

Universiteit Twente

faculteit
gedragwetenschappen



The importance of employees' satisfaction with HR practices in
the relationship between leadership and employees' outcomes

Author: Felix Zschockelt
S0116319

Course: Bachelorthese Arbeid en Organisatie (290396)

1. Docent: L.O. Bosma, MSc
2. Docent: Drs. C.M. Groeneveld

Augustus 2008

Acknowledgements

This paper is written in the context of a 3 years bachelor education program in psychology at the University of Twente in Enschede (NL). Not fulfilling the requirements to start an psychology education program in Germany because German Universities require an 9 as an average score at school, I decided to go abroad. Personally, this final research paper is a proof to me that I choose the right way and that not only school grades should be considered as an admission criteria.

I would like to thank my family for the whole financial and emotional support and the continual hoop and trust as well. My finished Bachelor degree should be a proof to you that I am using my time properly. It will be a challenge to me to be such a wonderful parent if I will have a family in the future.

Further, I would like to thank all my friends, may they be from the Netherlands, Germany or other countries. They contributed to the international atmosphere I love to live in. Thanks also to the University of Twente which makes it possible for encouraged German students to study in the Netherlands. Last but not least I would like to thank Leandra Bosma for the feedback and answers to all my questions during this course. I appreciate your quick reactions to all my E-mails.

Contents

| | |
|-------------------------------------|---------|
| Abstract | page 4 |
| Chapter 1: Introduction | |
| 1.1 General Introduction | page 5 |
| 1.2 Relevance | page 6 |
| 1.3 Theoretical background of Study | page 6 |
| Chapter 2: Method | |
| 2.1 Used Method | page 12 |
| 2.2 Population and Sample | page 13 |
| 2.3 Measurements | page 13 |
| 2.4 Analysis | page 15 |
| Chapter 3: Results | |
| 3.1 Statistical Results | page 15 |
| 3.2 Discussion | page 16 |
| 3.3 Limitations | page 20 |
| 3.4 Implications | page 21 |
| Tables | page 23 |
| Figures | page 28 |
| References | page 29 |
| Appendix | page 33 |

Abstract

Much literature about the effects of leadership and human resource practices mainly focused on direct effects in the past. Critics call this the “black box problem” because specific mechanisms that may explain the effects would stay unnoticed. Recently, it is argued that employees’ satisfaction with HR practices may play an important role in explaining such mechanisms. This paper examines to what extent different leadership styles (Transformational leadership and Leader-Member Exchange) are related to employee outcomes (affective commitment and innovative behavior) and what role the satisfaction with HR practices plays in this relationship. The relationships of work-life balance, innovative behavior and affective commitment will also be considered. The study draws on recently gathered data about 37 employees of an technical and innovative German organization in the tertiary sector to conduct a survey research. Results show that LMX is significantly positive related to innovative behavior, affective commitment and satisfaction with HR practices. Transformational leadership is significantly related to satisfaction with HR, affective commitment and LMX. There is no evidence that satisfaction with HR practices plays a significant mediating role in the relationship between leadership and employee outcomes. Work-life balance is significantly related to innovative behavior. Results reflect the importance for innovative organizations to consider the direct effects of leadership, satisfaction with HR practices and work-life balance in their HR policy to reach competitive advantage. Further implications will be discussed.

1. Introduction

To successfully manage innovative organizations, professionals, managers and workers frequently need to make adaptations to the changing and challenging organizational environment (George & Jones, 2008). Not only the creation of new ideas for new products, improvement of quality and productivity to increase revenues but also the implementation of a well considered HR policy becomes more increasing attention. It is a well known fact that people working in organizations are responsible for a large amount of organizational performance and success (Verburg & den Hartog, 2001). Leaving employees out of the focus while considering the operating procedures would lead to a too narrow consideration and to a wrong attribution of success or failure.

An ongoing topic in research is the link between HR policies (e.g. employee influence, human resource flow, reward systems and work systems) and organizational performance (Becker & Gerhart, 1996). This link is sometimes called the “black box problem” because the definite relationship between HR policies and organizational performance is not yet well established (Purcell & Hutchinson, 2007). It seems to be that not the intention of creation and operation of HR policies is most important in determining positive organizational outcomes. Rather, it is the way employees experience how they are implemented and if they are perceived as useful. These experiences form the employees’ attitudes toward the HR practices and possibly the whole organization. This perception seems to be important in predicting and explaining relevant individual and organizational outcomes (Kinnie, Hutchinsons, Purcell, Rayton & Swart, 2005).

The way how HR practices are implemented is in the responsibility of line managers (Stoker & de Korte, 2000). Line managers frequently interact with employees, for example to give them performance feedback or necessary information (Verburg & den Hartog, 2001). Therefore, the leadership style which is used by line managers is also likely to affect employees’ attitudes of the leader as well of the HR practices (Purcell & Hutchinson, 2007).

However, problems arise in the way how line managers perform their enormous amount of tasks. They do not only need a large range of specific technical knowledge to manage successfully the operating procedures but also need to be aware of people management. This might cause work overload and stress for line managers which can result in a less effective implementation of HR practices (Stoker & de Korte, 2000). For this reason it is of importance to determine the most effective leadership styles which increases the employees’ satisfaction of HR practices and individual outcomes as well as organizational performance. Former research shows that leadership influences different variables such as employee satisfaction,

role stress and career commitment (Tanksy & Cohen, 2001). Therefore, the main research question of this article can be formulated as follows:

To what extent are different leadership styles related to employee outcomes and what is the role of satisfaction with HR practices in this relationship?

1.2 Relevance

Because technical and innovative organizations are living in an frequently changing environment, a well considered HR policy can enhance the flexibility to adapt and create competitive advantage (George & Jones, 2008). As Pfeffer (1998) already noted, “A people-centred strategy is an important source of competitive advantage because, unlike technology, cost, or new product development, it is difficult to imitate.”. Firms can only develop competitive advantage by creating value in a way that is rare and difficult for competitors to imitate (Becker and Gerhart, 1996). Findings of this study can be taken as necessary information to create an effective HR policy and use the human capital to enhance innovation and employees’ affective commitment. This in turn will make organizational adaptation easier to succeed. If organizations are not able to adapt, they risk lower revenues, inability to develop and probably risk their future competitive abilities to survive. Furthermore, if organizations succeed in being innovative this also requires restructuring business processes (new departments/teams). This in turn will then affect employees’ attitudes and behaviour. Organizations which know which HR practices are likely to create innovation and affective commitment can use this information in turn to satisfy employees with the appropriate HR practices. They are then likely to maintain positive behaviour of employees even if restructuring and adaptation is necessary within and outside the organization.

