to previous research on diversity climate (e.g., Gonzalez & Denisi, 2009). Although $r_{wg(J)}$ was slightly below the usually reported value of .70, indicating some within-team variation, we proceeded with the aggregation because ratings of diversity climate varied to a greater extent between than within teams, $F(62, 332) = 4.25, p < .001$.

Team performance. The team leaders' supervisors were instructed to compare the team to other teams performing a similar task (Van Der Vegt & Bunderson, 2005), and to evaluate it with two items – overall performance and work quality – on a scale from 1 (*far below average*) to 5 (*far above average*). The item correlation was $r = .66, p < .001$.

Control variables. With regard to the team leader, hierarchical position, experience operationalized as position tenure, interaction frequency with the team, and ethnicity might influence team performance and diversity climate. Further, we considered division and team size as team characteristics that might impact the outcome variables. Moreover, as team members' educational background may affect performance, we included the percentage of team members who hold a university entrance or higher degree. We also controlled for the percentage of Germans (as opposed to non-Germans) because research has shown that majority and minority group members perceive diversity climate differently (Mor Barak et al., 1998). Finally, as we were specifically interested in nationality diversity, we controlled for other types of diversity such as age (operationalized as within-team standard deviation) and gender (operationalized as Blau index).

Results

Preliminary Analysis

We were able to probe measurement equivalence of the German and non-German versions of our diversity climate measure because it was the only measures that consisted of multiple items, and both language subgroups were big enough to conduct a multiple group confirmatory factor analysis (B. M. Byrne, 2012). In this procedure, separate models for each language subgroup are estimated simultaneously. Factor loadings and item intercepts are then constrained equal across groups. Strong measurement invariance is established, if these constraints do not significantly impair the overall model fit. The nonsignificant χ^2 difference test, $\Delta \chi^2(6) = 6.54, p = .37$, indicated that the German and the non-German diversity climate items measure the same construct and supported the validity of our translation-back translation procedure.

Next, we explored the relationship of the proposed control variables with the outcome variables to avoid that impotent controls unnecessarily impair statistical power (Becker, 2005). For this purpose, we regressed our two dependent variables on the proposed controls (Kraimer et al., 2011) and identified three significant control variables, which we retained in our subsequent analyses. Team performance was rated less favorably for the vehicle cleaning division ($\beta = -.64, p = .02$) and for teams with experienced leaders ($\beta = -.35, p = .01$), whereas diversity climate was perceived more favorably by age diverse teams ($\beta = .44, p = .004$). Table 3.1 shows the descriptive statistics and correlations of all variables included in the main analysis.

Table 3.1

Means, Standard Deviations, and Zero-Order Correlations

	Mean (SD)	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Leaders' Position Tenure	99.03 (84.35)									
2. Team Age Diversity	8.68 (3.32)	-.15								
3. Division Vehicle ^a	.41 (.50)	.07	-.40**							
4. Division Building ^a	.29 (.46)	-.11	-.04	-.53**						
5. Nationality Diversity	.27 (.30)	.20	-.24	.32*	.14					
6. Task Interdependence	4.35 (.52)	.02	-.07	.16	-.17	-.00				
7. Leaders' Cultural Intelligence	3.73 (.66)	-.00	.05	.15	-.11	.34**	.05	(.87)		
8. Team Performance ^b	3.23 (.63)	-.36**	.15	-.23	.13	-.10	-.12	-.27*	(.66)	
9. Diversity Climate	3.43 (.81)	-.21	.47**	-.28*	.09	-.11	.16	.05	.24	(.79)

Note. $n = 63$; Cronbach's α is indicated in brackets on the diagonal. ^acoded 0 = team does not belong to this division, 1 = team belongs to this division; ^btwo-item measure; correlation instead of Cronbach's α is reported. * $p < .05$, ** $p < .01$

Main Analysis

We used hierarchical linear regression analyses to test our hypotheses (Table 3.2). With regard to Hypothesis 1, the three-way interaction between nationality diversity, task interdependence, and cultural intelligence was significantly associated with diversity climate ($b = 2.20$, $SE = 1.04$, $p = .04$). To further explore the nature of the interaction, we created plots for low and high values of the moderating variables (Figure 3.1), and conducted simple slope tests (Aiken & West, 1991). As theorized, nationality diversity was not significantly related to diversity climate when task interdependence was low, irrespective of leaders' cultural intelligence ($b = -.64$, $SE = .66$, $p = .34$, and $b = -.19$, $SE = .61$, $p = .76$). In contrast, in highly interdependent teams, nationality diversity was positively related to diversity climate when leaders' cultural intelligence was high ($b = 1.83$, $SE = .72$, $p = .01$) yet unrelated to diversity climate when leaders' cultural intelligence was low ($b = -.73$, $SE = .86$, $p = .40$), providing partial support for Hypothesis 1.

As predicted in Hypothesis 2, we found a significant three-way interaction associated with team performance ($b = 1.88$, $SE = .81$, $p = .02$; see Figure 3.2). When task interdependence was low, nationality diversity was not significantly related to team performance, regardless of leaders' cultural intelligence ($b = -.13$, $SE = .47$, $p = .78$, and $b = -.05$, $SE = .51$, $p = .92$). However, a different result pattern emerged for highly interdependent teams: Nationality diversity was positively related to team performance when leaders' cultural intelligence was high ($b = 1.92$, $SE = .56$, $p = .001$) but it was unrelated to team performance when leaders' cultural intelligence was low ($b = -.49$, $SE = .66$, $p = .49$), partially supporting Hypothesis 2.

Table 3.2

Hierarchical Linear Regression Analyses for Diversity Climate and Team Performance

	<u>Diversity Climate</u>		<u>Team Performance</u>	
	<i>b</i>	<i>SE</i>	<i>b</i>	<i>SE</i>
Step 1				
Position Tenure	-.001	.001	-.002**	.001
Division Vehicle ^a	-.16	.27	-.33	.21
Division Building ^a	.07	.27	-.24	.21
Age Diversity	.10**	.03	.00	.03
<i>F</i>	4.93**		3.07*	
<i>R</i> ²	.25		.18	
Step 2				
Nationality Diversity ^b	.07	.40	.38	.31
Task Interdependence ^b	-.04	.23	-.42*	.18
Cultural Intelligence ^b	.02	.15	-.32**	.11
<i>F</i>	3.39**		2.81*	
<i>R</i> ²	.30		.26	
ΔR^2	.05		.09	
Step 3				
Nationality Diversity X Task Interdependence	.94	.69	.67	.54
Nationality Diversity X Cultural Intelligence	.80	.48	.83*	.37
Task Interdependence X Cultural Intelligence	-.51	.37	-.25	.28
<i>F</i>	2.92**		2.88**	
<i>R</i> ²	.36		.36	
ΔR^2	.06		.09	
Step 4				
Nationality Diversity X Task Interdependence X Cultural Intelligence	2.20*	1.04	1.88*	.81
<i>F</i>	3.24**		3.34**	
<i>R</i> ²	.41		.42	
ΔR^2	.05*		.06*	

Note. *n* = 63. Unstandardized parameter coefficients are reported (Aiken & West, 1991).

^aDummy coded, technical division used as reference group; ^bVariables were mean centered for the analysis and the computation of the interaction terms (Aiken & West, 1991).

* *p* < .05 , ** *p* < .01

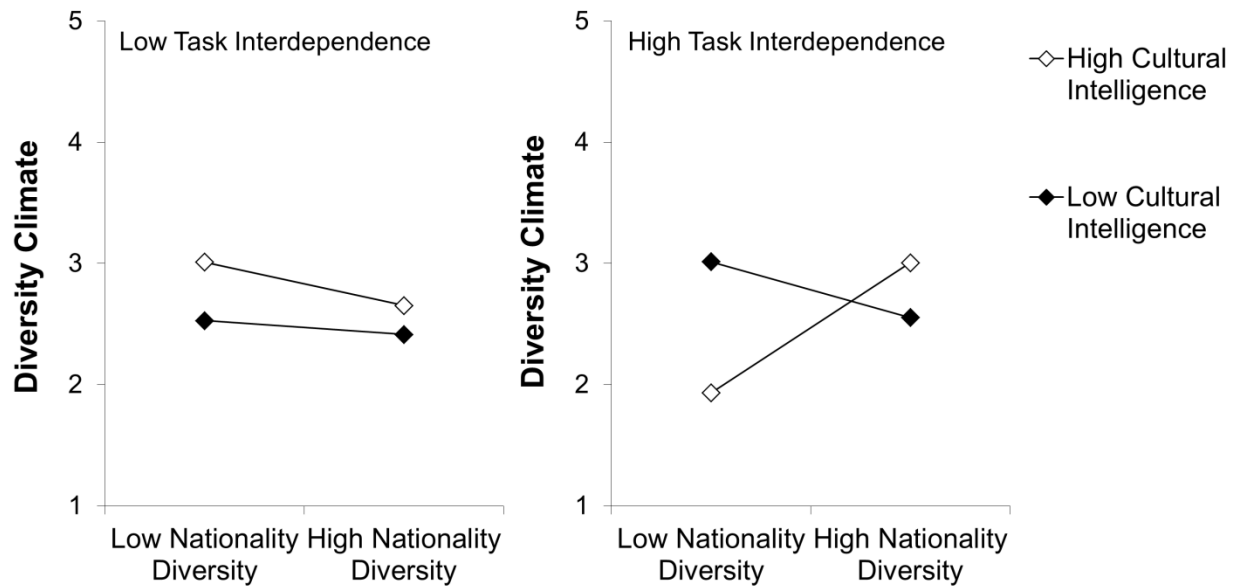


Figure 3.1. Effects of nationality diversity, task interdependence, and leaders' cultural intelligence on diversity climate. High/low values correspond to one standard deviation above/ below the mean.

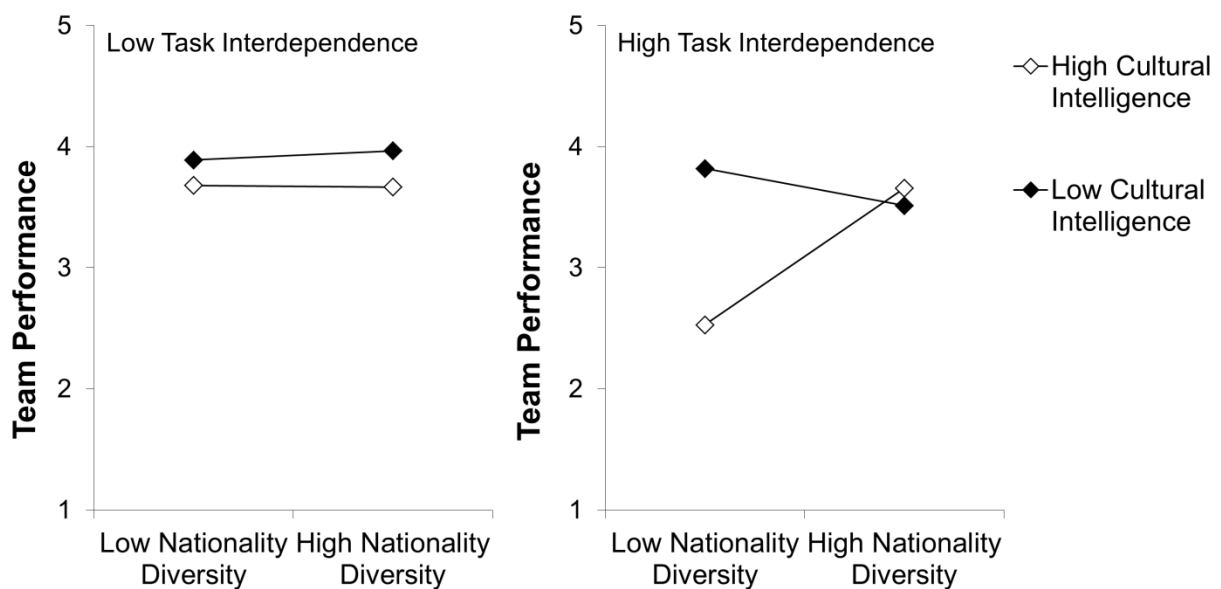


Figure 3.2. Effects of nationality diversity, task interdependence, and leaders' cultural intelligence on team performance. High/low values correspond to one standard deviation above/below the mean.

Supplementary Analysis

Previous research has reported positive effects of a favorable diversity climate on individual and firm performance in diverse settings (Gonzalez & Denisi, 2009; McKay et al., 2008). Thus, we explored whether diversity climate mediated between the interactive effect of nationality diversity, task interdependence, and leaders' cultural intelligence on team performance. We tested a boot-strapped mediated moderation model (Hayes, 2012), but found no indication of an indirect effect via diversity climate ($b = .01$, $SE = .34$, 95% CI [-.70; .74]).

Furthermore, as our theoretical reasoning specifically pertains to nationality diversity, we did not expect to replicate the results for other types of diversity. Indeed, the hypothesized three-way interaction did neither occur for age nor gender diversity in predicting team performance ($b = -.07$, $SE = .09$, $p = .41$, and $b = .96$, $SE = 1.22$, $p = .44$ respectively) and diversity climate ($b = .07$, $SE = .11$, $p = .50$, and $b = .92$, $SE = 1.54$, $p = .56$ respectively). Thus, whereas cultural intelligence is beneficial for interdependent, nationally diverse teams, it does not seem to be a universal diversity competence, which generalizes to other types of diversity.

Discussion

We proposed that successful nationality diversity management, which strives to establish a fair, discrimination-free diversity climate and uses diversity to enhance performance, is contingent on the interplay of actual team nationality diversity, task interdependence, and the leader's cultural intelligence. Most of our predictions were supported. When interdependence was low, diversity was unrelated to perceived diversity climate and actual team performance, irrespective of leaders' cultural intelligence. In contrast, in interdependent teams, diversity was positively related to perceived diversity climate and team performance when leaders' cultural intelligence was high. Yet, contrary to our hypotheses, we did not find significant effects of nationality diversity in interdependent teams

when leaders' cultural intelligence was low. Although the direction of the effects was negative, as expected, it failed to reach significance due to the large standard errors indicating substantial variability.

Theoretical Implications and Future Directions

Diversity research. Our study yields interesting contributions to diversity research. First, we provide empirical evidence that task interdependence is a prerequisite to enable diversity effects. Although scholars widely share this assumption, it is hardly ever tested. For instance, authors of meta-analyses on diversity did not find any empirical studies including low interdependence teams (Horwitz & Horwitz, 2007) or had to rely on rough operationalizations derived from general sample descriptions (Joshi & Roh, 2009). Moreover, task interdependence and task complexity tend to be combined as one single task characteristic (e.g., Joshi & Roh, 2009), although this practice obscures that non-complex, routine tasks can vary in terms of task interdependence (e.g., Wageman & Baker, 1997). Importantly, these two task characteristics seem to have different implications in diverse teams: Whereas task complexity has been associated with performance gains (Bowers, Pharmer, & Salas, 2000; Van Dijk, Van Engen, & Van Knippenberg, 2012), our study shows that task interdependence is a double-edged sword in itself, as other characteristics – in our case leaders' cultural intelligence – determine whether diverse teams work well together or not.