1.3 Theoretical background of study

Satisfaction with HR practices or how different practices are perceived by employees may play an important part in the relationship between Leadership, HR practices and employee behaviors. To determine the relationship between HR practices and individual behavior as well as organizational performance prior research mostly concentrated on the direct relationship between these two variables. However, it is argued that research on this relationship should be employee centered rather than policy focused (Kinnie et al., 2005). Employees differ in their personality, gender, abilities, knowledge and needs. Because of this they are likely to have different attitudes towards the same HR practices. For example, it would be less rewarding for an intrinsically motivated employee to receive an increased salary

if he/she has a boring job. This person would rather prefer horizontal or vertical job change to make the own job more interesting or fulfilling. Intrinsic motivation comes from the individual performance on the task itself, the use of skills, a sense of achievement and work that is satisfying to do. Whereas extrinsic motivation comes from rewards outside the job such as pay, security and promotion possibilities (George & Jones, 2008). Further, Kinnie et al. (2005) also found that professionals, managers and workers differ in their reactions to HR-practices such as reward and recognition, communication and involvement.

Because it is also argued that many organizations find a gap between their intended HR policies and the actual implementation it is necessary to consider employees' perceptions of the actual practices if we want to link HR practices to employee outcomes (Purcell & Hutchinson, 2007). Here, the focus will be on the satisfaction with four parts of a whole range of existing HR practices. Namely, the extend to which employees have influence in decision making (employee influence), how employees are selected, trained and retired (human resource flow), how they will be paid and rewarded (reward systems) and how their work is designed (work systems).

Not only satisfaction with HR practices alone plays an important role in the relationship between HR practices and employee behaviors. The leadership style used by managers will also be of influence on the actual policy implementation, the satisfaction with HR practices and employees outcomes (Goleman, 2000; Purcell & Hutchinson, 2007). Because line managers are the agents between the higher board of directions and the working employees, they are in constant contact with the employees. Therefore, line managers are extremely likely to influence employees' attitudes and behavior to give direction (Purcell & Hutchinson, 2007). Thus, employees will be probably influenced by the implemented HR practices as well as by the leadership behavior of their line managers.

Many definitions and forms of leadership can be found in the literature (George & Jones, 2008; Goleman, 2000). Goleman (2000), for example mentions just 6 of many diverse styles to be found in the literature (coercive, authoritative, affiliative, democratic, pacesetting and coaching). Some of them are associated with good individual and organizational performance and others with less. This research we will concentrate on two of the most frequently present forms of leadership. These are called Leader-Member Exchange (LMX) and respectively transformational leadership (Basu & Green, 1997).

LMX suggests that managers do not use the same style in dealing with all subordinates. Rather, different relationships can range from strictly based on employment contracts, so called out-groups, to those that are characterized by mutual trust, respect, liking and

reciprocal influence, so called in-groups (Liden & Maselyn, 1998). Based on this statement, leaders establish more special and higher quality relationships (exchanges) with some of their employees (in group) than with others (out group). Higher quality means that employees might have more autonomy, get more task-relevant information and probably might be more included in decision making (Basu & Green, 1997).

In contrast, transformational leadership is being described to deal with leaders who use unusual influence to transform followers' aspirations, needs, preferences and values. Followers become motivated by the leaders' vision which is underlined with his charismatic characteristics. Followers are said to sacrifice personal goals to reach the goals set by their leader (Bass, 1985; Spector, 2004). Transformational leadership is said to consist of 4 factors- charismatic leadership, inspirational leadership, intellectual stimulation and individual consideration (Bass, 1985).

Unfortunately, it is not quite sure in which aspects these two styles really differ or if they differ at all. Basu and Green (1997) found evidence that transformational leadership significantly correlated with LMX. It might be of interest to study if both styles differ in their impact on the employees' perception of HR practices and employee outcomes. Both styles showed to have a positive influence on individual and organizational performance. For example, there is evidence for a positive relationship between high-quality LMX and innovative behavior (Basu & Green, 1997), commitment, job performance, satisfaction with supervision, role conflict, and turnover intentions (Gerstner & Day, 1997). Furthermore, Barling, Weber and Kelloway (1996) showed that training on transformational leadership had influence on followers' organizational commitment and the organizations financial performance. Even if both styles are positive related to positive outcomes, it seems to be that they have relationships in common with some variables but also differ from each other in the relationships with other variables. According to the study of Basu and Green (1997) it seems to be that LMX plays a more important role in innovative behavior. Innovation is defined as "the intentional introduction and application within an organization of ideas, processes, products or procedures, new to the unit of adoption, designed to significantly benefit the organization or wider society" (West & Farr, 1990). Basu and Green (1997) found against the major theorizing that transformational leadership was negatively related to innovative behavior whereas LMX was positively related to innovative behavior. It was argued that exchange quality, which is a crucial part of LMX, influences people so that they are likelier to generate new ideas. Individuals belonging to an in-group might exchange more information with leaders and might therefore likely to be more involved in their work. This in turn might

contribute to innovation. Based on the fact that LMX seems to be more important and of more influence on innovation we expect that LMX will be positively related to satisfaction with HR practices in a technical and innovative organization. Additionally, a leader who carries out a LMX-relationship with his followers could increase the likeliness of the satisfaction with the HR practices by the employees. Consequently, the following hypothesis can be formulated:

H1a: In a technical and innovative organization with more than at least 100 employees, LMX is positively related to satisfaction with HR practices.

To establish the link between leadership, satisfaction of HR practices and employees' behavior, it is also quite interesting if the two considered leadership styles (LMX and transformational leadership) really differ according to their effect on the satisfaction with HR practices and the two outcome variables (affective commitment and innovative behavior). Therefore, the next hypothesis is formulated as:

H1b: Transformational leadership is positively related to satisfaction with HR practices.

Summarized the above, it seems to be that different leaderships styles, satisfaction with HR practices or the interaction of both can have an effect on employee outcomes especially affective commitment and innovative behavior.

Affective behavior is a sub dimension of the more general term organizational commitment which became a central point in the literature in the last decades. Organizational commitment is defined as referring to a person's type and strength of attachment to his or her organization (Spector, 2004). Because an employee can be attached to an organization of different reasons there are also different forms of commitment which are respectively affective, the one we will concentrate on, continuance and normative commitment (Gilder, Heuvel & Ellemers, 1997).

Affective commitment is handled as the most well known and most important component of organizational commitment. It is defined as "an affective or emotional attachment to the organization such that the strongly committed individual identifies with, is involved in, and enjoys membership in, the organization (Allen & Meyer, 1990). It is likely to arise from job conditions and met expectations. Thus, does the job meet the rewards expected by the employee? Affective commitment was found to be negatively related to turnover (Mathieu & Zajac, 1990) which means that people who are committed to the organization are not likely to

leave. Therefore, getting employees committed to the organization is of great importance for organizational performance and success (Verburg & den Hartog, 2001). It follows that our second hypothesis can be formulated as:

H2a: LMX is positively related to innovative behavior.

H2b: LMX is positively related to affective commitment.

To show that satisfaction with HR practices is an important issue of our study we propose that if employees are really satisfied with implemented practices this in turn will result in higher affective commitment and innovative behavior. The most important purpose for using HR practices is to maintain good or even improve the individual and organizational performance. The global term can have various outcomes such as higher productivity, quality and revenues (Becker & Gerhart, 1996) but it can also include individual outcomes such as, important to our study, affective commitment (Kinnie et al., 2005) and innovative behavior (Gupta & Singhal, 1993). Because we are dealing in our research with innovative and technical organizations we will concentrate these two outcomes of HRM, namely affective commitment and innovative behavior. These two in turn may increase organizational revenues, competitive advantage and other positive outcomes in the long term. Research already showed e.g. that satisfaction with reward and recognition was strongly related to affective commitment for managers, professionals and somewhat weaker for workers (Kinnie et al, 2005). It seems to be that employees will reciprocate with affective commitment or good performance in return for the perception of being treated well by their organization (Coyle-Shapiro, Shore, Taylor & Tetrick, 2004). Further, Kinnie et al. (2005) also showed that the number of different ways how employees are involved in decision making or problem discussions and the frequency of involvement has a positive influence on affective commitment. Most employees are likely to appreciate it if they are asked for their opinion and if they can make a contribution to the organization.

One strategy for organizations to gain competitive advantage is to encourage creativity and innovation (Gupta & Singhal, 1993). Research already showed that, for example, a combination of practices designed to promote exploratory learning and to exploit existing knowledge have a positive influence on innovative behavior (Shipton, West, Dawson, Birdi, & Patterson, 2006). Further, they claim that a contingent reward schemes alone fails to enhance creativity because it undermined intrinsic motivation. But in combination with

exploratory learning there will be increased innovative behavior. Contingent reward is seen as “total remuneration paid where specific performance stipulates have been fulfilled” and may stimulate employees. Exploratory learning involves the generation of new ideas through searching for alternative viewpoints and perspectives (Shipton et al, 2006). Consequently, a training based on employees’ needs (e.g. exploratory learning) in combination with contingent reward system may result in innovative behavior if it is perceived as satisfying by employees. Satisfaction with such a training program is likely because people working in innovative firms may have the need for cognitive stimulation.

People working on innovative projects are also likely to make mistakes. Innovation may be an trial and error process in which the fittest product will survive for some time. Until this product is found employees need to be allowed to take risks. It seems to be of great importance that this is clear for every single employee (Gupta & Singhal, 1993). Punishing employees who are working in a research project which not initially benefits the organization would make no sense. To generate a new innovative idea and implement it in a new product or process may take a long time (George, 1988). It can be argued that HR-policies and practices which might consider these aspects may foster the employees’ satisfaction with HR practices in innovative organizations. In turn, innovative behavior and affective commitment might be increased.

Up to here we considered the effects of leadership on satisfaction with HR practices and the direct effect of leadership on affective commitment and innovative behavior. We expect that satisfaction with HR practices mediates the relationship between leadership and our two outcome variables. Consequently, we formulate our third hypothesis:

H3: Satisfaction with HR practices mediates the relationship between LMX and innovative behavior.

Work life balance is another critical aspect for the management of organizations. It is defined as “satisfaction and good functioning at work and at home with a minimum of role conflict” (Clark, 2000). Conflict can arise if employees might work so hard that they hardly have time for off work duties. Results from the study of Sturges and Guest (2004) suggest that e.g. graduates place a high value on work-life balance and that family responsibilities have no effect on their work-life balance. They do overwork in their young career but this is because they think that overwork is necessary to be personally successful in the organization and to make a good first impression. But they see overwork as a short term option and continuing

overwork would probably result in turnover in later years. In fact, they stated, the ability to achieve their desired balance is a key factor for later decisions on career planning and job change (Sturges & Guest, 2004).

Further results revealed that e.g. offering family-friendly programs such as flexible work hours is negatively related to work-life imbalance and positively related to different work attitudes of employees such as organizational commitment and job satisfaction (Scandura & Lankau, 1997). With such programs, organizations may create a “family-friendly” environment to work in which may be related to the employees loyalty to the organization. Thus organizations considering employees’ work-life balance in their HR policy may help the employees to be satisfied with these HR-practices and also with their work life balance. Leaving the work-life balance out of consideration might be detrimental for employees and the organization. This was shown by a study of Kinnie et al. (2005) where organizations supporting employees to achieve a good work-life balance created affective commitment in three groups of employees namely professionals, managers and workers. From this position, one could argue that people having an imbalance may be more likely to leave the organization. Also, to be innovative, someone needs to come with creative ideas. Creativity seems to be a previous step to innovation (Andrews, 1975). Organizational stress and work load, which are some aspects of an unbalanced work-life balance, inhibits creative thinking and therefore also might inhibit innovative behavior (Andrews & Smith, 1996). Therefore, we can formulate our fourth hypothesis:

H4a: A good work-life balance is positively related to innovative behavior.

H4b: A good work-life balance is positively related to affective commitment.

2. Method

2.1 Used method

Organizations for this study were supposed to be innovative, technical, in the tertiary sector of industry and at least of a size of 100 employees (m/w). No limitations were made on other demographical variables of employees as long as they were official employees within the examined organization. The selection of the sample was made possible by internet search engines, phone books and visiting a job-fair with different technical organizations. Organizations were selected at random and were sent a letter with a briefing about the content, relevance and procedure of the study. If the organization confirmed interest in participation,

questionnaires were sent. Research data was selected at one single time point by a structured questionnaire. Each employee was supposed to fill in one questionnaire. A survey research was chosen because it is the least complex way of assessing data for a numerous sample and has a high methodological strength.

2.2 Population and sample

The sample for data analysis contains 37 employees from the technical and innovative organization positioned in Germany close to the region of Enschede (NL). Within this organization 60 questionnaires were deposit which resulted in a response rate of 61,6%. All employees are German, 64,9% are men and 35,1% woman. They are on average between 35 and 45 years old and between 5 and 10 years employed in this organization. Most of the people (54,1%) have a “Fachhochschulreife” diploma as their highest education which is similar to the Dutch HBO diploma. 91,9% of the participations had a full time contract.