Furthermore, we illustrate the importance to match the proposed moderator to the specific diversity type at hand. In our study, for instance, culturally intelligent leaders could overcome challenges and unlock the potential of nationality diversity but not of age or gender diversity. It is not uncommon that researchers who focus on multiple, yet exclusively demographic diversity attributes (i.e., nationality, gender, or age) have found effects for some types but not for others (e.g., Harrison, Price, & Bell, 1998; Jackson & Joshi, 2004; Riordan

& Shore, 1997). Although these findings are at odds with the assumption that the underlying processes resulting in (un)favorable diversity effects are universal (Van Knippenberg et al., 2004), research has not yet provided a good explanation for these inconsistencies. Our model reconciles these ostensible contradictions, as the proposed moderator (i.e., cultural intelligence) is apt to address the unique aspects inherent to one specific diversity type (i.e., nationality diversity) but not to other demographic attributes, *and* the model is compatible with the universal process model developed by Van Knippenberg and colleagues (2004). Future research could identify further moderators that are specific to age or gender diversity. Drawing analogies from cultural intelligence, competencies for other diversity types should include knowledge about what distinguishes people who differ on the diversity type in question, and the skills to effectively interact and communicate with them. For instance, while older employees benefit from their broader experience, younger employees have an advantage concerning new technologies (Kanfer & Ackerman, 2004). Leaders who have close mentoring relationships with younger or older partners may be more aware of these differences and more skilled at addressing and integrating them. Likewise, leaders who have grown up with different-sex siblings may have developed a gender diversity competency, which helps them to consider and effectively deal with men's and women's differing preferences to cooperate in different situations (Balliet, Li, Macfarlan, & Van Vugt, 2011). In sum, matching the moderators and the diversity type may resolve inconsistencies and lead to more rigorous predictions about diversity effects.

Cultural intelligence research. Our research highlights the advantages of cultural intelligence not only for expatriates (Ang et al., 2007; Earley & Ang, 2003) but also for leaders of interdependent, nationally diverse teams. We expand previous findings on team member-rated leader effectiveness and work group competence (Groves & Feyerherm, 2011) to successful nationality diversity management. The consideration of culture is the unique

characteristic of cultural intelligence that creates added value beyond general constructs, such as emotional intelligence or leadership competencies, in intercultural settings (Ang et al., 2007; Groves & Feyerherm, 2011), and the combination of reflexivity, behavioral and communicative skills as well as cultural openness enables leaders to establish a favorable diversity climate and ensure performance in nationally diverse, interdependent teams. However, at the flip side of the coin, the specific focus on culture limits the effectiveness to contexts characterized by nationality diversity and does not seem to generalize to gender or age diversity. Thus, cultural intelligence should not be confused with general diversity competence.

Moreover, based on our theoretical reasoning, we expected that nationality diversity would be negatively related to diversity climate and team performance when leaders' cultural intelligence is low, but this aspect of our hypotheses was not supported. Surprisingly, when task interdependence was high, team performance in nationally diverse teams appears to be rather high, regardless of supervisors' cultural intelligence. Potentially, teams may develop effective strategies to deal with nationality diversity, which are independent of leaders' cultural intelligence. For instance, team members may have favorable attitudes towards diversity, even if their leader does not, and may thus initiate team processes that enhance diversity climate and team performance (e.g., Homan et al., 2007). It is also possible that leaders' cultural intelligence cannot augment team performance any further, when team members already know how to capitalize effectively on their nationality diversity. To shed further light on this issue, future research may investigate both team leaders' and team members' attitudes towards diversity simultaneously, in order to explore their relative importance.

Although in moderated regression the slopes, rather than the end points of interaction plots should be interpreted (Aiken & West, 1990), Figure 2 seems to imply that team

performance appears to be lowest for leaders with high cultural intelligence in nationally homogenous teams. This unexpected observation mirrors the results by Adair and colleagues (2013), who found that cultural intelligence hinders the development of shared values in homogenous teams. Possibly, in situations in which cultural intelligence is not needed, it bears the potential to disrupt team processes and performance. These observations challenge the implicit assumption that cultural intelligence is a uniformly positive or – at worst – neutral characteristic (Earley & Ang, 2003). Future research should explore the potential negative effects resulting from a mismatch of high cultural intelligence in nationally homogenous settings in greater depth.

Nationality diversity management research. While a substantial body of research praises the positive consequences of a favorable diversity climate (cf., Van Knippenberg et al., 2013), little is known about how to create it. Our study illustrates that this task depends on complex moderators. Favorable diversity climate emerges from the alignment between the communicated organizational intentions and what employees observe at their workplace (Ostroff et al., 2003). In interdependent teams, team members have many occasions to interact with nationally diverse colleagues and to witness how they are treated. Culturally intelligent leaders behave in an inclusive way that helps employees appreciate and make sense of cultural differences. When combined with high nationality diversity, employees perceive consistent diversity cues, which result in favorable diversity climate perceptions (Purdie-Vaughns et al., 2008). While our findings highlight the leader's important role in shaping the diversity climate in interdependent teams (Herdman & McMillan-Capehart, 2010), it is noteworthy that diversity climate is independent of leaders' cultural intelligence when task interdependence is low. Thus, the lack of interaction seems to prevent team leaders from influencing diversity climate perceptions by acting as role model, or by managing team processes.

The interplay of boundary conditions that shape diversity climate inspires some interesting future research questions: First, diversity management is often seen as a top-down process, in which the organization launches initiatives aimed to enhance diversity (Herdman & McMillan-Capehart, 2010). Future research could also investigate bottom-up processes in greater depth. For instance, culturally intelligent team leaders at lower organizational levels may change diversity climates even in organizations that do not particularly care about diversity (Rink & Ellemers, 2007). Second, future research could examine what drives diversity climate perceptions of employees in less interdependent teams, as team leaders seem to be less influential under this condition. Are individual team members' own attitudes towards diversity more important, or do organizational climates shape team diversity climates?

Finally, we examined the relationship between diversity climate and team performance in an exploratory fashion. Although other scholars have reported positive effects of diversity climate on individual and firm performance (e.g., Gonzalez & Denisi, 2009; McKay et al., 2008), diversity climate did not act as a mediator in our study. Possibly, a discrimination-free, fair environment, reflected by our diversity climate measure, might be more important for individual and firm performance than for team performance. For instance, McKay et al. (2008) found that under favorable diversity climate individual performance increased for minority, but not majority employees indicating that maybe only minority employees reciprocate organizational efforts against discrimination with enhanced performance. At the firm level, a discrimination-free organization might be better equipped to access the growing market of ethnic minorities (Ely & Thomas, 2001; Gonzalez & Denisi, 2009). Yet, Van Knippenberg, Homan and Van Ginkel (2013) questioned whether diversity climates that concentrate only on the prevention of discrimination are sufficient to increase team performance, as this perspective does not consider the potential gains associated with

diversity. Thus, diversity climates that reflect an underlying value-in-diversity belief, such as endorsement of multiculturalism, might indeed mediate between diversity and team performance in interdependent teams.

Practical Implications

Organizations can encounter the shortcomings of diversity management that focuses exclusively on organizational diversity practices, such as special programs targeting minorities (Oswick & Noon, 2014; Tatli, 2011), by facilitating that employees directly experience the positive sides of diversity within their work teams. Although there is also no simple one-fits-all solution at the team level, we offer a comprehensive framework to assess when and how nationality diversity needs to be managed. First, when task interdependence is high, team leaders are crucial for successful nationality diversity management in nationally diverse teams. Thus, organizations may invest in cultural intelligence trainings to enhance leaders' intercultural capabilities. Yet, we caution against precipitate training or personnel selection based on cultural intelligence, if the respective leaders do not have to manage nationally diverse teams because team performance may suffer from a mismatch of high cultural intelligence in homogenous teams. To avoid this unfavorable combination, organizations need to carefully synchronize the enhancement of nationality diversity and leaders' cultural intelligence.

In contrast, when interdependence is low, leaders may have limited impact on diversity climate perceptions and team performance. Nevertheless, due to the increasing nationality diversity of the general workforce and the important implications for individual and firm performance (Gonzalez & Denisi, 2009; McKay et al., 2008), organizations can not evade nationality diversity management but need to adopt alternative diversity-enhancing strategies.

Moreover, we recommend monitoring which type of demographic diversity is relevant for the organization at hand. Whereas cultural intelligence might be especially valuable to manage nationality diversity, different competencies might be more appropriate to address gender and age diversity.

Strengths and Limitations

Our study's particular strength is the integration different data sources: Nationality diversity was obtained from company records, team members rated task interdependence and diversity climate, team leaders rated their cultural intelligence, and team leaders' supervisors assessed team performance. Thus, it is unlikely that common method bias or self-serving bias in performance ratings of the own team distorted our results. However, we acknowledge that our nonexperimental study design cannot determine causality of the proposed relationships. Nevertheless, we have confidence in the directionality of our results because it is difficult to plausibly explain the complex pattern of results assuming reversed causality and because we collected team performance ratings after a time lag of several months.

Although objective performance ratios are more desirable than team performance ratings, objective performance indicators applicable to all teams were not available at our level of analysis. Thus, while we had to rely on performance ratings from managers at the next higher hierarchical level, future research might replicate our findings using objective indicators. As another limitation, we had to use short scale measures due to the restricted length of the questionnaire. Future research could use more extensive or alternative operationalizations, such as team member ratings of leaders' cultural intelligence, instead of self-reports.

Furthermore, our sample provided a rather conservative setting because it consisted of blue collar workers who performed rather simple tasks, which restrict the possibility to detect positive diversity effects. We would speculate that our findings might be even more

pronounced in teams working on complex tasks that require creative solutions (Van Knippenberg et al., 2004).

Conclusion

As nationality diversity is expected to increase considerably, organizations need to develop effective strategies for nationality diversity management. For this purpose, characteristics of the task, the leader and actual team diversity need to be considered simultaneously. In interdependent teams, team leaders play a key role for nationality diversity management. Specifically, cultural intelligence equips leaders with the skills needed to create a favorable diversity climate and to unleash the positive potential of diversity for team performance in interdependent, nationally diverse teams.

Footnotes

¹ Demographics of members in excluded teams were similar (79% male; mean age = 44.21, $SD = 11.75$; mean tenure = 20.45, $SD = 4.92$; 23% non-German).

CHAPTER 4

NEUTRALIZING LEADERSHIP EFFECTIVENESS: THE INTERACTIVE EFFECT OF SUPERVISORS' CYNICISM ABOUT CHANGE AND CONTINGENT REWARD LEADERSHIP*

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Abstract

Frontline supervisors' contingent reward leadership is crucial for the successful implementation of change. Yet, we propose that even appropriate leadership behavior may become ineffective when supervisors are cynical about change. We tested this hypothesis in a sample of 71 supervisors with 340 employees. When supervisors' cynicism about change was low, contingent reward was negatively related to employees' cynicism about change and positively related to their performance. However, these relationships were nonsignificant for cynical supervisors. Moreover, employees' cynicism about change acted as a mediator for this interaction effect on employees' performance. In sum, our research extends our theoretical understanding about the interplay of supervisors' cynicism about change and leadership. From a practical perspective, enabling supervisors to become successful change agents requires to address their cynicism about change as well as their leadership competencies in parallel.

Although change requires involved and committed organizational members (Fedor, Caldwell, & Herold, 2006; Herscovitch & Meyer, 2002; Hill et al., 2012), change projects may ironically make supervisors, who need to implement the change, highly cynical about it (Balogun, 2003). Pioneering research regarding this issue investigated whether cynical supervisors refrain from leadership behaviors altogether (Atwater, Waldman, Atwater, & Cartier, 2000; Bommer, Rubin, & Baldwin, 2004; Rubin, Dierdorff, Bommer, & Baldwin, 2009). Taking this field a step further, we propose that the effects of supervisors' cynicism might be even more severe, such that even if supervisors exhibit appropriate leadership behaviors, the effectiveness of these behaviors during change may be neutralized when supervisors are cynical.

In this regard, we focus on frontline supervisors who need to keep the business going while simultaneously integrating and consolidating new work routines (Balogun, 2003). During this implementation phase, contingent reward leadership provides guidance and transparency (Podsakoff et al., 2006; Walumbwa et al., 2008) and establishes a trustful relationship with the supervisor (Jung & Avolio, 2000; Wayne et al., 2002). These mechanisms help to reduce cynical employee reactions toward change and to foster employee performance (Podsakoff et al., 2006).

However, when *supervisors* are cynical about change, employees may perceive their supervisor and the organization as disconnected entities. Supervisors' cynicism about change may affect the way in which employees respond to supervisors' contingent reward leadership. In light of the discrepancy between the organization and the supervisor, the reassuring effects of contingent reward behavior may not generalize toward the change project, and thus, may not alleviate employees' cynicism about change. In a similar vein, employees may not consider performance as adequate to reciprocate supervisors' contingent reward behavior (Wayne et al., 2002). Moreover, we propose that employees' cynicism will act as a mediator

for the interactive effect of supervisors' cynicism and contingent reward leadership as this attitude reflects the employees' loss of faith that their efforts will be worthwhile (Wanous, Reichers, & Austin, 2000).

In sum, we add a new perspective on the interplay between supervisors' cynicism and leadership behaviors. We propose that cynicism about change may not universally reduce leadership behaviors, but may affect how *followers react to these behaviors*. This approach promises a better understanding of the role, which supervisors' play during change through their attitudes *and* behaviors. It is still unclear why change projects often fail, even if appropriate measures are taken (Herold et al., 2007). Research needs to identify boundary conditions that may limit the effectiveness of leadership behavior during change (Herold, Fedor, Caldwell, & Liu, 2008). Supervisors' cynicism about change may be one piece to this puzzle, which helps to explain why contingent reward may not universally attenuate employees' cynicism and sustain performance. Moreover, practitioners often find it difficult to alter supervisors' cynicism about change and put more emphasis on training supervisors' leadership competencies instead (Rubin et al., 2009). However, this strategy may fall short to lead to substantial improvements: Although promoting contingent reward behaviors might be very effective during change, supervisors' cynicism might limit the effectiveness of this type of leadership behavior.

Supervisors' Contingent Reward Behavior during the Implementation of Change

Sustainable changes need to be integrated and consolidated in daily work routines to avoid that change initiatives fizzle out without any sustainable impact (Kotter, 1996; Lewin, 1947). In this respect, contingent reward behaviors may be especially effective during times of change. Contrasting the differential functions of leadership styles, Battilana and colleagues (2010) found that leadership competencies with greater task focus are particularly beneficial for the sustainable integration of changes into work routines. Moreover, Vera and Crossan

(2004) noted that whereas transformational leadership sets the stage for changes, transactional leadership helps to institutionalize adaptations (Zand & Sorensen, 1975). Therefore, contingent reward is an important tool for frontline supervisors. As change intermediaries, they need to maintain business performance while implementing new adaptations (Balogun, 2003).

In this regard, contingent reward leadership helps to prevent that employees become cynical about change (Podsakoff et al., 2006). People who are cynical about change are pessimistic that change projects will lead to any desirable improvements in the future and blame dispositional characteristics of those who are in charge rather than controllable situational circumstances for the anticipated failure (Wanous et al., 2000) – as such, they lose faith in management (Reichers et al., 1997). As proposed within the transactional-transformational leadership framework (Bass, 1985), contingent reward constitutes a basic mechanism to build the fundament for a reliable exchange relationship between supervisors and employees. When supervisors consistently use positive reinforcement, employees develop trust in their supervisor (Jung & Avolio, 2000; MacKenzie, Podsakoff, & Rich, 2001). Thus, supervisors who engage in contingent reward may (re-)gain employees' confidence, which is called into question through change (Morgan & Zeffane, 2003), and thereby alleviate employees' cynicism about change. Moreover, when supervisor use contingent reward leadership, they enhance transparency and procedural fairness perceptions (Walumbwa et al., 2008), which attenuate cynicism in times of change (Bernerth, Armenakis, Feild, & Walker, 2007).

Furthermore, contingent reward is highly effective in sustaining employees' in-role performance and even outperforms other leadership styles in this regard (Podsakoff, Todor, & Skov, 1982; Vecchio, Justin, & Pearce, 2008; G. Wang, Oh, Courtright, & Colbert, 2011). As contingent reward contributes to a satisfying high quality relationship with the supervisor,

employees are motivated to reciprocate their supervisor's favorable behavior through increased performance (Wayne et al., 2002). In addition, path-goal leadership theory states that employees work motivation depends on the instrumentality perception that a specific behavior will lead to desirable consequences for the employee (House, 1971; House, 1996). In accordance with this approach, contingent reward reduces role ambiguity (Podsakoff et al., 2006), such that employees clearly understand what they are expected to do. Moreover, when employees feel that good performance will be acknowledged, they may consider their effort as an investment to achieve long-term goals (House, 1996; Podsakoff et al., 2006).

In sum, contingent reward will have favorable effects on employees' cynicism about change and performance because it establishes a trustful relationship with the supervisor and strengthens the instrumentality perception that efforts will be worthwhile eventually. However, when supervisors are cynical about change themselves, contingent reward leadership may become ineffective for the implementation of change.

Supervisors' Cynicism about Change

Supervisors at lower organizational levels represent a risk group to become cynical. With increasing hierarchical distance to the top management, communication about the underlying reasons for change is perceived as less effective and the possibilities to actively participate through feedback and suggestions are constrained (Hill et al., 2012). As a consequence, frontline supervisors often find it difficult to make sense of the profound purposes of change initiatives (Balogun & Johnson, 2005). However, when they do not recognize that the change projects will solve important problems, they are likely to become cynical about change (Reichers et al., 1997). Indeed, previous research has found negative correlations between leaders' hierarchical level and cynicism about change (Bommer et al., 2004; Bommer, Rich, & Rubin, 2005; Rubin et al., 2009), reflecting supervisors' proneness to become cynical.

In addition, change projects often increase frontline supervisors work load considerably. As supervisors represent the interface between management and the operative employees, they need to get used to a new work protocol themselves, while they are simultaneously responsible for integrating adaptations in existing work routines and maintaining high performance levels (Balogun, 2003). Fedor, Caldwell, and Herold (2006) demonstrated that this combination of work unit and personal job change results in less favorable attitudes towards change initiatives. When this straining situation persists without visible improvements for a longer period of time, frontline supervisors may develop cynical attitudes towards change (Balogun & Johnson, 2004).

The few previous studies on supervisors' cynicism about change mostly focused on the consequences for their leadership behavior. For instance, Bommer et al. (2004) and Rubin et al. (2009) found that supervisors who are cynical about change refrain from transformational leadership. As cynical supervisors are less likely to act against their principles (Andersson & Bateman, 1997), they may abandon transformational leadership and cease to motivate employees to support a vision and strategy, in which they do not honestly believe themselves.

However, Atwater and colleagues (2000) found a more complex pattern for employee ratings of person-focused leadership, which is conceptually similar to consideration. In their longitudinal study, supervisors' cynicism was only negatively associated with their subsequent leadership behaviors when they had received unfavorable feedback from their employees. Moreover, this effect appeared to be rather small ($\beta = -.21$) in comparison to the high constancy of leadership ratings over time ($\beta = .61$). In light of this stability, other mechanisms, besides withdrawal from transformational leadership, may account for the decrease in supervisor effectiveness as a consequence of their cynicism about change (Rubin et al., 2009). Specifically, we propose that supervisors' cynicism may affect how employees

react to leader behavior by limiting the effectiveness of contingent reward leadership.

The Interactive Effect of Supervisors' Cynicism about Change and Contingent Reward Behavior on Employee Outcomes

Supervisors are usually perceived as agents of the organization who represent and transmit the organizational goals to the employees (Rhoades & Eisenberger, 2002). Due to this representative function, employees assume that their supervisors' behaviors also characterize the organization and its goals on a larger scale (Eisenberger et al., 2002; Naumann & Bennett, 2000). For instance when supervisors are perceived to be supportive, the organization is perceived to be supportive as well (Eisenberger et al., 2002), or when supervisors consistently reinforce procedures, they shape more general procedural justice climates (Naumann & Bennett, 2000; Walumbwa et al., 2008). Thus, when supervisor and organization are perceived as a unity, employees' reactions to supervisors' contingent reward behavior ultimately coincide with favorable consequences for the organization (Walumbwa et al., 2008), such that these generalization tendencies help to attenuate employees' cynicism about change and benefit performance (Podsakoff et al., 2006; Wayne et al., 2002).

However, these generalization tendencies only occur when employees believe that their supervisor represents and is aligned with the organization (Eisenberger et al., 2010; Koivisto et al., 2013; Rhoades & Eisenberger, 2002). When supervisors are cynical about change, they are clearly disconnected from the organizational strategy and, consequently, employees may not perceive them as committed agents of the organization. Therefore, rather than generalizing supervisor behaviors to the organization, employees may evaluate the supervisor and the organization as distinct entities (Eisenberger et al., 2010; Neves, 2012). Contingent reward strengthens first and foremost the employees' relationship to the supervisor rather than to the organization in general (Wayne et al., 2002). Thus, when there is a misalignment between the supervisor and the organization, contingent reward leadership

may primarily motivate employees to trust and reciprocate towards the supervisor rather than towards the organization (Wayne et al., 2002).

While supervisors' contingent reward may contribute to a trustful relationship with the supervisors, employees may only generalize this trustworthiness to top management when supervisors advocate the organizational strategy with full conviction. However, when cynical supervisors distance themselves from management, contingent reward leadership may not resolve doubts about top management's credibility, which constitute major sources of employees' cynicism about change (T. Kim, Bateman, Gilbreath, & Andersson, 2009; Reichers et al., 1997). In line with this reasoning, Eisenberger and colleagues (2010) reported that favorable leader behaviors only translate into increased commitment towards the organization when the supervisor identifies with the organization. Following this argument, cynical supervisors clearly demonstrate that they do *not* identify with the change project and their behaviors are therefore unlikely to attenuate employee's critical attitudes towards organizational change.

Moreover, contingent reward instigates social exchange processes that target the supervisors rather than the organization and encourages employees to "reciprocate in terms of behaviors that are valuable to the supervisor" (Wayne et al., 1997; Wayne et al., 2002, p. 593). In work contexts, employees usually express their loyalty by increasing performance in order to attain the organizational goals, which matter to their supervisor. Yet, employees may think that working hard to support a strategy, which is not endorsed by their cynical supervisor, will be inadequate to show their appreciation for their supervisor. It may even be a sign of solidarity to maintain just sufficient performance instead of supporting the "rival camp." In this vein, when supervisors feel estranged from the organization, their employees still value a positive relationship with their supervisor, as reflected by high levels of job satisfaction; yet they do not respond with high levels of performance (Erdogan & Enders,

2007). Therefore, when supervisors are cynical, contingent reward may not increase employees' performance.

Hypothesis 1: Contingent reward and supervisors' cynicisms about change have an interactive effect on employees' cynicism about change. Contingent reward will be only negatively related to employees' cynicism about change when supervisors' cynicism about change is low.

Hypothesis 2: Contingent reward and supervisors' cynicisms about change will have an interactive effect on employees' performance. Contingent reward will be only be positively related to employees' performance when supervisors' about change cynicism is low.

Finally, we propose that *employees'* cynicism about change will act as a mediator between the interactive effect of supervisors' cynicism about change and contingent reward on employees' performance. Cynical supervisors who engage in contingent reward leadership may not be able capitalize on performance improvements that are otherwise gained through increased employees' instrumentality perceptions (House, 1971). When supervisors are cynical, contingent reward leadership may not attenuate employees' cynicism. In this respect, employees' cynicism about change is associated with decreased instrumentality perceptions, so that employees do not assume that their performance will pay off eventually (Wanous et al., 2000). Thus, the potential positive gains associated with contingent reward are compensated by unfavorable consequences of cynicism about change. Instead, as a further negative side effect, employees' cynicism about change seems to promote deviant workplace behaviors. Although identified as distinct constructs, cynicism "appear[s] to have something in common" (Naus, Van Iterson, & Roe, 2007, p. 705) with neglecting behaviors, such as sloppiness and tardiness. In the long run, these breaches of obligation may impair overall performance. Consequently, when contingent reward leadership by cynical supervisors is

insufficient to manage employees' cynicism, the latter may thwart employees' performance over time (T. Kim et al., 2009).

Hypothesis 3: Employees' cynicism about change will mediate the interactive effect of contingent reward and supervisors' cynicism about change on employees' performance.

Methods

Sample and Procedure

We collected data embedded in a broader organizational survey at a German facility management company. Next to the administrative staff, the company was structured in two major divisions, building cleaning and technical maintenance. At the time of the data collection, the company underwent a fundamental reorganization of their work procedures and communication flows, starting from the acceptance of orders through the planning and provision of the services to the administrative completion processes. This change project required the redefinition of work roles (e.g., who does what), procedures (e.g., how things are done), and related IT systems. Although the change project affected both divisions, the technical division experienced the most pronounced alterations in their workflow through the introduction of new IT tools, which employees used for reporting.

We surveyed vocational job starters (trainees) who participated in an apprenticeship, which is a unique vocational training system in Germany,¹ as well as their company supervisors. We chose this sample for several reasons: First, the change project involved the supervisors and their work, so that they were prone to hold salient attitudes toward organizational change. Second, the job starters were quite new at the organization, so that their current experiences, rather than previously acquired perceptions of the organization, should shape their attitudes and behaviors. Finally, trainees' developmental progress was monitored on a regular basis through standardized performance reviews, which we could access upon participants' consent.

Trainees and supervisors were invited to separate meetings on company site during working hours, in which two researchers informed them about the procedure and background of the study. After participants were guaranteed confidentiality, they could participate by completing the questionnaire on a voluntary basis and chose whether they permitted access to their performance review by checking this option on the consent form. Overall, 74% of the company's trainees joined the meetings and 95% of those who attended participated in the study, so that we obtained a total of 389 trainee questionnaires, including 319 permissions to collect performance reviews from company records, as well as 91 supervisor questionnaires. We excluded two supervisors who did not provide cynicism ratings. In order to ensure a reliable and representative measurement of group-level leadership, we further excluded supervisors when less than 60% of their trainees rated contingent reward behavior ($n = 5$), and when a supervisor worked with less than two trainees ($n = 13$).² Due to varying missing values patterns for outcome variables, we were able to use data from 70 supervisors and 340 trainees pertaining to the analysis for trainee's organizational cynicism and a sample of 71 supervisors and 291 trainees pertaining to the analysis for performance.

Trainees in the final sample were mostly male (85%) and of German nationality (73%) with an average age of 20.40 years ($SD = 3.69$). They had worked at the company for two years ($SD = 0.95$) on average. Most of them were employed in the technical division in occupations such as electrician or mechanic (65%), 27% in the cleaning division as qualified building cleaners, and 9% were administrative staff for clerical tasks. Unfortunately, demographic information for nonparticipants was unavailable but our sample was representative for all trainees at the company in terms year of apprenticeship ($M = 2.05$, $SD = 1.00$) and distribution across divisions (67% technical, 27% cleaning, 6% administrative).

Supervisors were mostly male (87%), of German nationality (92%), and on average 43.10 years ($SD = 10.37$) old. They had a profound understanding of the organization as the

majority of them had spent their own apprenticeship and subsequent career exclusively at this company (61%). Similarly, they were experienced at the supervision of trainees ($M = 5.73$ years, $SD = 5.59$). On average, they were responsible for 8.38 trainees within their respective division ($SD = 6.57$; range: 2-24), which they supervised throughout the whole duration of the apprenticeship. While 79% belonged to the technical division, 11% belonged to the building cleaning division and 10% were administrative staff.

Measures

All scales were measured on a scale ranging from 1 ("*strongly disagree*") to 5 ("*strongly agree*"). Table 4.1 summarizes the descriptive statistics and zero-order correlations of the following variables.

Cynicism about organizational change. Trainees and supervisors respectively rated the *Cynicism About Organizational Change Scale* (Wanous et al., 2000). This scale consists of seven items, such as "Most of the programs that are supposed to solve problems around here will not do much good" and "The people responsible for making improvements do not know enough about what they are doing." The measure showed good reliabilities for both trainees (six items,³ $\alpha = .91$) and supervisors (seven items, $\alpha = .88$).

Table 4.1

Means, Standard Deviations, and Zero-Order Correlations

<i>Individual-Level Variables</i>	<i>Mean (SD)</i>	1.	2.	3.	4.	5.	6.	7.	8.
1. Employees' Cynicism	2.91 (.90)	(.91)							
2. Employees' Performance	2.71 (.45)	-.01	(.90)						
3. Year of Apprenticeship	2.01 (.95)	.30**	.16**						
4. Contact with Supervisor	2.48 (1.46)	.01	.21**	.26**					
5. Low Education ^a	.29 (.46)	.01	-.28**	-.18**	-.23**				
6. Medium Education ^a	.54 (.50)	.04	.02	.24**	.21**	-.96**			
7. High Education ^a	.17 (.38)	-.08	.39**	-.14	-.02	-.71**	-.88**		
8. Employees' Age	20.40 (3.69)	.10**	.05	.19**	-.02	.04	-.17*	.18**	
9. Employees' Gender ^b	.15 (.35)	-.05	.01	-.01	-.03	.18	-.29**	.19	.10
<i>Between- Level Variables</i>	<i>Mean (SD)</i>	10.	11.	12.	13.	14.	15.		
10. Contingent Reward	2.82 (.68)	(.82)							
11. Supervisors' Cynicism	2.75 (.77)	.01	(.88)						
12. Cleaning division ^c	.11 (.32)	-.06	-.04						
13. Technical division ^c	.79 (.41)	-.15	.36**	-.89**					
14. Administrative division ^c	.10 (.30)	.32	-.63**	.00	-.86**				
15. Supervisors' Age	43.10 (10.37)	-.13	-.06	.10	-.00	-.12			
16. Supervisors' Gender ^b	.89 (.32)	.33	-.42**	.04	-.76**	0.89**	-.47**		

Note: When both variables are continuous, Pearson correlations are reported. When both variables are categorical, polychoric correlations are reported. When one variable is continuous and the other variable is categorical, polyserial correlations are reported. Cronbach's α is reported in brackets on the diagonal. ^adummy coded, 1 = belongs to this educational group, 0 = belongs to other educational group, reference group: low education. ^bdummy coded, 1 = female, 0 = male. ^cdummy coded, 1 = belongs to this division, 0 = belongs to other division, reference group: cleaning. * $p < .05$, ** $p < .01$

Contingent reward. Trainees rated their supervisor's contingent reward behavior with four items from Podaskoff, MacKenzie, Moorman, and Fetter (1990), such as "My supervisor always gives me positive feedback when I perform well." After omitting one item that impaired reliability ("My supervisor frequently does not acknowledge my good performance," reversed coded), we obtained a Cronbach's α of .82.