2.3 Measurement

The different study-variables were assessed with self reports on a German written questionnaire for German organizations. Actually, the German questionnaire was translated from a Dutch Questionnaire. It was made of different sub-scales measuring LMX, Transformational leadership, Satisfaction with HR practices, Work-Life Balance, Organizational commitment, Customer-orientation and Innovative behavior. Additionally some items were selected to get demographic information (gender, age, years employed, education, family status and working contract). For this study, some sub-scales were neglected within data analysis because this study did not focus on all construct measured by the original questionnaire. Results of the reliability analysis of the scales are shown in Table 1. The following sub-scales were important in our study and used for data analysis:

Satisfaction with HR practices

The first issue being measured is the satisfaction with HR practices by items from Torka (2007) and Van den Heuvel (1995). Employees are questioned 37 items on a five point scale from absolutely disagree to totally agree or from totally dissatisfied to totally satisfied. Items are divided in sub-scales which are respectively about satisfaction with influence, satisfaction with reward systems, satisfaction with human resource flow and satisfaction with work systems. One item is added to measure the overall satisfaction with HR practices. One example for satisfaction with influence is “How satisfied are you with your actual influence on

decision making in (changes in) your department”? Satisfaction with reward systems is measured e.g. by items like “I am satisfied with my salary”. One example for satisfaction with human resource flow is “How satisfied are you with training quality for your function?”. Satisfaction with work systems is measured for e.g. by “How satisfied are you with the importance of your work to other people?”. Reliability of the scale was high enough ($\alpha=0,95$) and no items had to be deleted.

Leader-Member exchange

The influence of Leader-Member exchange is measured by the questionnaire from Liden & Maslyn (1998). Twelve items have to be answered on a five point scale from absolutely disagree to totally agree. One item example would be “My leader is a nice person”. The LMX scale was shown to be highly reliable ($\alpha=0,96$) and no items were deleted.

Transformational Leadership

This leadership style is assessed by eleven items from the CLIO (Hoogh & Koopman, 2004) which also had to be answered on a five point scale from absolutely disagree to totally agree. An item example would be “My leader is always looking for new possibilities for the organization”. Reliability of this scale was high enough with $\alpha=0,91$, so no items were deleted.

Affective commitment to the organization

Affective commitment to the organization is measured by 8 items (Allen & Meyer, 1990). As well as all other scales these items must be scored on a 5 point scale from absolutely disagree to totally agree. One example is “I want to stay within the organization for the rest of my career.” Because these 8 items showed a dissatisfying reliability ($\alpha=0,57$) items 75, 78 and 79 (see appendix) from the original questionnaire were excluded which resulted in a reliable sub-scale ($\alpha=0,74$).

Innovative behavior

Nine items are used to measure innovative behavior with the innovative behavior scale from Janssen (2000). The employee is questioned on a five point scale how often he creates new ideas and work procedures and if they were enthusiastically influenced by someone to be creative. One example is “How often do you really implement newly planned ideas?”. Reliability analysis showed that this scale was highly reliable with $\alpha=0,92$.

Work-life balance

Work-life balance of employees is measured by a questionnaire from Dex en Bond (2005). One example of an item is “During the week there is basically no time for family and spare time.” This scale was also highly reliable with $\alpha=0,88$.

2.4 Analysis

Regression analyses were used to test our different hypotheses. Dependent on which hypothesis was tested, regression analysis consisted of two or more models. The first model checked the influence of demographical control variables (gender, age, years employed, education, family status and working contract) on the dependent variable of the hypothesis in case. In the second model the independent variable in case was added to the demographical control variables to explain the influence on the dependent variable in case. A third model is used if the presence of a mediator variable must be tested. The third model contains the same variables as in model 2 and additionally the expected mediator will be added. A relationship between two variables is said to be mediated by a third variable if following requirements are met. Both, the independent and the mediator variable must have a significant positive main effect on the dependent variable. The relationship is only mediated if the main effect of the dependent on the independent variable diminishes and is no longer significant when the mediator is included in analysis. If the effect of the mediator variable then stays significantly it is said that the relationship is mediated by a third variable (Baron & Kenny, 1986).

3. Results

3.1 Statistical Results

Table 1 presents the means, standard deviations, reliabilities (Cronbach alphas) and Table 2 correlations between all variables in the study. As can be seen, LMX is significantly positive related to satisfaction with HR practices, innovative behavior and affective commitment. Also a significant negative correlation between LMX and work-life balance can be found. Interestingly, LMX correlates significantly positive with transformational leadership. Correlations between transformational leadership and satisfaction with HR practices as well as innovative behavior are also significantly positive. Nevertheless, in comparison to LMX, no significant correlations can be found between transformational leadership and affective commitment and work-life balance. Satisfaction with HR practices is further significantly

positive related to innovative behavior and affective commitment. Significant correlations between work-life balance and innovative behavior as well as affective commitment could not be found.

To test the first hypothesis (1a) LMX as the independent variable was added in the second model to test its effect on the dependent variable satisfaction with HR practices. Results (Table 3) show that there is a significant main effect of LMX on satisfaction with HR ($B=.93$; $p<.001$). Hypothesis 1b was also tested by a 2 model regression analysis (Table 4). It was found that there is a significant main effect for transformational leadership on satisfaction with HR practices ($B=.66$; $p<.001$).

Analysis determining whether or not LMX is positively related to innovative behavior (H2a) and affective commitment (H2b) showed that LMX is significantly related to affective commitment ($B=.68$; $p<.001$) as well as innovative behavior ($B=.40$; $p<.05$) (Table 3).

Because we found a main effect of LMX on satisfaction with HR and main effects of LMX on the two outcome variables, we test to what extent satisfaction with HR practices will mediate the relationship between LMX and innovative behavior (H3). Results show that the significant main effect of LMX on innovative behavior in model 2 ($B=.40$; $p<.05$) diminished to ($B=.25$; $p=.34$) in model 3 when satisfaction with HR practices was added (Table 3). However, the effect of satisfaction with HR practices on innovative behavior in model 3 was not shown to be significant ($B=.19$; $p=.27$). Even if satisfaction with HR does not mediate the relationship it was found that satisfaction with HR is significantly positive related to innovative behavior ($B=.30$; $p<.05$) as well as affective commitment ($B=.34$; $p<.01$). Results for main effects of satisfaction with HR practices can be found in table 5.

Analysis of H4a and H4b, if a good work life balance (WLB) will be positively related to employee outcomes, showed a significant effect of WLB on innovative behavior ($B=.40$; $p<.01$) (Table6) but no significant main effect of WLB on affective commitment ($B=.13$; $p=0.332$).