As leaders tend to offer contingent reward to their employees in consistent ways (Walumbwa et al., 2008), it can be considered a contextual, group-level construct that is reflected in converging team members' perceptions (Chan, 1998; Klein & Kozlowski, 2000). Several agreement indices provided support for this team-level conceptualization. ICC(1) = .09, $F(70, 263) = 1.83$, $p < .001$, showed that team member ratings varied significantly for different supervisors. Although the rather moderate ICC(2) = .45 value indicated that it might be difficult to detect group differences, it does not principally question the validity of a theoretical group-level construct (Chen & Bliese, 2002). Finally, the median $r_{wg(J)} = .75$ was above the recommended cutoff of .70 (Bliese, 2000) and reflected that team members agreed about their supervisor's contingent reward behavior. Therefore, we aggregated team members' responses to group means for further analyses.

Employees' individual performance. The personnel department provided performance ratings about six month after the survey. These performance reviews are updated every three months and assessed trainees' performance, technical knowledge, and social skills. The seven-item scale had excellent reliability ($\alpha = .90$).

Control variables. We distinguished two broad categories of control variables, personal characteristics and structural, work context variables. The first category includes supervisors' and trainees' age and gender, as well as trainees' educational background (low secondary education, medium secondary education, or high education including university entrance degrees and above). In addition, structural variables characterize how trainees

experience the organization. For instance, the division (technical, cleaning, administrative) may create a unique context, which affects the outcome variables in different ways. In a similar vein, contact with the supervisor, which we measured with a single item ("How often do you interact with your supervisor?"), may affect trainees' cynicism and performance. Finally, over the duration of the apprenticeship, trainees may gain profound personal and professional experiences, which may shape their organizational perceptions and their performance respectively. Therefore, we included the duration of the apprenticeship as well.

Analytic Strategy

We predicted an interaction effect of two group-level variables, supervisors' cynicism about change and contingent reward leadership, on individual-level outcomes, employee's cynicism and performance.⁴ Mediated moderation models like ours (Thoemmes, MacKinnon, & Reiser, 2010) require quite demanding analyses, especially when they involve interaction effects of continuous (Shieh, 2008) and group-level variables (Snijders, 2005). However, field research on organizational teams is often subject to sample size restrictions, which limit the power to detect interaction effects (McClelland & Judd, 1993). Thus, we undertook several analyses to preserve as much power as possible. First, we conducted the analyses including only our focal predictors. Subsequently, we investigated the relationship of the proposed controls and outcome variables in order to identify the most important control variables for employees' cynicism and performance (Becker, 2005; Kraimer et al., 2011) and repeated the analyses including these relevant control variables.

Results

Main Analyses

In a first step, we checked whether employees' group membership accounted for differences in the outcome variables. Although between-group variation for employees' cynicism ($ICC[1] = .03$, $F[69, 270] = 1.22$, $p = .13$) and performance ($ICC[1] = .09$, $F[70,$

220] = 1.83, $p < .001$) were modest, even small between-group variations can have important implications (Bliese, 2000). Nezlek (2008, p.857) further suggested that if "there is a meaningful nested hierarchy to the data, my advice is to use multilevel modeling, irrespective of distracting arguments about [small] ICCs and so forth." Following this recommendation, we applied a multilevel model in a step-wise procedure (Aiken & West, 1991) to assess whether the interaction effect improved the overall model fit beyond main effects of the predictors (Table 4.2).

Table 4.2

Multilevel Analyses for the Interactive Effect of Contingent Reward and Supervisors' Cynicism on Employees' Cynicism and Individual Performance

	Employees' Cynicism		Individual Performance	
<i>Model:</i>				
$Y_{ij} = \gamma_{00} + \gamma_{01}(\text{Contingent Reward}) +$				
$\gamma_{02}(\text{Supervisors' Cynicism}) +$				
$\gamma_{03}(\text{Contingent Reward X Supervisors' Cynicism}) + r_{ij} + u_{0j}$				
$\gamma_{01}(\text{Contingent Reward})$	-.19*	-.13	.10	.05
	(.10)	(.09)	(.06)	(.06)
$\gamma_{02}(\text{Supervisors' Cynicism})$	.12*	.08	-.02	.00
	(.05)	(.09)	(.04)	(.03)
$\gamma_{03}(\text{Contingent Reward X Supervisors' Cynicism})$		.32**		-.21**
		(.10)		(.08)
$\sigma^2(r_{ij})$	.77**	.77**	.17**	.17**
$\sigma^2(u_{0j})$	.02	.00	.03**	.02*
Deviance	885.38	879.41	336.95	330.08
Scaling Correction Factor	.93	.85	1.24	1.16
Deviance Difference Test ^a		13.90**		9.10**

Note: Unstandardized coefficient and standard errors (in brackets) are reported. Grand-mean centered variables were used for the analysis and the calculation of the interaction term (Aiken & West, 1991). ^aSatorra-Bentler corrected difference test (χ^2 -distributed, $df = 1$), recommended by Muthén and Muthén (1998-2010). * $p < .05$, ** $p < .01$

For employees' cynicism, we found a significant interaction effect between supervisors' cynicism and contingent reward ($\gamma_{03} = .32$, $SE = .10$, $p = .001$, Step 2), which significantly improved the model fit ($\chi^2[1] = 13.90$, $p < .001$). This result supported Hypothesis 1. We explored the interaction in greater depth with interaction plots (Figure 4.1) and multilevel simple slope analyses (Preacher, Curran, & Bauer, 2006). In line with our reasoning, contingent reward leadership was negatively related to employees' cynicism when supervisors' cynicism was low ($b = -.39$, $SE = .10$, $p < .001$), yet unrelated to employees' cynicism when supervisors' cynicism was high ($b = .13$, $SE = .93$, $p = .35$).

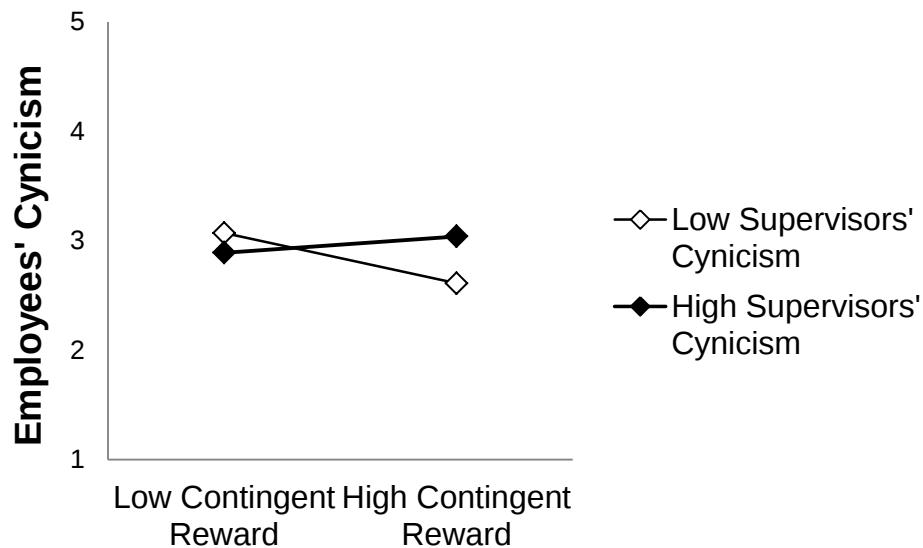


Figure 4.1. Effects of supervisors' cynicism and contingent reward on employees' cynicism. High/low values correspond to one standard deviation above/below the mean.

Lending support to Hypothesis 2, the interaction between contingent reward and supervisors' cynicism ($\gamma_{03} = -.21$, $SE = .08$, $p = .007$) significantly improved the fit of the model that predicted employee's performance ($\chi^2[1] = 9.10$, $p < .001$). As visualized in Figure 4.2, contingent reward was associated with higher performance when supervisors' cynicism was low ($b = .22$, $SE = .04$, $p < .001$). However, this relationship was nonsignificant for highly cynical supervisors ($b = -.12$, $SE = .09$, $p = .19$).

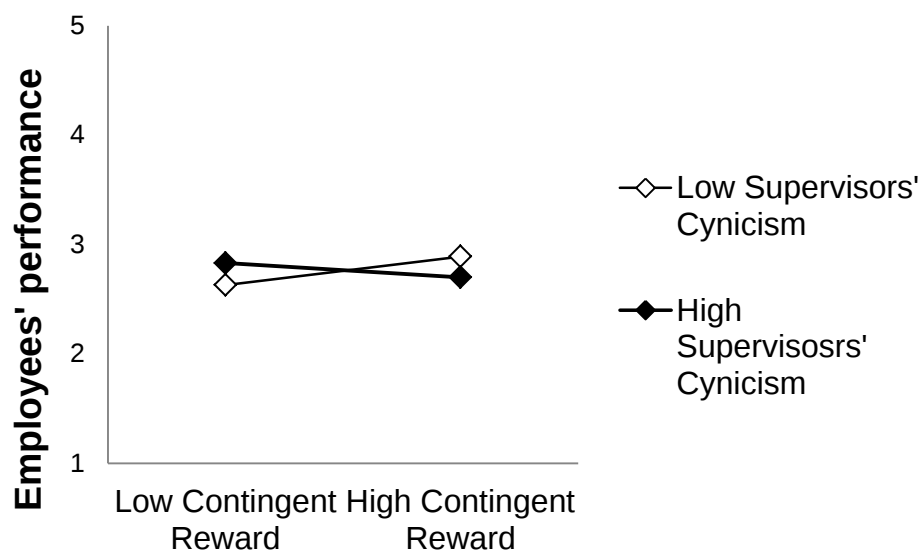


Figure 4.2. Effects of supervisors' cynicism and contingent reward on employees' performance. High/low values correspond to one standard deviation above/below the mean.

Finally, we proposed that the interaction effect on performance was mediated by employees' cynicism (Hypothesis 3). We examined this hypothesis using a mediated moderation model, which includes the main and interaction effects of two between-level variables on the individual-level outcome via a mediating individual-level variable. Importantly, however, between-level predictors can only account for between-group variance in the mediating and outcome variables but not for individual-level variations. Therefore, an indirect effect at the between level, while controlling for within-group variations of the

mediator, is necessary to provide support for a 2-1-1 mediation model (Figure 4.3). Preacher, Zyphur, and Zhang (2010) developed a technique to accurately test such models in order to obtain a precise estimate of the indirect effect. Whereas traditional analyses intermingle between- and within-level effects of the mediator, this technique models the between- and within components of the mediator separately as independent latent variables at both levels. We adopted this approach and used Monte Carlo simulation to obtain confidence intervals for the indirect effect (Selig & Preacher, 2008). In line with Hypothesis 3, the confidence interval of the indirect effect excluded zero ($ab = -.30$, $SE = .16$, 95% CI $[-.71; -.01]$), indicating that employees' cynicism mediated the interaction effect of supervisors' cynicism and contingent reward leadership on employees' performance.

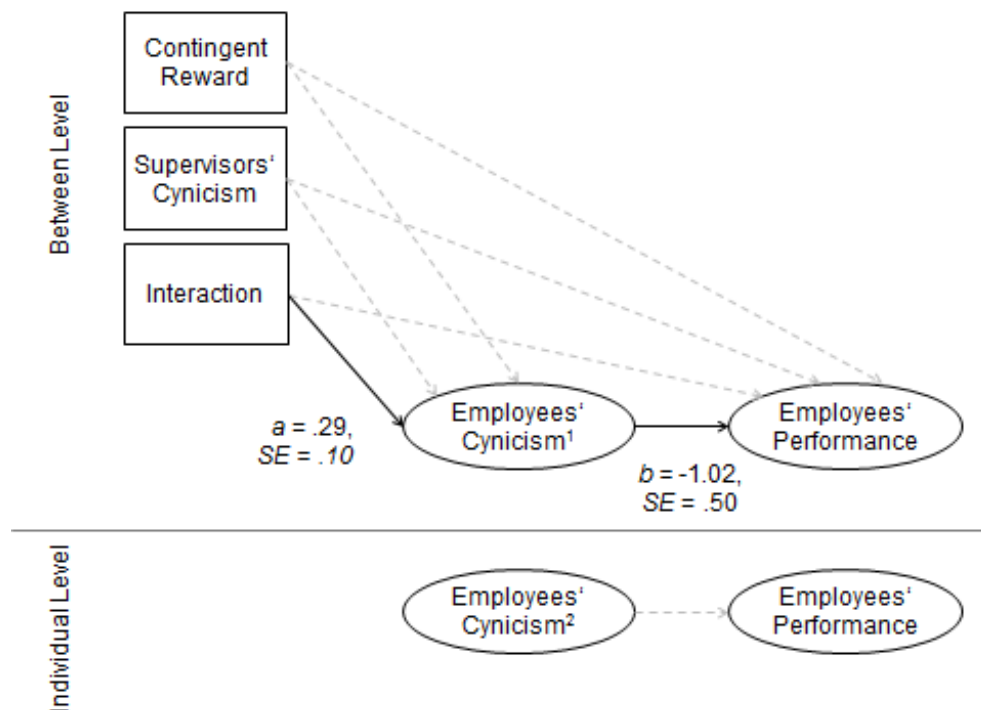


Figure 4.3. Multilevel 2-1-1 mediation model (Preacher et al., 2010). Black solid lines indicated significant paths ($p < .05$); gray dashed lines indicate nonsignificant paths ($p > .09$).
¹latent between-level component of employees' cynicism ²latent within-level component of employees' cynicism.

Control Variables

We regressed employees' cynicism and performance on the grand-mean centered control variables at the appropriate level of analysis (Enders & Tofighi, 2007) in order to determine the relative importance of the proposed controls (Kraimer et al., 2011). As our analyses are prone to suffer from underpowerment, it is especially important preserve as much statistical power as possible and to carefully select those variables of substantial relevance. While none of the demographic variables were significantly related to employees' cynicism, we detected some differences for structural variables. Employees in more advanced stages of their apprenticeship ($\beta = .34$, $SE = .08$, $p < .001$), and those in the building division rather than in technical ($\gamma = -.38$, $SE = .13$, $p = .003$) or administrative occupations ($\gamma = -.80$, $SE = .33$, $p = .02$) were more cynical about organizational change. Moreover, more experienced employees at later stages of the apprenticeship ($\beta = .06$, $SE = .03$, $p = .02$) and those in the technical division ($\gamma = .31$, $SE = .08$, $p < .001$; reference group: cleaning division) received higher performance evaluations. Including these control variables in the models summarized in Table 4.2, made the interaction effect of leader's cynicism and contingent reward marginally significant for employees' cynicism ($\gamma = .20$, $SE = .11$, $p = .07$) and nonsignificant for performance ($\gamma = -.11$, $SE = .07$, $p = .12$).

As the direction of the effects did not change, it is possible that the additional variables may have reduced the power to detect the effects of our variables of interest. Moreover, scholars have warned that control variables can mask the effect of the variables of theoretical interest because they may remove not only nuisance but also true target variance that is shared with the predictor (Becker, 2005; Spector, Zapf, Chen, & Frese, 2000). Therefore, we investigated whether our predictor variables varied across divisions. While supervisors did not differ in their contingent reward behavior, $F(2, 68) = 1.03$, $p = .36$, we found differences for supervisors' cynicism, $F(2, 68) = 4.66$, $p = .01$. Somewhat

unexpectedly, however, the pattern was opposed to what we had obtained for employees. As can be seen in Table 4.1, technical supervisors were more cynical than nontechnical supervisors ($r = .36, p = .02$), whereas technical and administrative employees seemed to be less cynical than their counterparts in the cleaning division. If the variance explained by the division encloses variance that can be partially attributed to supervisors' cynicism, we would expect that contingent reward would be less effective in the division with highly cynical supervisors (e.g., technical division). Therefore, we reran the analysis for employees' performance and replaced supervisors' cynicism by the dummy variable technical vs. nontechnical division (Table 4.3). Mirroring the results for supervisors' cynicism, the interaction effect of technical vs. nontechnical division and contingent reward was significant ($\gamma_{03} = -.37, SE = .17, p = .03$), such that contingent reward was positively associated with performance in the nontechnical divisions with less cynical supervisors ($b = .41, SE = .16, p = .01$) but unrelated within the technical division with more cynical supervisors ($b = .04, SE = .04, p = .37$). These results indicate that the structural variables may indeed absorb some of the true target variance attributable to the effects of supervisors' cynicism, which is the primary research interest of our study. At the same time, the results demonstrate that structural variables can have different implications for cynicism towards change at different hierarchical levels.

Table 4.3

Multilevel Analyses for the Interactive Effect of Contingent Reward and Technical vs. Nontechnical Division on Individual Performance

	Individual Performance	
<i>Model:</i>		
$Y_{ij} = \gamma_{00} + \gamma_{01}(\textit{Contingent Reward}) +$		
$\gamma_{02}(\textit{Technical division}) +$		
$\gamma_{03}(\textit{Contingent Reward X Technical$		
<i>Division) + r_{ij} + u_{0j}</i>		
$\gamma_{01}(\textit{Contingent Reward})$	.10 (.05)	.41* (.16)
$\gamma_{02}(\textit{Technical Division})^a$	.15 (.10)	.18* (.07)
$\gamma_{03}(\textit{Contingent Reward X Technical$		-.37* (.17)
<i>Division)</i>		
$\sigma^2(r_{ij})$	.17**	.17**
$\sigma^2(u_{0j})$	.02	.02
Deviance	333.19	324.93
Scaling Correction Factor	1.42	1.45
Deviance Difference Test ^b		5.24*

Note: Unstandardized coefficient and standard errors (in brackets) are reported. Grand-mean centered variables were used for the analysis and the calculation of the interaction term (Aiken & West, 1991). ^adummy coded, 1 = belongs to technical division, 0 = belongs to other division ^bSatorra-Bentler corrected difference test (χ^2 -distributed, $df = 1$), recommended by Muthén and Muthén (1998-2010). * $p < .05$, ** $p < .01$

Discussion

Contingent reward leadership is an important tool for the sustainable implementation of change (Vera & Crossan, 2004; Zand & Sorensen, 1975). However, frontline supervisors who need to integrate change in daily work routines are prone to develop cynical attitudes towards change (Balogun, 2003). We hypothesized that otherwise positive effects of contingent reward leadership during change would be neutralized due to the estrangement between cynical supervisors and the organization. Our findings generally supported our reasoning: While contingent reward by noncynical supervisors was negatively related to employees' cynicism about change and positively related to their performance, these relationships became nonsignificant when supervisors were cynical. Employees' cynicism mediated the interactive effect of supervisors' cynicism and contingent reward leadership on performance. Although not the primary focus of our study, the inclusion of the control variables revealed diverging cynicism ratings of supervisors and their employees within divisions. Moreover, we replicated the moderating effect of supervisors' cynicism for employees' performance by comparing the division with supervisors who were relatively higher on cynicism to the divisions with supervisors with relatively lower scores on cynicism.

Theoretical Implications

Although change has become a ubiquitous phenomenon in modern organization, the literature on the relationship between supervisors' cynicism about change and leadership is still sparse and inconsistent. Possibly, cynicism about change may not uniformly affect all leadership behaviors, but needs to be explored with regard to the specific leadership behavior of interest. For instance, supervisors may withdraw from transformational leadership in order to avoid promoting a strategy in which they do not honestly believe (Bommer et al., 2004; Rubin et al., 2009). However, it is less obvious that cynical supervisors should automatically deny person-focused leadership (Atwater et al., 2000). Our research contributes to more

complete understanding about the complex interplay between supervisors' cynicism and leadership. Specifically, we move beyond a general withdrawal hypothesis and propose that cynicism may not necessarily affect whether or not supervisors exhibit leadership behaviors, but how employees react to these behaviors.

Although contingent reward is usually assumed to instigate employees' reactions that are beneficial for organizations undergoing change (Podsakoff et al., 2006), our results show that supervisors' cynicism can neutralize its effectiveness. Thus, the negative consequences of supervisors' cynicism about change may reach even further than previously assumed: Even if cynical supervisors display appropriate leadership behaviors, such as contingent reward, the organization may not benefit from it. Even more alarming, it might be problematic to enhance employees' performance otherwise, as indicated by research that contrasted the organization's and the supervisors' influences on employee outcomes. While favorable treatment by the organization entails some desirable employee reactions, such as organizational commitment, only favorable treatment by the supervisors seems to be able to foster employees' in-role performance (Settoon, Bennett, & Liden, 1996; Wayne et al., 1997; Wayne et al., 2002). Taken together, the adverse effect of supervisors' cynicism about change may not only be limited to the specific change project; it may also pose a serious threat to the organization's general functioning, which might be difficult to compensate for.

In contrast to previous research, our study seems not to support a pure main effect of supervisors' cynicism about change on their employees' cynicism about change (Rubin et al., 2009). Possibly, employees may use a broader range of information to evaluate top management's change efforts, which shape their personal attitudes towards organizational change. Thus, parallel to the information conveyed through their supervisor, they may also consider aspects of organizational fairness (Koivisto et al., 2013), or whether and how the change affects their personal work experiences (Fedor et al., 2006). Interestingly, when

supervisors seem nonrepresentative for the organization, their behaviors are unrelated to employees' perceptions of change, while employees are still receptive to organizational justice in order to evaluate change (Koivisto et al., 2013). Similarly, while cynical supervisors may not be considered representative agents of change, employees may additionally take into account their personal experiences with change, which will influence their attitudes towards it accordingly.

These personal experiences of the change process might also explain why supervisors' and employees' cynicism about change diverged across different divisions in our sample. Fedor and colleagues (2006) demonstrated that attitudes toward useful change projects result from a complex interplay of change at the work unit level as well as at the individual job level. When there is considerable change at both the unit and the job level, attitudes towards change become less favorable. In contrast, the most positive attitudes emerge when there is tangible change at the work unit level with low impact on the individual job level. With regard to our sample, supervisors in the technical division had to deal with considerable changes at both levels, whereas supervisors in the other divisions faced more moderate work unit adaptations. Thus, technical supervisors were at higher risk to develop cynicism about change than their peers in nontechnical divisions. With regard to employees, those in the technical division may have held the most positive attitudes because they witnessed tangible changes at the work unit level rather than at their personal job level. Conversely, those in the cleaning division may have been more disappointed as they did not experience a lot of change at any level, although extensive change projects had been announced (Fedor et al., 2006; Reichers et al., 1997; Wanous et al., 2000).

Our study provided somewhat mixed support for our hypothesis that employees' cynicism about change mediated the interactive effect supervisors' cynicism and contingent reward on performance. Acknowledging this caveat, we tentatively discuss some possible

implications. Interestingly, our multilevel mediation analysis indicates that employees' cynicism *at the group level* is negatively associated with employees' performance, while it is unrelated to performance at the individual level. This observation may help to integrate previous, inconsistent findings about the individual-level relationship between cynicism and performance (cf., Johnson & O'Leary-Kelly, 2003; T. Kim et al., 2009). Adopting a group perspective, DeCelles, Tesluk and Taxman (2013) proposed that cynicism about change may operate at different levels within teams. Shared perceptions of employees' cynicism may constitute a group-level cynicism climate, which was measured with aggregated individual responses (i.e., conceptually equivalent to our group-level component of employees' cynicism⁵). The authors found that cynicism climate was negatively related to employees' insubordination at the group level. Possibly, while individual perceptions may not be sufficient to trigger behavioral responses, a cynical climate at the group level is apt to culminate in performance losses. That is, the behavioral readiness inherent in cynicism may be gradually goaded when employees work with colleagues who also feel cynical about change, such that the team accepts and develops norms of neglectful behavior (DeCelles et al., 2013; Høigaard, Säfvenbom, & Tønnessen, 2006).

In this regard, our study underscores the crucial role of supervisors in influencing group-level climates (Zaccaro et al., 2001). As group-level contingent reward leadership affects employees in similar ways, they develop shared perceptions and norms, which characterize group climates (Walumbwa et al., 2008). Importantly, climates, as emergent constructs, can have unique effects of their own that go beyond the individual-level relationship (Firebaugh, 1978; Kozlowski & Klein, 2000). For instance, while individual-level cynicism may not be related to performance, a cynical climate may become detrimental. Thus, as supervisors can influence climates (Naumann & Bennett, 2000), which may have independent effects of their own, it is even more important maintain leadership effectiveness

during times of change.

Finally, our research also makes important contributions to leadership research. While contingent reward is considered an important tool to manage employees' performance, meta-analyses also indicate that third variables may moderate its effectiveness (Judge & Piccolo, 2004; Podsakoff et al., 2006). Supervisors' cynicism about change is one important boundary condition, which may explain the varying effectiveness of contingent reward. Specifically, alignment between the supervisor and the organization may be a prerequisite to evoke employee reactions that benefit the organization. Notably, contingent reward primarily seems to characterize the person of the supervisors, such that employees feel satisfied with and committed to their particular supervisor (Neves, 2012; Walumbwa et al., 2008). When supervisors are estranged from the organization, employees may evaluate them as disconnected entities and may be primarily motivated to reciprocate towards their supervisor. In such cases, employees may not deem performance to be an adequate response of high value for their supervisor and therefore seek alternative responses to show their appreciation (Erdogan & Enders, 2007).

Practical Implications

When change projects are on the verge of failure, management often blames allegedly reluctant, incompetent frontline supervisors (Balogun, 2003; Reichers et al., 1997). As scientific and practitioner literature emphasizes the importance of leadership competencies during change (Herold et al., 2008; Kotter, 1996), managers consider leadership trainings for frontline supervisors an adequate intervention (Rubin et al., 2009). However, our study demonstrates that these efforts may be misguided because cynical supervisors may already possess important leadership skills. In fact, frontline supervisors may not be effective in obtaining desired outcomes even when they display contingent reward behaviors. Supervisors may even feel offended and become more cynical when management seems to doubt their

leadership competencies instead of focusing on the change initiative at hand. Therefore, managers may be well advised to put more emphasis on addressing supervisors' cynicism about change. By facilitating sense-making processes of frontline supervisors throughout change implementation, managers may reduce supervisors' cynicism about change and thereby prevent that "intended strategies lead to unintended consequences" (Balogun & Johnson, 2005, p. 1).

Strengths, Limitations, and Future Research

The strengths and limitations of our study deserve a detailed discussion. While we acknowledge that only experimental research can establish causality, our study design addresses several shortcomings of purely cross-sectional research. First, we collected performance data with a time lag of about six months. Moreover, we developed and found empirical support for quite specific moderation hypotheses, which leave little room for alternative, theoretically plausible explanations. Finally, multiple data sources rule out common method bias as a hidden, underlying driver of our results.

The inclusion of four distinct data sources is a particular strength of our study. Supervisors rated their personal cynicism about change, whereas employees provided ratings about their cynicism about change and supervisors' contingent reward leadership. Notably, we obtained employees' performance ratings from company records, which were completely unrelated to the surveys. Usually, the relationship between leadership and more objective performance criteria tends to be smaller and thus harder to detect than subjective ratings (Judge & Piccolo, 2004; Podsakoff et al., 2006) because these indicators are not inflated by biases triggered by the mere execution of the study. That we were still able to detect the effects on more objective performance indicators speaks to the validity of these findings and their importance for the application in management.

In order to benefit from these advantages, we had to accept several limitations

associated with data collection within a single organization. First, the organization creates an overarching context for all participants, which might restrict the variance in our study variables. Moreover, our sample size was limited to the available trainee groups at the organization, so that our power to discover significant relationship was constrained. While our main analyses supported our theoretical reasoning, our findings became weaker when we included control variables. Accounting for this observation, the additional control variables may have further reduced statistical power. Moreover, the structural variables (e.g., division) may have removed not only nuisance but also true target variance (Spector et al., 2000). That is, by including division as control, we may have partly controlled for supervisors' cynicism. Our supplementary analysis for employee performance seems to support this possibility. Notwithstanding these considerations, additional research is definitely needed to replicate our findings in other contexts and multiple organizations in order to attest to their validity and generalizability.

In addition to the hypothesized effects, our sample also draws attention to a somewhat unexpected observation, which might have been missed before: Previous research has implied that employees are more prone to become cynical about change, the larger the hierarchical distance between them and top management becomes (Hill et al., 2012; Reichers et al., 1997). Possibly, this distance effect occurs across a larger span of hierarchical levels. However, within a microperspective on frontline supervisors and their employees, we found that supervisors sometimes may be more cynical than their employees. As we have outlined above, the personal experience and impact of change on the personal work reality may explain this pattern and may serve as an inspiration for future research on supervisors' cynicism.

In this vein, while our study focused on how supervisors' cynicism affects leadership effectiveness, it would be interesting for future studies to contrast how supervisors' cynicism

and organizational change management tools uniquely contribute to employees' cynicism about change. In this respect, we speculate that there might be some synergy effects when employees perceive a favorable alignment between supervisors and the organization (Koivisto et al., 2013; Neves, 2012), such that low supervisors' cynicism in combination with transparent change communication through top management should lead to the most positive employee reactions toward change. We would further hypothesize that active, effective organizational change management may buffer possible negative influences of cynical supervisors. For example, when organizations offer trainings and seminars for employees during change and provide direct top management communication, employees have an additional source of information to evaluate the change project more independently. Otherwise, employees can only rely on their supervisor to form their opinion about the change process, who conveys a pessimistic outlook on change. Besides advancing our theoretical understanding of multiple channels of change management, such research would be relevant for practitioners implementing change.

Finally, our study may stimulate further research on how supervisors' personal attitudes may affect how employees react to their leadership behavior. Importantly, supervisors need to display effective leadership in order to earn idiosyncrasy credits (Estrada, Brown, & Lee, 1995; Hollander, 2006). Thus, employees may be more willing to accept and support their supervisor's goals (Hollander, 1958; Hollander, 1992). Consequently, they may be motivated to reciprocate with behaviors that benefit the supervisor (Wayne et al., 2002), which may or may not coincide with favorable consequences for the organization. Future research may draw upon this reasoning to investigate moderating effects of leader attitudes that neutralize or even reverse leadership effectiveness across different domains. In extreme cases supervisors may consciously use leadership to manipulate employees exclusively for their own benefit and willingly undermine the organizations' interests. Effective leaders may

emphasize goal attainment to the extent that they are willing to make unethical decisions from time to time (Hoyt, Price, & Poatsy, 2013). Employees may be tempted to act unethically in order to support a supervisor who displays contingent reward behavior instead of honoring the organization's code of ethics (Sims & Brinkmann, 2003). Similarly, effective contingent reward leadership usually reduces turnover intentions (Podsakoff et al., 2006). However, when effective supervisors think about switching jobs, employees may consider leaving the organization as well in order to follow them. Thus, while leadership can be highly effective for organizations, it can become a risk factor, when supervisors' and organizational interests diverge.