3.2 Discussion

The main research question of this study was to determine, to what extent different leadership styles are related to employee outcomes and what role the employees' satisfaction with HR practices plays in this relationship. Before answering this question, main results of the different hypotheses will be discussed. After this, a short summary will try to give a clear insight and possibly clear answer to the main research question.

First of all, correlation analysis showed that LMX significantly correlated with transformational leadership which underlines the study by Basu and Green (1997). It seems to be likely that these two constructs measure the same. The question whether there is a real distinction between these two definitions in our study cannot be answered.

This makes it even difficult to say which leadership style can be seen as most preferable in influencing the employees' satisfaction with HR practices. Because the test of hypotheses 1a and 1b found that the effect of LMX as well as transformational leadership on satisfaction with HR practices was significantly positive, both hypotheses can be confirmed. This means that the higher LMX or respectively transformational leadership the higher the satisfaction with HR and vice versa for low scores. These two main effects are not unexpected as one considers the high correlation between LMX and transformational leadership. If one just considers the statistical results of the regression analyses, a stronger relationship between LMX and satisfaction with HR practices was found in comparison to transformational leadership. Nevertheless, both styles have a significant influence on and the statistical differences are only small ones.

Before discussing further results, it might be helpful to consider what the actual differences or similarities between LMX and transformational leadership are. Basically, there are two opinions about the relationship between a transactional leadership style (LMX) and transformational leadership. Bass (1985) tried to develop a method to distinguish transformational leadership from transactional leadership. He developed the Multifactor Leadership Questionnaire (MLQ) which premised that both styles can be best described as being exclusive and being on a continuum, with transactional leadership on the one side and transformational leadership on the other side. But results were contradictorily in that both styles actually correlated positive with each other (Bass, 1985, p. 201). Kuhnert and Lewis (1987) go further and assume that a leadership style changes in stages the longer a leader works together with followers. They mention three stages in which leaders are concerned with personal goals and agendas, rather than relationships in the first stage. "They project these motives to their subordinates and relate at a lower level of transactional leadership. They look to exchange objects". The second stage is more interpersonal and the leader develops and communicates internal values and standards to their followers. The third stage will be reached when followers adopt these values and transformational leadership takes place. This model is a challenge to the suggestion by Bass (1985) that both styles may be on a continuum. The model by Kuhnert and Lewis (1987) assumes that relations between leader and follower may differ. Even with the same leader, from dyad to dyad.

Meanwhile, Basu and Green (1997) state that transformational leadership can be seen as an extension of transactional leadership, in which there is greater leader intensity and follower arousal. Consequently, and this study also suggest it, the conceptualization of LMX and transactional leadership may not be clear enough to make a statement about a clear differentiation or a clear congruence.

The test of hypotheses 2a and 2b showed that LMX has an direct effect on innovative behavior as well as affective behavior which confirms both hypotheses. Thus, the more LMX characteristics a leadership style has the higher the score on innovative behavior and affective commitment. Even if it was not explicitly hypothesized in advance, the relationship of transformation leadership with innovative behavior as well as affective commitment was also tested to explore if at least some differences between LMX and transformational leadership can be found. Results of regression analysis show that transformational leadership is not significantly positive related to innovative behavior. But it could be found that the relationship with affective commitment is significantly positive. This is an quite surprising outcome. Because of the high correlation between LMX and transformational leadership one could have expected that transformational leadership should have the same effects on the two outcome variables as LMX. But obviously the first differentiation between the two leaderships styles can be drawn here. LMX seems to have more influence on innovative behavior than transformational leadership. This is also in line with earlier suggestions by Basu and Green (1997) and Gernstner and Day (1997). Basu and Green (1997) found that LMX was significantly positive related to innovative behavior and against major theorizing no significant relationship was found for transformational leadership and innovative behavior. They claimed that LMX creates an exchange relationship between leader and follower. This exchange relationship gives employees more autonomy (freedom to work without continually being supervised) and access to work-relevant information. Additional information can be used to work more effectively and also more innovatively. Therefore, LMX leaders can create an environment that encourages free thinking, exchange of information and to explore new ways of handling a problem. Obviously, material support (e.g. equipment and capital) provides the basic for innovation and emotional support (exchange relation) will foster innovation. Studies by Farr and Ford (1990), Taylor (1963) and Andrews (1975) support the suggestions. A second line of reasoning states that in-group members may demonstrate innovative behavior to convince others that their higher relationship or status is justified. Their innovative behavior may be used as a justification of their status (Basu & Green, 1997). Gerstner and Day (1997)

also stated that having a high quality exchange relationship with one's leader can affect the whole work experience, including performance and affective outcomes, in a positive way.

If one speaks about a high quality exchange relationship only in-group members are considered. And one has to question how out-group members actually behave. Are they as innovative and committed as in group members? Logically, if they are treated differently they also might exhibit different behavior. Problems might arise if they act quite differently in aspects of innovative behavior and affective commitment. Duchon, Green, and Taber (1986) and Yukl (1989) already found evidence that in-group members are more likely to be committed to the organization than out-group members. Future research should address the question to what extent they actually show differences in innovative behavior. Huge differences could be detrimental for organizations.

But how can one explain the missing relationship between transformational leadership and innovative behaviour even if this relationship is hypothesized so often (Bass, 1985)? In some cases it is argued that transformational leaders can deter innovation. Followers of transformational leadership may be intimidated which may result in less innovative behaviour. Harrison (1987) states that innovation might be interfered because transformational leaders create a "achievement orientated culture". It is argued that this culture can be advantageous but also disadvantageous if it creates too much stress to handle for employees to perform beyond expectations. This is again in line with the suggestion that innovation will be increased if autonomy and freedom will be guaranteed to employees (Basu & Green, 1997; Gupta & Singhal, 1993).

The third hypothesis claimed that satisfaction with HR practices will mediate the relationship between LMX and innovative behavior. Results did not confirm the hypothesis. When satisfaction with HR practices was added as a mediator in the third model, the significant main effect of LMX on innovative behavior in model 2 was no longer significant in model 3. But the requirement that the mediator has a significant relationship with the dependent variable in model 3 was not met. Based on the requirements for a mediator, as stated by Baron & Kenny (1986), one cannot conclude that satisfaction with HR practices mediates the relationship between LMX and innovative behavior. Further, even if it was not explicitly hypothesized, satisfaction with HR practices did also not mediate the relationship between LMX and affective commitment. Thus, recent suggestions, that satisfaction with HR practices possibly can explain the mechanisms of how leadership affect different employee outcomes via HR practices, cannot be confirmed in our study. Even the mediation effect could not be found, one must keep in mind that both LMX and satisfaction with HR practices had a

main effect on both outcome variables. Therefore, one should not ignore the fact that both seem to be very important in the relation with employee behavior.

That the work life balance (WLB) is becoming a more important topic in organizations is also partially reflected in these research findings. WLB seems to have a significant positive relationship with innovative behavior but not with affective commitment. Consequently, hypothesis 4a can be confirmed and hypothesis 4b must be disconfirmed. Suggestions that a good work-life balance gives employees the possibilities to relax from work related stress and use their spare time for off-work duties may hold. This in turn enhances creativity and innovative behavior if employees come back to work in a rested state.

Diverse studies were conducted to test effects of work-life balance on different individual outcome variables such as productivity, absenteeism and turnover (Higgins, Duxbury & Irving, 1992). In the case of productivity, it can be said that a work-life balance is positively related to productivity. Less productivity resulting from an imbalance might have something in common with being less innovative due to an imbalance. Because people being less productive may not engage in creative thinking and extra effort, they may also be less innovative.

Work-life balance was not significantly related to affective commitment. One could carefully conclude that employees having an work-life imbalance are not more likely to stay or leave in the organization than people having an work-life balance.

According to our research question we can conclude that Leadership (especially LMX) is directly related to the outcome variables. Transformational Leadership is only related to affective commitment. Satisfaction with HR practices does not mediate the relationship between Leadership and outcome variables but nevertheless plays an important role in influencing both outcome variables. Work life balance should not be ignored in innovative organizations because it is positively related to innovative behavior.

3.3 Limitations

The fact, that only 37 employees from one organization in one specific sector participated in our study, makes it difficult to generalize research findings. A small sample size may underestimate or overestimate research effects. Also results may not be easily generalized to a different sector. Future research should replicate this study with a more representative sample which may give a better insight in this issue.

Affective commitment to the organization was meant to be measured by 8 items. Because of the low reliability the scale had to be shortened to 5 items. Assessing a variable with only 5

items might not be enough to illustrate a clear effect picture about this variable even if the reliability of the final scale was sufficient. Results according to affective commitment must therefore be considered with caution.

Further, Dex and Bond (2005), Tausing and Fenwick (2001) and Guest (2002) all state that the most consistent work characteristic predicting work-life imbalance is hours worked. But not one item is included in the work-life balance scale actually measuring working hours. Further studies should consider the necessity of including or excluding this aspect from their measurement scale.

During this research, phrases such as „has influence on“ or „has an effect on“ were used. Actually one cannot infer causal relationships from this study because the study does not fulfil the methodologically requirements to do this. To conclude a causal order one must prove covariation between cause and effect, the temporal precedence of the cause and the ability to control alternative explanations. Data for this research was assessed at one singly time and a correlation study was conducted. To definitely claim or prove that e.g. satisfaction with HR practices influence innovative behaviour longitudinal research is necessary. Additionally, even if innovative behaviour and affective commitment were measured, one must say that these variables only assess employees' attitudes and not the actual behaviour. Also relationships between e.g. affective commitment and turnover were found, no definite conclusions can be made about the probability that employees will actually stay in the organization. Only suggestions can be made.

3.4 Implications

Research findings present a number of practical and theoretical implications. For innovative organizations it is obvious that leadership (LMX), satisfaction with HR practices and work-life balance are directly related to innovative behaviour. Because employees must be seen as the central issue in achieving competitive advantage (Verburg & den Hartog, 2001) organizations should focus on all three of them. Leadership can obviously be directly linked to the satisfaction with HR and to the outcome variables (Only transformational leadership cannot be linked to innovative behaviour here). Organizations should be aware to consider both aspects in their HR-policy. For example, organizations can train line-managers in LMX characteristics and emotional intelligence (the ability to understand and manage moods and emotions in the self and others) which can be linked to employee and organizational performance (George, 2000). The strong impact of Leadership also makes clear the necessity of cooperation between higher management (Board of direction) and line-managers. Line-

managers can be used to transform the general strategy, set by the higher management, to employees, which in turn achieve desired organizational outcomes. The influence of satisfaction with HR practices on both innovative behaviour and affective commitment shows a kind of exchange relationship. Consideration of employees' needs for special training, reward and the possibility for promotions can be used to increase commitment to the organization and innovative behaviour. Employees are trying to add value to the organization in turn for a HR policy based on employees' needs. The two effects of leadership and satisfaction with HR on the outcome variables may be additive. Further, work-life balance should also be addressed in the organizations' HR policy. This can be done in ways as offering flexible work hours and controlling the actual working hours not exceeding 48 hours a week (Guest, 2002). Guest (2002) also mentioned that employees, working in an organization with a friendly climate, many HR practices and where they have more scope for direct participation and autonomy, report less work-life imbalance. This underlines the importance of work-life balance in connection with HR practices based on employees' needs. Organizations should be aware that personnel plays a key part in the competition with rivals and that investment in personnel is highly likely to pay off in the long term.

Future researches should further examine the relationship between LMX and transformational leadership in more depth to really distinguish between their effects. Much literature was conducted on the effect of different leadership styles on affective commitment. Also other leadership styles in relation to innovative behaviour should be considered. Because the general satisfaction with HR practices was measured, future research could also consider a combination of different HR practices (e.g. employees' influence and reward systems) on innovative behaviour.

Tables

Table 1
Reliability Analysis for measurement scales

| Variables | Number of questions | Cronbach's Alpha | Average | SD | SD if Item deleted |
|---|---------------------|------------------|---------|------|--------------------|
| 1. LMX | 12 | 0.96 | 3.41 | 0.90 | |
| 2. Transformational | 11 | 0.91 | 3.52 | 0.68 | |
| 3. Satisfaction with HR | 37 | 0.95 | 3.59 | 0.56 | |
| 4. Innovative Behavior | 9 | 0.92 | 2.99 | 0.73 | |
| 5. Affective Commitment with the Organization | 5 | 0.74 | 3.62 | 0.53 | 0.74 |
| 6. WLB | 10 | 0.88 | 2.08 | 0.73 | |

Table 2
Correlations for study variables

| Variables | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------|---------|--------|--------|-------|-------|---|
| 1. LMX | | | | | | |
| 2. Transformational | 0.77** | | | | | |
| 3. Satisfaction with HR | 0.89** | 0.80** | | | | |
| 4. Innovative Behavior | 0.48** | 0.38** | 0.59** | | | |
| 5. Affective Commitment | 0.35** | 0.24 | 0.35* | 0.50* | | |
| 6. WLB | -0.46** | 0.27 | -0.40 | 0.33 | -0.14 | |

*. Correlation is significant at the 0.05 Level (2-tailed).