Conclusion

Our research adds a new perspective on the complex interplay between supervisors' cynicism about change and their leadership behavior. Specifically, we demonstrate that cynicism about change is apt to neutralize the otherwise favorable effects of contingent reward leadership on employees' cynicism about change and performance. Thus, even if supervisors possess adequate leadership competencies and display contingent reward behaviors, they may not be able to capitalize on them for the benefit of the organization when they are cynical about change themselves. Thus, interventions aiming to prepare supervisors to implement change need to address both leadership competencies and cynicism about change in parallel in order to be successful.

Footnotes

¹The German apprenticeship system prepares graduates to practices non-academic professions such that they become certified skilled workers, who can independently execute a broad range of specialized, craft-specific tasks. Similar to regular employees, vocational trainees work at a company on three to four days a week in order to acquire the necessary skills that qualify them for the respective profession. In contrast to regular employees, trainees receive complementary theoretical education at special vocational schools on one or two days a week. Overall, trainees spent the largest proportion of their time as employees at the company.

²Results did not change when the analyses were conducted with excluded supervisors.

³The trainee questionnaire excluded one item that did not fit the context ("Suggestions on how to solve problems will not produce much real change."). In contrast to supervisor, trainees did not directly participate in change projects, in which they would have been able to make suggestions to the change program.

⁴As division only comprised three distinct categories, the data basis was too small to model a third level (Nezlek, 2008).

⁵The definition of climates requires sufficient agreement among team members (Chan, 1998). This criterion was satisfied for our sample as indicated by a median $r_{wg(J)} = .84$.

CHAPTER 5

GENERAL DISCUSSION

Organizations need to manage the challenges that dynamic business contexts impose on organizational career development, diversity management, and organizational change in order to ensure sustainable organizational success (Cascio, 2003). This dissertation explores how supervisors can contribute to these important processes. In this regard, I focus on supervisor behaviors, characteristics and the interplay of both, and address the implications of the alignment between these attributes and the organizational requirements. On the basis of this reasoning, I consider how supervisor behaviors operate at different levels in teams and explore boundary conditions that enhance or limit supervisors' effectiveness. Thereby, I contribute to a more detailed understanding of how supervisors connect employees to the organization.

Moreover, a guiding principle throughout my research is that organizational perceptions can operate at different levels within teams. In this regard, I will also elaborate on this additional, underlying theme of my dissertation and address the implications of emergent group-level climates for the management of modern business challenges.

In this chapter, I will summarize the main findings of the empirical studies and discuss the theoretical and practical implications. I will also consider the strengths, limitations and further research questions, which can be addressed in future research.

Overview of the Main Findings

Chapter 2 explored supervisors' mentoring behaviors as a tool in organizational career development. The study showed that supervisors' career and psycho-social mentoring in groups operate via different paths at different levels in teams. I distinguished differential mentoring, that is, an employees' individual mentoring experience as compared to other team members, and group-level mentoring, that is, the shared perceptions of supervisors' mentoring behaviors. At the individual level, only differentiated psycho-social mentoring was positively associated with employees' promotability via its positive influence on career

motivation. Moreover, both differentiated mentoring functions had favorable effects on employees' intentions to stay, which were mediated by job satisfaction. Furthermore, only career, but not psycho-social mentoring, had an additional group-level effect on promotability and intentions to stay beyond the individual-level mentoring perceptions. In sum, the study demonstrates that supervisor can play a crucial role in providing organizational career development support through mentoring.

Chapter 3 addresses how supervisors' cultural intelligence contributes to nationality diversity management. The results show that nationality diversity in interdependent teams is only associated with favorable diversity climate and team performance when supervisors' cultural intelligence is high. This result pattern was specific for nationality diversity and did not occur for other diversity types (e.g., gender, age). Diversity climate did not mediate the interactive effect of nationality diversity, task interdependence and supervisors' cultural intelligence. However, the lack of mediation may be due to the specific diversity climate measure used in the study, which focused primarily on the absence of discrimination rather than on potential benefits of diversity.

Finally, Chapter 4 shows that supervisors can facilitate the implementation of change through adequate leadership behavior. Supervisors who displayed contingent reward leadership attenuated employees' cynicism about organizational change and ensured employees' performance. However, this effect was neutralized when supervisors themselves were cynical about organizational change. Moreover, the interactive effect of supervisors' contingent reward leadership and cynicism about organizational change on employees' performance was mediated by employees' group-level cynicism about change while controlling for employees' individual-level cynicism about change.

Theoretical Implications and Contributions

The Role of Supervisors in Light of Modern Business Challenges

The business world of the 21st century has set the stage for many new opportunities and challenges, which arise from rapid technological progress and increasing globalization (Cascio, 2003). In order to survive in this dynamic environment, organizations strive for flexibility (Voelpel et al., 2004), which comes at the prize that employees become uncertain about what exactly the organization stands for.

This uncertainty is evident across a wide range of domains and is an overarching theme in the empirical chapters presented in this dissertation. Whereas career development used to be quite predictable in terms of vertical promotions, contemporary careers take more flexible forms including lateral and hybrid careers within and across organizations (Chudzikowski, 2012; Sullivan & Baruch, 2009). Thus, employees need to assess their career prospect regularly and stay prepared to seize unanticipated career opportunities, which may arise (Eby et al., 2003). Moreover, employees often feel insecure about the implications of increasing nationality diversity of the workforce. Minorities may doubt whether organizational attempts to manage diversity are mere lip services (Purdie-Vaughns et al., 2008) and whether the organization really strives for integration (Ely & Thomas, 2001). Moreover, majority members may suspect that increasing diversity will put them at a disadvantage because diversity management favors only minorities (Ely & Thomas, 2001; Plaut et al., 2011). Finally, change projects induce uncertainty about the new strategic goals, their implications for cooperation within the organization, and for employees' immediate job responsibility (Balogun & Johnson, 2004; Bordia et al., 2004). As such, organizational change projects oftentimes go hand in hand with resistance and negative affective responses (McKinsey & Company, 2006; Morgan & Zeffane, 2003).

These uncertainties associated with modern work settings require more than ever that supervisors facilitate sense-making and ensure that organizational objectives are realized (Balogun, 2003; Morgeson et al., 2010; Smircich & Morgan, 1982). As a main contribution, this research provides a structured approach to gain a better understanding how and/or when supervisors can constitute a link between the employee and the organization. Inspired by contingency theories of leadership (Fiedler, 1967), I propose that supervisor attributes need to be interpreted in light of the context, in which they are placed. For this purpose, I consider how supervisor behaviors, characteristics and the interplay of both can be construed in terms of alignment between these attributes and the organizational requirements.

In this regard, Chapter 2 deals with differences in supervisor behaviors, which can either be focused on the dyadic supervisor-employee relationship or be aligned with more general aspects of the organization, beyond the dyadic relationship. Psycho-social mentoring primarily focuses on the interpersonal bond between the supervisor and an employee (Allen et al., 2004; Noe, 1988) and is thus likely to represent a unique, idiosyncratic relationship between the leader and the subordinate. In contrast, career mentoring facilitates challenging developmental opportunities and assists the development of a strong organizational network (Ragins & McFarlin, 1990), such that this type of mentoring behavior directs employees' attention towards the organization and goes beyond the interpersonal relationship with the direct supervisor. As expected, I showed that psycho-social mentoring primarily operated at the individual level but did not explain additional variance in the outcomes when examined at the group level (i.e., as shared psycho-social mentoring). In contrast, career mentoring operated primarily as climate at the group-level. This finding corroborates my proposition that behaviors, which are more aligned with broader aspects of the organization, are likely to have contextual effects beyond the individual-level perception, as they bear the potential to characterize the organizational environment beyond the person of the supervisor.

Chapter 3 demonstrates that supervisors are effective when their personal characteristics are aligned with the work group's needs. Functional approaches to leadership posit that effective supervisors identify which team needs are instrumental for work group effectiveness and create an environment that meets these requirements (McGrath, 1962; Morgeson et al., 2010). In this vein, supervisors need to facilitate adequate team processes, which can determine whether nationality diversity leads to favorable or unfavorable consequences in interdependent teams (Van Knippenberg et al., 2004; Zaccaro et al., 2001). Cultural intelligence equips supervisors with the necessary skills for this task, as indicated by the positive effect of nationality diversity on diversity climate and team performance in interdependent teams. Thus, cultural intelligent supervisors succeed in preventing unfavorable team processes and in establishing positive team processes, which are necessary to foster performance (Van Knippenberg et al., 2013). In contrast, cultural intelligence can be misaligned with team needs. In this regard, team performance seemed to be lowest when culturally intelligent supervisors work with nationally homogenous teams. Moreover, other types of diversity, such as age or gender diversity, do not benefit from supervisors' cultural intelligence. In sum, while teams benefit from an alignment of team needs and supervisor characteristics, misalignment restricts supervisors' effectiveness and may even be harmful for team effectiveness.

Whereas alignment was conceptualized with regard to the characteristics of the workgroup in Chapter 3, alignment can also be conceptualized with regard to the organization. To reflect this aspect, Chapter 4 explores supervisors' organizational cynicism about organizational change as an important characteristic, which signals supervisors' alignment (i.e., low cynicism) or misalignment (i.e., high cynicism) with the organization. When there is an alignment between the supervisor and organization, favorable leadership behaviors entail positive consequences for the organizations, as reflected by decreased

employees' organizational cynicism about change and increased performance. However, when there is a misalignment between supervisors and the organization (e.g., supervisors are cynical) employees are likely to perceive both as disconnected entities (Baran, Rhoades, & Miller, 2012; Rhoades & Eisenberger, 2002). Therefore, supervisor behaviors are not assumed to be characteristic for the organization in general and, as a consequence, have no influence on employees' organizational perceptions (Eisenberger et al., 2010; Koivisto et al., 2013). Moreover, employees may be primarily motivated to reciprocate favorable supervisor behaviors in a way that will be appreciated by the supervisor, which may not necessarily coincide with benefits for the organization. Corroborating this reasoning, contingent reward by cynical supervisors did not have a favorable effect on employees' cynicism about change or their performance.

While modern work settings require more and more that supervisors facilitate employees' sense-making and ensure that organizational goals are attained, these processes are complex and cannot be taken for granted. In my dissertation, I illustrate that considering the alignment between supervisor attributes and organizational requirements can be a worthwhile approach to gain a better understanding about these processes.

As another important contribution, my dissertation provides insights in the different implications of employees' organizational perceptions at the individual and at the group level. I will elaborate on these aspects next and give an outlook about how multilevel theory can advance the field of climate research.

The Role of Organizational Climates

Naumann and Bennett (2000, p. 883) have coined the notion that supervisors act as "climate engineers." My research findings provide ample support for this role, as supervisor attributes can shape meaningful, shared group-level perceptions with regard to organizational career development, diversity practices, and change (Chapter 2, 3, and 4). Experiences at

work are oftentimes equivocal, so that employees can interpret the same event quite differently (Rentsch, 1990). For instance, diversity practices can unsettle both minority and majority employees, who are concerned about the underlying intentions of these practices (Ely & Thomas, 2001; Plaut et al., 2011; Purdie-Vaughns et al., 2008). Supervisors can clarify ambiguities and actively influence employees work realities. With reference to the diversity example, supervisors can encourage an inclusive work environment, in which both minority and majority members are appreciated (Shore et al., 2010). Therefore, facilitating employees' sense-making is an integral part of the leadership role (Balogun, 2003; Morgeson et al., 2010; Smircich & Morgan, 1982).

Turning to the consequences of organizational climates, I proposed that organizational climates deserve particular attention because they can have independent effect on outcomes, which are relevant for organizations. This proposition was predominantly supported across different domains. For instance, career mentoring climate increased employees' promotability and intentions to stay (Chapter 2), and employees' group-level cynicism about change was negatively related to their performance (Chapter 4). However, diversity climate was not associated with team performance (Chapter 3). Yet, our operationalization of diversity climate focused on the fair treatment of employees regardless of their demographic characteristics. In this respect, Van Knippenberg, Homan, and Van Ginkel (2013) pointed out that this approach implicitly refers to the avoidance of negative diversity effects but does not address potential benefits of diversity. Thus, an alternative operationalization of diversity climate, for instance as multiculturalism or inclusion, may reveal a positive effect on team performance.

Taken together, these findings corroborate Schneider's (1975) idea that emergent climates can concern quite specific aspects of the work environment. Moreover, my research also covered different valences of climates. Climates with positive valence, such as diversity or career mentoring climate (Chapter 2 and 3), focus on favorable work place experiences,

such that the presence of these climates may result in favorable consequences for the organization (e.g., increased promotability intentions to stay). The fact that recent reviews on climate research have exclusively discussed climates with positive valence (Kuenzi & Schminke, 2009; Schneider, Ehrhart, & Macey, 2013) reflects that they have received most of the attention. However, climates may also have a negative valence and trigger deviant behaviors. In this vein, group-level cynicism about change prompted performance deficits (Chapter 4). Thus, my research contributes to the understudied area of climates with negative valence (DeCelles et al., 2013; Mathieu & Kohler, 1990), which might be an important avenue for further research. For instance, it is possible that the absence of a climate with positive valence might have different implications than the presence of climate with negative valence. For instance, when safety climate is at a low level, employees may not pay special attention to safety precautions; however it is unlikely that they deliberately try to endanger themselves. In contrast, climates with negative valence directly lead to aversive consequence, for instance performance losses (Chapter 4). Thus, they may require even more management attention than climates with positive valence.

Multilevel considerations in climate research. My dissertation illustrates the variety of different research questions regarding group-level climates that can be inspired by multilevel theory. By their very nature, climates are multilevel constructs and the field has made considerable efforts to develop a common understanding of the climate concept. Per definition, climates need to be shared by employees. In fact, sharedness is the unique characteristic that distinguishes organizational climate from individual perceptions (L. A. James & James, 1989). Thus, demonstrating agreement is a necessary condition in climate research (Chan, 1998).

Moreover, multilevel scholars have encouraged researchers to consider the implications of different composition models and adapt the item wording accordingly (Chan,

1998; Kozlowski & Klein, 2000). Chan (1998) discussed different underlying models that are used to justify higher-level constructs. The most common composition models in climate research are the direct-consensus, which is based on the immediate respondent's perception (e.g., "The organization treats *me* fairly"), and the referent-shift approach, which focuses on a more general, abstract referent (e.g., "The organization treats *employees* fairly"). While there is a trend in climate research to prefer the referent-shift approach to measure organizational climates (Schneider et al., 2013), both composition models can have unique advantages and implications.

The direct-consensus approach is appropriate to measure theoretically derived, higher-order constructs and implies that individual respondents share a similar perception of this construct. Chan (1998) explicitly acknowledges that the direct consensus approach can be an adequate operationalization of organizational climate, given sufficient agreement among group members. In this case, climate "simply refers to the shared assignment of meanings among individuals within the organization" (Chan, 1998, p. 237).