**Correlation is significant at the 0.01 Level (2-tailed).

Table 3: Hierarchical Regression Analysis for LMX predicting Satisfaction with HR, innovative behaviour, affective commitment and the moderator test of satisfaction with HR practices in the relationship between LMX and both outcome variables.

| Model | Variables | Satisfaction with HR | Innovative Behavior | Affective Commitment |
|------------------|-----------------------------|----------------------|---------------------|----------------------|
| 1. | Gender | .316 | .145 | .735*** |
| | Age | .837* | .535 | -.130 |
| | Years employed | -.657* | -.341 | .524* |
| | Education | .078 | .124 | .159 |
| | Family Status | .216 | -.508** | -.316 |
| | Working contract | .631 | .100 | .071 |
| | R2 | .472 | .716 | .738 |
| | 2. | Gender | .323* | .148 |
| Age | | .693* | .473 | -.235 |
| Years employed | | -.440 | -.248 | .683*** |
| Education | | -.598* | -.168 | -.335 |
| Family Status | | .315 | -.210 | .189 |
| Working contract | | -.172 | -.447 | -.516** |
| LMX | | .936*** | .404* | .684*** |
| R2 | | .724 | .763 | .873 |
| R2 Change | | .252 | .047 | .135 |
| 3. | | Gender | | .086 |
| | Age | | .340 | -.228 |
| | Years employed | | -.163 | .678*** |
| | Education | | -.053 | -.342 |
| | Family Status | | -.271 | .192 |
| | Working contract | | -.405 | -.519** |
| | LMX | | .225 | .694*** |
| | Satisfaction with HR | | .192 | -.011 |
| | R2 | | .773 | .873 |
| | R2 Change | | .010 | .000 |

*p < .05, **p < .01, ***p < .001.

Table 4: Hierarchical Regression Analysis for Transformational Leadership predicting Satisfaction with HR, innovative behavior and affective commitment

| Model | Variables | Satisfaction with HR | Innovative Behavior | Affective Commitment |
|-----------------------|-------------------------|----------------------|---------------------|----------------------|
| 1. | Gender | .316 | .145 | .735*** |
| | Age | .837* | .535 | -.130 |
| | Years employed | -.657* | -.341 | .524* |
| | Education | .078 | .124 | .159 |
| | Family Status | -.375 | -.508** | -.316 |
| | Working contract | .583* | -.100 | .071 |
| | R ² | .472 | .716 | .738 |
| 2. | Gender | .001 | .113 | .578*** |
| | Age | .359 | .487 | -.369 |
| | Years employed | -.193 | -.294 | .756*** |
| | Education | .332 | .150 | .286 |
| | Family Status | -.233 | -.493** | -.240 |
| | Working contract | .244 | -.136 | -.109 |
| | Transformational | .660*** | .067 | .330** |
| | R ² | .733 | .719 | .804 |
| R ² Change | .262 | .003 | .065 | |

*p < .05, **p < .01, ***p < .001.

Table 5: Hierarchical Regression Analysis for Satisfaction with HR practices predicting innovative behavior and affective commitment

| Model | Variables | Innovative Behavior | Affective Commitment |
|-----------------------|-----------------------------|---------------------|----------------------|
| 1. | Gender | .145 | .735*** |
| | Age | .535 | -.130 |
| | Years employed | -.341 | .524* |
| | Education | .124 | .159 |
| | Family Status | -.508** | -.316 |
| | Working contract | -.100 | .071 |
| | R ² | .716 | .738 |
| | | | |
| 2. | Gender | .048 | .627*** |
| | Age | .278 | -.417 |
| | Years employed | -.140 | .750** |
| | Education | .100 | .132 |
| | Family Status | -.393* | -.187 |
| | Working contract | -.279 | -.129 |
| | Satisfaction with HR | .307* | .343** |
| | R ² | .766 | .801 |
| R ² Change | .050 | .062 | |

*p < .05, **p < .01, ***p < .001.

Table 6: Hierarchical Regression Analysis for Work-Life Balance (WLB) predicting innovative behavior and affective commitment

| Model | Variables | Innovative Behavior | Affective Commitment |
|-------|-----------------------|---------------------|----------------------|
| 1. | Gender | .145 | .735*** |
| | Age | .535 | -.130 |
| | Years employed | -.341 | .524* |
| | Education | .124 | .159 |
| | Family Status | -.508** | -.316 |
| | Working contract | -.100 | .071 |
| | R ² | .716 | .738 |
| | | | |
| 2. | Gender | .276 | .780*** |
| | Age | 1.118** | .071 |
| | Years employed | -.835** | .354 |
| | Education | -.118 | .076 |
| | Family Status | -.623*** | -.355* |
| | Working contract | .211 | .178 |
| | WLB | .400** | .138 |
| | R ² | .787 | .747 |
| | R ² Change | .071 | .008 |

*p < .05, **p < .01, ***p < .001.