It is important to note that a referent-shift approach is only *mandatory*, if a higher-order construct is conceptually different from its individual-level counterpart, as, for example, in the case of self-efficacy and work group efficacy (Chan, 1998; Van Mierlo, Vermunt, & Rutte, 2009). Thus, Chan's (1998) central message is that the research question of interest needs to inform the operationalization of climates as the collective individual perceptions (i.e., direct consensus) or with direct reference to the organization (i.e., referent-shift).

Subsequent research has further relativized whether a referent-shift approach is universally superior to a direct consensus approach. For instance, Klein, Conn, Smith, and Sorra (2001) explored the influence of item referent ("I" vs. "employees") on within-group agreement about the work environment but found that the item referent was less important

than item content (evaluative items resulted in higher consensus than descriptive items). In fact, item referent did not show a consistent effect on shared perceptions. Keeping in mind that sharedness is a defining attribute of climates, referent-shift operationalizations may not be required to capture the concept of climate. However, the authors note that this approach might bring some advantages because it sharpens between-group differences, so that it might be easier to detect relationship with other variables (Klein et al., 2001). Furthermore, Van Mierlo, Vermunt, and Rutte (2009) pointed out that the differences between direct consensus and referent-shift approaches may be practically irrelevant, as long as the within- and between-level constructs do not represent independent, conceptually distinct constructs (e.g., team efficacy vs. self-efficacy). In sum, multilevel scholars have recommended that theoretical reasoning should guide the operationalization of climates because different approaches may be appropriate to answer fundamentally different research questions (Chan, 1998; Klein & Kozlowski, 2000; Klein et al., 2001; Van Mierlo et al., 2009).

In my dissertation, the operationalization of group-level climates was thus based on theoretical considerations. In Chapter 3, I followed the popular referent-shift approach to measure diversity climate. This approach was appropriate because the research focus was on antecedents of diversity climate rather than the differential effect of organizational perceptions at different levels. Moreover, it is likely that differences in item referent may measure distinct theoretical concepts. Whereas an operationalization with the individual referent may represent perceived discrimination, a more abstract referent focuses respondents' attention to the general treatment of diverse employees within the organization. For instance, it is conceivable that a majority member may agree with the item "Managers treat me fairly regardless of my nationality" but disagree with the statement "Managers treat employees fairly regardless of their nationalities." Thus, a referent-shift measurement approach provided the best operationalization for my research hypothesis.

Chapter 2 and 4 emphasized the different mechanism of employees' perceptions at the individual and at the group level. Please note that the underlying composition model for this research question corresponds to the direct-consensus model, which defines climates in terms of shared, collective perceptions (Chan, 1998).

Chapter 4 highlighted that individual-level perceptions of employees' cynicism about change were unrelated to performance, whereas group-level perceptions were negatively related to performance. This is a nice illustration of the intriguing feature of climates to exert independent effects beyond employees' individual perceptions and may help to explain why previous findings on the relationship between employees' cynicism about change and performance were inconsistent (e.g., Johnson & O'Leary-Kelly, 2003; T. Kim et al., 2009). For instance, Johnson and O'Leary-Kelly (2003) suggested that the behavioral consequences of cynicism may be too weak to lead to actual performance losses. However, when all team members are cynical, these negative behavioral tendencies may reinforce each other and lead to dysfunctional team norms (DeCelles et al., 2013), which ultimately impair employees' performance. Social psychology is full of examples that illustrate that employees use social cues to verify their own attitudes and assimilate their behaviors accordingly (Asch, 1951; Festinger, 1954). As a consequence, groups are known to display more extreme tendencies than individuals on their own (Moscovici & Zavalloni, 1969). Thus, investigating the influence of organizational perceptions at several levels simultaneously may be also helpful to reveal differential mechanism of other workplace variables at multiple levels. Especially when variables are assumed to have inconsistent effects at the individual level, they may have relevant implications when they emerge as shared climates at the group level.

Finally, Chapter 2 demonstrates that the content may determine whether supervisor behaviors operate as climates at the group-level. This research complements recent endeavors to provide a multilevel approach to leadership in several ways. As noted by Klein and

Kozlowski (2000) there is no definite rule to conceptualize leadership behaviors as an individual-level or group-level phenomenon. Instead, researchers need to provide a theoretical reasoning for their respective choice. The alignment principle may provide some guidance in this regard. When supervisor behaviors have a strong focus on the dyadic relationship quality with the supervisor, they may be less likely to operate at the group-level (e.g., psycho-social mentoring). On the other hand, leadership behaviors, which go beyond the unique employee-supervisor relationship, can have influential group-level properties when they strengthen the connection with other organizational entities (e.g., career mentoring).

In this respect, it is interesting to note that recent multilevel approaches in transformational leadership have distinguished different contents of behaviors, in particular individual-focused and group-focused components of transformational leadership (X. F. Wang & Howell, 2010; Wu, Tsui, & Kinicki, 2010). However, these approaches did not incorporate both components at the individual *and* the group level, but considered each level separately. Therefore, it is inconclusive whether these components operate at the individual level, the group level, or both. However, investigating each component at both levels simultaneously would be advised since employees display high agreement on both components (cf., Wu et al., 2010), and Wang and Howell (2010) reported significant relationships between aggregated individual-focused leadership and outcomes as part of their primarily analysis. Moreover, although Nielsen and Daniels (2012) did not distinguish group-focused and individual-focused components of transformational leadership, they found that transformational leadership operated at both the individual and the group level in predicting employees' perceptions of the work environment. I acknowledge that it would be in line with the reasoning presented here that group-focused leadership would primarily operate at the

group level, as it reinforces the connection between employees and the work group. However, a rigorous test of this hypothesis is still warranted.

Practical Implications

Modern business challenges constitute a dilemma for organizations. While they are striving for flexibility, the risk to alienate their workforce, on which they in turn depend to tackle the requirements of a dynamic and competitive work environment (Cascio, 2003). My dissertation illustrates that supervisors' can be a key element to resolve this puzzling situation for the benefit of the organization. Supervisors mentoring behaviors can be an important tool for modern organizational career management, which maintains employees' career potential in terms of promotability and strengthens employees' intention to stay with the organization (Chapter 1). Likewise, supervisors have the potential to increase team performance in interdependent, nationally diverse teams, provided that they are culturally intelligent (Chapter 2), and can act as important change agents through using contingent reward behaviors, provided that they are not cynical (Chapter 3).

In this regard, supervisors' influence on group-level climates is especially interesting, since climate can have independent effects beyond the individual employees' perceptions. Thus, when supervisors shape favorable climates, the organization can expect a positive effect for the entire workforce, which might not be limited to a few employees (Chapter 2). Moreover, since climates develop into a characteristic of the organization in general (L. A. James & James, 1989), they are likely to guide employees' decision independently of the supervisor. For instance, when employees develop a strong intra-organizational network as a result of favorable career mentoring climate, their intentions to stay may not only be based on their felt obligation toward their specific supervisor but also on the various links that have been established throughout the organization (Chapter 2).

Furthermore, supervisors can prevent that unfavorable climates emerge, which may have detrimental consequences for the organizational effectiveness. For instance, adequate leadership behaviors can potentially lower the level of employees' cynicism about change. Thus, supervisors can inhibit the emergence of harmful group-level cynicism (Chapter 3). As it seems like cynical climates, rather than individual cynicism about change, leads to performances losses, it is even more important that supervisors engage as climate engineers (Naumann & Bennett, 2000).

While these potential benefits are clearly appealing, they cannot be taken for granted. In order to unlock this potential, organizations need to make sure that their supervisors' competencies and attitudes are aligned with the organizational requirements. For instance, supervisors' cultural intelligence may only be effective in shaping organizational diversity climates and team performance, when the team is diverse in terms of nationalities, but not in terms of age or gender. Moreover, supervisors' effectiveness is contingent on the given task characteristics. In this regard, task interdependence was found to be a central boundary condition, which affects whether supervisors' cultural intelligence creates an added value in nationally diverse teams (Chapter 3). That is, when the supervisors' central contribution consists in shaping favorable team processes, their potential influence will be determined by the extent to which effective team processes are necessary for the team's goal attainment.

Furthermore, organizations should make sure that their supervisors are aligned with and endorse the organizational strategy and goals. While this notion sounds trivial at first glance, organizations should not be too sure that this is always the case (Coyle-Shapiro & Shore, 2007). After all, supervisors are not immune against the burdens of changing business realities, which may leave them puzzled as well (Balogun, 2003; Hill et al., 2012). It might be a fatal error to underestimate the consequence of an estrangement between the supervisor and the organization. As illustrated in Chapter 4, organizations do not benefit from supervisors'

leadership competencies when supervisors are cynical about organizational change. This neutralizing effect on leadership effectiveness was not only limited to outcomes that were directly connected to change but also affected employees' performance. Thus, misalignment between the organization and the supervisor can pose a serious threat to general organizational effectiveness.

A popular joke about human resource management states that half of the money spent on personnel development is wasted – unfortunately, we do not know which half it is. In the case of supervisor development, the principle of alignment may help to make personnel development more efficient. In particular, my dissertation illustrates that supervisor training and selection needs to be based on a thorough assessment of relevant organizational requirements. For instance, it has become a popular management fashion to use cultural intelligence as a criterion on personnel selection and training. This trend is based on the assumption that cultural intelligence represents a meta-competence, which will be helpful across a wide range of situations (e.g., Earley & Ang, 2003). While cultural intelligence may indeed create an added value in nationally diverse, interdependent teams, it is unnecessary or maybe even detrimental in other settings (Chapter 3). Moreover, supervisors' leadership trainings should go hand in hand with winning supervisors over to support the management's vision and plans. When supervisors have reservation against the organizational strategy, the mere training of leadership skills may not lead to the intended, favorable results for the organization (Chapter 4). In summary, my research highlights the complexity and necessity of systematic and goal-oriented human resource management and offers insightful practical recommendations and guidelines.

Strengths, Limitations, and Future Research

The goal of this dissertation is to explore supervisors' influence in a challenging, dynamic business environment. For this purpose, I addressed a wide scope of various

applications, ranging from career development, diversity management to organizational change. As outlined above, these timely topics are of theoretical as well as practical relevance. Next to making an independent contribution to each of these fields, all studies demonstrate the importance of alignment between the supervisor and the organizational requirements, which I consider in terms of supervisors' behaviors, characteristics and the interplay of both. In this sense, I revive the original idea of contingency theories to leadership and demonstrate the validity of this approach in modern business contexts.

Moreover, the cooperation with the partner company allowed collecting comprehensive sets of field data. In order to avoid data overlap between studies, separate survey were developed and conducted for each of the studies reported here. It is especially noteworthy that I was able to collect extensive data about real-life work teams, which are quite difficult to obtain in practice (Kozlowski & Klein, 2000). As my research was greatly inspired by multilevel theory, I applied advanced multilevel modeling techniques, which enabled me to accurately test my propositions. In this regard, it is important to note that in ordinary least squares regression, the choice of mediation analysis techniques is based on practical considerations. For instance, the traditional causal step-method (Baron & Kenny, 1986) is known to have less statistical power than other approaches but, essentially, the different techniques aim to describe the same intervening effect (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). In contrast, multilevel mediation tests *conceptually* different models, which cannot be accurately distinguished with a causal-step approach (Z. Zhang, Zyphur, & Preacher, 2009). A conceptual between-level variable (e.g., contingent reward leadership) can only explain differences *between* groups but is unable to account for within-group variance. Let us consider the hypothesis that employees' cynicism about change, a conceptual individual-level variable, mediates the effect of supervisors' contingent reward leadership on employees' performance. In contrast to the causal-step approach, multilevel

mediation techniques separate group-level and within-group variation in employees' cynicism (Preacher et al., 2010; Tofghi & Thoemmes, 2014; Z. Zhang et al., 2009), such that different scenarios are possible: First, contingent reward is related to employees' group-level cynicism, which in turn is related to the outcome. This scenario would support the mediation hypothesis. An alternative scenario would be that contingent reward is related to employees' group-level cynicism but only *within-level* cynicism is related to performance. This scenario would not support the mediation hypothesis. Thus, the match between theoretically developed hypotheses and the statistical procedures for testing them is a particular strength of the dissertation.

Furthermore, the rigorous study designs helped to minimize the limitations of cross-sectional research. For instance, the mere measurement of variables can induce systematic error, which can pose a serious problem for the unambiguous interpretation of results. Thus, researchers need to take precautions to make sure that the observed relationships are not only a spurious result of a common measurement method. I followed the recommendations by Podsakoff, MacKenzie, Lee, and Podsakoff (2003) to avoid this problem, known as common method bias. First, in order to guarantee participants' anonymity, I and a second researcher personally collected the data, informed participants about the elaborate coding system used to match data to the respective teams, and complied with strict data protection regulations. Second, for each study, supervisors as well as employees provided questionnaire data. Moreover, I was able to integrate data from company records for the studies presented in Chapter 3 and 4. Third, at least one of the outcome variables in each study was collected after a time lag of several months. Finally, two studies explored complex moderation hypotheses (Chapter 3 and 4), which cannot result from common method bias (Siemsen, Roth, & Oliveira, 2010). On the contrary, common method bias would make it even more difficult to detect interaction effects (Siemsen et al., 2010).

Next to these strengths, the limitations of the research need to be acknowledged as well. First, I collected data at one single partner company in the branch of facility management, which raise the question whether the results can be generalized to a broader population. Although blue collar workers and samples with rather simple occupations are common in team research (Balogun, 2003; Gonzalez & Denisi, 2009; Wanous et al., 2000), the work realities are clearly different from white collar settings. This might have different implications for each of the studies. With regard to career development, our sample is somewhat unique, as studies on workplace mentoring usually address participants with academic education (e.g., Noe, 1988; Ragins & McFarlin, 1990; Sosik & Godshalk, 2000). However, the results presented in Chapter 2 are consistent with findings of research in more educated samples (e.g., R. Day & Allen, 2004; Greenhaus et al., 1990; Sturges et al., 2005). Thus, the inclusion of a blue collar sample, which represent an understudied population in career research (Hennequin, 2007), may speak to the generalizability of mentoring effectiveness beyond highly educated samples. In a similar vein, the categorization-elaboration model suggests that team performance should benefit most from positive diversity effects when teams work on complex tasks (Van Knippenberg et al., 2004). Under this condition, the integration and elaboration of different perspectives can contribute to new, innovative solutions. Thus, our sample, which worked on rather simple tasks, might represent a conservative test, such that it is especially noteworthy that I even found positive effects of nationality diversity. Alternatively, high and low educated samples may differ in what they considered to be a simple task. For instance, a task, which appears to be easy for a highly educated sample, may be perceived as more demanding by a sample with rather low education. Finally, the significant effect of the organizational divisions indicates that unique aspects of the organization can have significant influence on the experience of change (Chapter 4). However, our supplementary analyses support the possibility that these

organization-specific aspects are compatible with our initial research questions, in that they absorb true target variance instead of nuisance. Moreover, I would like to point out that data collection within one single company may restrict the variance in change-related variables, as all study participants are exposed to the same change project. Therefore, while the personal experience with change may have varied across teams and divisions (Chapter 4; see also Herold et al., 2007), it is likely that the change project had some common elements, which were similar for all organizational members who participated in the survey. Thus, results could have been more pronounced in samples including multiple organizations and different change projects.

Second, vocational job starters who do an apprenticeship represent a rather unusual sample (Chapter 2 and 4), which I would like to described in more detail. The apprenticeship is a unique German vocational training system, which emphasizes on-the-job vocational training. Although the apprenticeship system includes complementary theoretical education at special vocational schools, the main focus is on the practical work at the company, which clearly distinguishes an apprenticeship from academic training. Thus, it is appropriate to use trainee samples to investigate research questions concerning workplace experiences. However, I acknowledge that trainees represent unique organizational members, who are new at the company and have little work experience. Although the results reported here seem to be aligned with previous research on more typical employee samples, replication by future research is needed to demonstrate that my findings can be generalized.

Third, my research is based on survey data. This choice is appropriate because it speaks to the high practical validity of the findings, which is especially important since I set out to explore supervisors' influence in modern business contexts. However, this approach is correlational in nature and therefore inapt to establish causality of the relationships. Thus, experimental work, which can overcome this limitation, may meaningfully complement my

research. I would like to note that it is tricky to manipulate a complex supervisors attributes, such as leadership, in experimental research (c.f., Jung & Avolio, 2000). However, there are some good practices, which can serve as an example. For instance, rather than using an abstract description of leadership styles, Van Vugt and colleagues (Van Vugt & De Cremer, 1999; Van Vugt, Jepson, Hart, & De Cremer, 2004) use social dilemmas to create a specific context. They expose participants to messages, ostensibly provided by a leader, which illustrate how the leader behaves in this specific situation. Moreover, video sequences, which display interactions between a leader and team members, can create a more vivid representation of the leader than written scenarios in vignette studies (Sauer, 2011; Van Kleef et al., 2009).

Finally, not all aspects of supervisors' contributions in modern business settings can be completely explored within the scope of a dissertation, such that I focused my analysis on the relevance of leader attributes in this regard. However, other aspects, such as work characteristics, can constitute important boundary conditions as well as. In this vein, Chapter 2 demonstrates the moderating role of task interdependence. Virtual cooperation may present another important mode of collaboration. Virtual teams are dispersed across different locations and need to rely on computer-mediated instead of face-to-face communication, which bears notable challenges. As the possibilities for direct interactions are heavily restricted, it is difficult for a single team supervisor to shape team processes and monitor performance (Bell & Kozlowski, 2002). Under this condition, it is beneficial to spread leadership functions across team members (Pearce, Yoo, & Alavi, 2004), such that supervisors should engage in delegative leadership styles, which empower the team (Hertel, Geister, & Konradt, 2005; Kirkman, Rosen, Tesluk, & Gibson, 2004). In other words, the role of the supervisor is to set the stage for the team to manage itself. At the same time, supervisors need to keep an overview of the team's specific needs and be ready to provide

adequate leadership intervention (e.g., task planning, clarifying of work roles, fostering team identification), if necessary (Bell & Kozlowski, 2002; Pearce et al., 2004).

In this regard, it would be interesting to explore how shared leadership, which is distributed among team members, and vertical leadership, provided by the supervisor, complement each other. For instance, if team members establish cooperative team norms, supervisors may create an added value for team performance by providing task-focused leadership such as initiating structure. However, when the team is effective in planning the work, supervisors may choose leadership styles that foster a common team identity and cooperation. These ideas reflect the alignment principle in that supervisors' contributions need to be aligned with the specific team needs at hand.

Moreover, my dissertation focused on supervisors' influence on favorable behaviors and attitudes towards the organization but did not address the influence of other organizational experiences. In this regard, it would be interesting to explore how the joint perceptions of supervisor and organizational practices or policies influence employees' attitudes and behaviors.

Bowen and Ostroff (2004) suggested that the most favorable employee' reactions result from an alignment between supervisor actions and organizational practices. For instance, when employees perceive both the supervisor and the organization as fair, they show the most favorable reactions towards change (Koivisto et al., 2013). However, an intriguing question is whether favorable perceptions about one source can compensate for unfavorable perceptions about the other source. First empirical findings show that supervisors can buffer negative employee reactions as a consequence of negative perceptions about the organization. In this vein, employees' negative perceptions about the organization have less detrimental effects on extra-role performance and attitudes towards change when supervisors are perceived as fair or supportive (Koivisto et al., 2013; Neves, 2012).

Conversely, can organizations compensate for failures committed by supervisors? The literature in this regard is sparse and inconsistent. On the one hand, A. Y. Zhang, Tsui, Song, Li, and Jia (2008) found that positive appraisals of the employee-organization relationship did not improve employees' trust in the organization when direct supervisors were unsupportive. On the other hand, Maertz, Griffeth, Campbell, and Allen (2007) reported that perceived organizational support buffered the unfavorable effect of low supervisor support on employees' turnover intentions. A possible explanation for these inconsistencies could be that supervisors can partly determine whether organizational initiatives are actually put into practice. For instance, supervisors' personal attitudes influence whether they implement organizational initiatives in a thorough or half-hearted manner (Herdman & McMillan-Capehart, 2010). Moreover, supervisors have a certain level of latitude to decide which initiatives they provide to their employees (Nishii & Wright, 2008). Thus, it would be worthwhile to explore how organizational practices need to be designed in order to compensate for poor supervisor-employee relationships. For instance, structured programs or organizational networks, which are less controlled by supervisors, may be able to shape organizational perceptions independently from the immediate supervisor (Liden et al., 2004). Thus, while this dissertation took a first step towards our understanding of the supervisors' role in connecting employees to the organization, future research is needed to address further, unanswered research questions in this regard.

Concluding Remarks

A popular quote, ascribed to Peter Drucker, states: "Only three things happen naturally in organizations: Friction, confusion, and underperformance. Everything else requires leadership." In modern business contexts, which are characterized by uncertainty, this statement may be more true than ever. Thus, it is a crucial leadership task to connect employees to the organization and its goals. My research indicates that supervisors can

indeed make important contributions in managing the contemporary business challenges. Importantly, however, my dissertation also demonstrates that the mechanisms, which enable supervisors to be successful sense-makers and climate engineers, are complex, as they evolve across different levels and are contingent on boundary conditions. The multilevel reasoning presented here may thus inspire future research on leadership, employees' individual-level and group-level perceptions, and challenging work settings. Moreover, practitioners can benefit from considering the implications of supervisors alignment with the organizational requirements, in order to unlock supervisors' potential to lead successfully through the challenges of a changing business world.

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APPENDIX A: MEASUREMENT INSTRUMENTS

Unless noted otherwise, scales were rate on a scale from 1 (*strongly disagree*) to 5 (*strongly agree*). Items marked with '*' were excluded because they impaired scale reliability.

Chapter 2

Career Mentoring (Rated by Employees)

My supervisor...

- ... gives me assignments that present opportunities to learn new skills.
- ... provides me with challenging assignments.
- ... creates opportunities for me to impress important people in the organization
- ... helps me to finish tasks in time that otherwise would have been difficult to complete.
- ... uses his/her influence in the organization for my benefit.
- ... brings my accomplishments to the attention of important people in the organization.

Psycho-Social Mentoring (Rated by Employees)

My supervisor...

- ... has demonstrated good listening skills in our conversations.
- ... has encouraged me to prepare for advancements.
- ... has encouraged me to talk openly about anxieties and fears that detract from my work
- ... has conveyed empathy for the concerns and feelings that I have discussed with him/her.
- ... has conveyed feelings of respect for me as an individual.
- ... has encouraged me to try new ways of behaving in my job.

Career Motivation (Rated by Employees)

- I have clear career goals.
- I know my strength (what I can do well).

- I am aware of my weaknesses (the things I am not good at).
- I am able to adapt to changing working conditions.
- I can adequately handle work problems that come my way.
- Given the problems I encounter in my professional career I sometimes wonder if it is worth it. (reversed coded)*
- I am very involved in my job.
- My career is important to who I am.
- This professional career has a great deal of personal meaning to me.
- I have created a plan for my development in this line of work/career field.

Job Satisfaction (Rated by Employees)

- All in all I am satisfied with my job.
- In general, I don't like my job. (reversed coded)
- In general, I like working here.

Intentions to Stay (Rated by Employees)

- I have made plans to leave this organization if it cannot offer me a rewarding career. (reversed coded)
- I have made plans to leave this organization once I have the skills and experience to move on. (reversed coded)
- I will probably stay with this organization after my apprenticeship.

Promotability (Rated by Supervisors)

- This employee has the ability to work in a higher position.
- This employee demonstrates the ambition to work in a higher position.

Chapter 3

Task Interdependence (Rated by Employees)

- Team colleagues have to work together to get team tasks done.
- Whether I can do my job depends on whether others do their job.*

Cultural Intelligence (Rated by Supervisors)

- I consciously apply my cultural knowledge when interacting with people with different cultural backgrounds.
- I am sure I can deal with the stress of working with people from a culture that is new to me.
- I alter my facial expression when a cross-cultural interaction requires it.
- I am confident I can get along well with locals in a culture that is unfamiliar with me.
- I enjoy living in cultures that are unfamiliar to me.
- I adjust my cultural knowledge when interacting with people from a culture that is unfamiliar with me.
- I change my body language when a cross-cultural situation requires it.
- I consciously apply my cultural knowledge in situations when people from different countries work together.
- I check the accuracy of my cultural knowledge as I interact with people from different cultures.
- I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.
- I enjoy interacting with people from different cultures.

Diversity Climate (Rated by Employees)

- I feel I have been treated differently here because of my skin color, sex, religion, or age.
(reversed coded)*

- Managers here are known for hiring and promoting employees regardless of the skin color, sex, religion, or age of the employees.
- Managers here give feedback and evaluate employees fairly, regardless of which cultural background, sex, religion, or age the employee has.
- Managers here make layoff decisions fairly, regardless of which skin color, sex, age, or social background the employee has.
- Managers here give assignments based on the skills and abilities of employees.

Team Performance (Rated by Supervisors' Manager)

Scale was rated on a scale from 1 (*far below average*) to 5 (*far above average*).

- Compared to teams performing a similar task, how would you rate this team's ...
 - ... overall performance?
 - ... quality of work?

Chapter 4

Cynicism about Organizational Change (Rated by Employees and Supervisors)

- Most of the programs that are supposed to solve problems around here will not do much good.
- Attempts to make things better around here will not produce good results.
- Plans for future improvement will not amount to much.
- The people responsible for solving problems around here do not try hard enough to solve them.
- The people responsible for making things better around here do not take their tasks seriously enough.
- The people responsible for making improvements do not know enough about what they are doing.
- Suggestions on how to solve problems will not produce much real change. (only used in supervisor survey)

Contingent Reward Leadership (Rated by Employees)

My supervisor...

- ... always praises me, when I perform well.
- ... commends me when I do a better than average job.
- ... personally compliments me when I do outstanding work.
- ... frequently does not acknowledge my good performance. (reversed coded)*

APPENDIX B: INFORMATION MATERIALS USED TO INFORM AND INSTRUCT PARTICIPANTS

Employees are the key to success!



In companies in the service sector, such as [name of organization], employees greatly contribute to success.
Which are the crucial factors that enable each employee to contribute with his or her unique skills?



Well-qualified and experienced employees have the skills that are needed to provide the services.
Which are the crucial factors that encourage employees to stay at [name of company]?



Many tasks can only be accomplished when everybody contributes.
Which are the crucial factors for successful cooperation in teams?

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Developing and retaining employees and cooperating successfully

We seek to find answers to the following questions:

1. How can employees with different backgrounds cooperate successfully, and how can their potential be enabled?
2. How can identification be enhanced?

Doris Rosenauer und Christiane Horstmeier 3

Developing and retaining employees and cooperating successfully

Many factors play an important role in this regard. We would like to explore 3 factors in greater detail.



What is the role of
[name of organization]?



What is the role of
the supervisor?



What is the role of
the team?

**Only with your opinions,
we can understand the situation.**

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How do you perceive your work at [name of company]?

We developed a questionnaire for you. This questionnaire addresses several topics.



How do you think about **yourself**?



How do you think about **your supervisor**?



How do you think about **your team**?



How do you think about **[name of company]**?

How can you participate?
You can complete the questionnaire now.
(Duration about 40 minutes)



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A detailed understanding of your situation is important to us!

- Take concrete steps to improve your situation!
- To this end, we need to explore general relationships:

I Employees

Your perceptions about the organization influence your behaviors

- General attitudes
- Attitudes towards work at [name of company]
- Perceptions about supervisor behaviors
- Demographic information
- Subjective measures of success



II Supervisors

Your supervisor has a different perspective, which enables him/her to form overarching evaluations

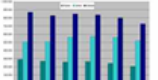
- Self-ratings
- Individual ratings about employees



III Objective Data

Relationships with objective data show the influence on outcomes

- Ratings about the team
- Turnover rate



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What does the questionnaire look like?



- The questionnaire is available in German, Turkish, and English.
- You can answer most question by checking a response option

Example

	Stimme überhaupt nicht zu	Stimme eher nicht zu	Teils teils	Stimme eher zu	Stimme voll und ganz zu
	1	2	3	4	5
Wenn ich über mein Team spreche, sage ich normalerweise „wir“ statt „die“.	☐	☐	☐	☐	☐

Important terminology:

- Supervisor** = foreman
- Feedback:** What your supervisor tells you about your work performance

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The questionnaires are only analyzed by the university!



- Please check the agreement option on your consent form, if you agree that we can request information about whether you stay at [name of company]
- Please put the **signed consent form** in the small ballot box, so that we can consider your opinion.
- Please put the **completed questionnaire** in the big ballot box.
- The questionnaires will exclusively be analyzed by the university.
- [Name of company] does neither receive the questionnaire nor analyses about individual employees.

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8

Your opinion is important!

This is what matters to us!

[Photo of employee of division A]

[Photo of employee of division B]

[Photo of employee of division C]

- You are the best experts for your work environment. Help us to understand **what matters to you!**
- The results can be used to **develop concrete initiatives** to improve your situation. Have an **impact on your situation** by participating.
- **The more persons participate**, the more accurately your situation will be reflected in the results.
- You will be informed about the **anonymous, aggregated overall results!**

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10

You can answer the questions honestly! We guarantee your anonymity!

- The work council and an independent institute for data protection have reviewed and approved the procedure.
- Participation is voluntary (in compliance with company regulations): each participant indicates with a consent form, that he / she agrees with the utilization of the data and its **pseudonymized retention**.
- Data will be **exclusively analyzed by the Jacobs University Bremen** for scientific purposes.
- Data will not be handed over to [name of company] or third parties (in compliance with German Federal Data Protection Act) **at any time**.
- [Name of company] receives only aggregated overall results: **Inferences** about individual employees or teams are **not possible**.

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Project partners

[Name of company] [Photo] Doris Rosenauer [email address and phone number]

[Company logo] [Photo] Christiane Horstmeier [email address and phone number]

JACOBS UNIVERSITY Bremen [Photo] Prof. Dr. Sven Voelpel [email address]

Doris Rosenauer und Christiane Horstmeier

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STATUTORY DECLARATION

I, Doris Rosenauer, hereby declare that I have written this PhD thesis independently, unless where clearly stated otherwise. I have used only the sources, the data, and the support that I have clearly mentioned. This PhD thesis has not been submitted for conferral of degree elsewhere. As the degree will be conferred by Jacobs University Bremen, Germany, and Vrije Universiteit Amsterdam, The Netherlands, in the framework of a Double PhD Program, I will simultaneously submit this thesis at both universities.

Nürnberg, October 2014 / January 2015

Doris Rosenauer