Figures

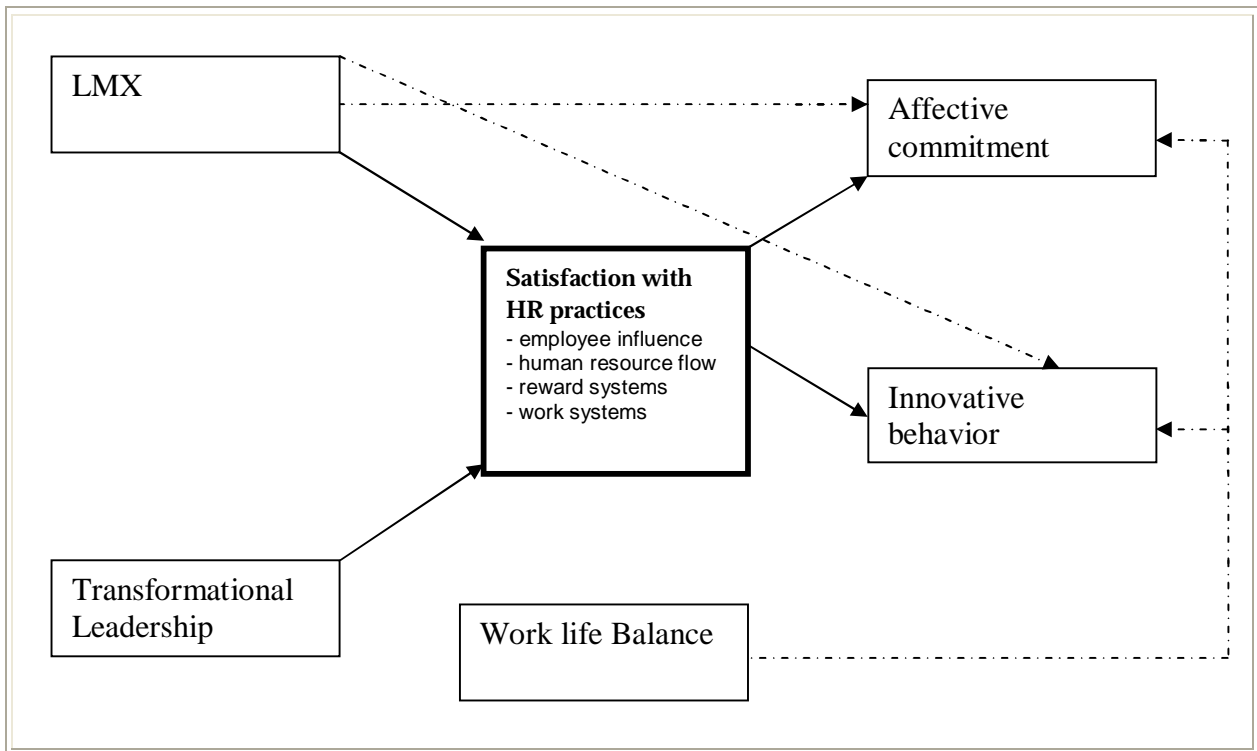


Fig. 1: Theoretical Model

References

- Allen, N.J., & Meyer J.P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology*, 63, 1-18.
- Andrews, F. M. (1975). Social and psychological factors that influence the creative process. *Perspectives in creativity*.
- Andrews J., & Smith D.C. (1996). In search of the marketing imagination: Factors affecting the creativity of marketing programs for mature products. *Journal of Marketing Research*, 33, 174-187.
- Barling, J., Weber, T., & Kelloway, E. K. (1996). Effects of transformational leadership training on attitudinal and financial outcomes: A field experiment. *Journal of Applied Psychology*, 81, 827-832.
- Baron, R.M., & Kenny, D.A. (1986). The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, 51, 1173-1182.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Basu, R., & Green, S.G. (1997). Leader-Member Exchange and Transformational Leadership: An Empirical Examination of Innovative Behaviors in Leader-Member Dyads. *Journal of Applied Social Psychology*, 27, 477-499.
- Becker, B., & Gerhart, B. (1996). The Impact of Human Resource Management on Organizational Performance: Progress and Prospects. *Academy of Management Journal*, 39, 770-801.
- Clark, S. (2000). Work-family border theory: a new theory of work-life balance. *Human Relations*, 53, 747-770.
- Coyle-Shapiro, J.A.M., Shore, L.M., Taylor, M.S., & Tetrick, L.E. (2004). *The employment relationship: Examining psychological and contextual perspectives*. Chapter 10. Oxford: Oxford University Press.
- Dex, S., & Bond, S. (2005). Measuring work-life balance and its covariates. *Work, employment and society*, 19, 672-637.
- Duchon, D., Green, S. G., & Tabor, T. D. (1986). Vertical dyad linkage: A longitudinal assessment of antecedents, measures, and consequences. *Journal of Applied Psychology*, 71, 56-60.

- Farr, J. L., & Ford, C. M. (1990). Individual innovation. In M. A. West & J. L. Farr (Eds.), *Innovation and creativity at work: Psychological and organizational strategies* (pp. 63-80). Chichester, England: John Wiley & Sons.
- George, J.M. (2000). Emotions and leadership: The role of emotional intelligence. *Human Relations, 53*, 1028-1055.
- George, J.M., & Jones, J.R. (2008). *Organizational behaviour: Understanding and managing*, chapter 18. Person Education.
- George, S. (1988). Time-The Next Source of Competitive Advantage, *Harvard Business Review*, 41-51.
- Gerstner, C.R., & Day, D.V. (1997). Meta-Analytic Review of Leader-Member Exchange Theory: Correlates and Construct Issues. *Journal of Applied Psychology, 82*, 827-844.
- Gilder, D. de, & Heuvel van den, H. & Ellemers, N. (1997). Het 3-componenten model van commitment. *Gedrag en Organisatie, 10*, 95-106.
- Golemann, D. (2000). Leadership that gets results. *Harvard Business Review, March-April 2000*, 78-90.
- Guest, D.E. (2002). Perspectives on the study of Work-life Balance. *Social Science Information, 41*, 255.
- Gupta, A., & Singhal, A. (1993), Managing Human Resources for Innovation and Creativity, *Technology Management, May-June, 41-48*.
- Harrison, R. (1 987). Harnessing personal energy: How companies can inspire employees. *Organizational Dynamics, 4-21*.
- Higgins, C. A., Duxbury, L. E. & Irving, R. H. (1992). 'Work-family conflict in the dual-career family', *Organizational Behavior and Human Decision Processes, 51-75*.
- Hoogh, A.H.B., & Koopman, P.L., (2004). De ontwikkeling van de CLIO: een vragenlijst voor charismatisch leiderschap in organisaties. *Gedrag & Organisatie, 17*, 354-382.
- Janssen, O. (2000). Job demands, perceptions of effort–reward fairness and innovative work behaviour. *Journal of Occupational and Organizational Psychology, 73*, 287–302.
- Kinnie, N., Hutchinsons, S., Purcell, J., Rayton, B., & Swart, J. (2005). Satisfaction with HR practices and commitment to the organization: why one size does not fit all. *Human Resource Management Journal, 15*, 9-29.
- Kuhnert, K. W., & Lewis, P. (1987). Transactional and transformational leadership: a constructive/developmental analysis. *Academy of Management Review, 12(4)*, 648-657.

- Liden R.C., & Maselny J.M. (1998). Multidimensionality of Leader-Member Exchange: An empirical Assessment through Scale Development. *Journal of Management*, 24, 43-72.
- Mathieu, J.E., & Zajac, D.M. (1990). A review and meta analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological Bulletin*, 108, 171-194.
- Pfeffer, J. (1998). *The human equation*. Boston: Harvard Business School Press.
- Purcell, J., & Hutchinson, S. (2007). Front-line managers as agents in the HRM performance causal chain: theory, analysis and evidence. *Human Resource Management Journal*, 17, 3-20.
- Scandura, T.A., & Lankau, M.J. (1997). Relationship of gender, family responsibility and flexible work hours to organizational commitment and job satisfaction. *Journal of Organizational Behaviour*, 18, 377-391.
- Shipton, H., West, M.A., Dawson, J., Birdi, K., & Patterson, M. (2006). HRM as a predictor of innovation. *Human Resource Management Journal*, 16, 3-27.
- Spector, P.E. (2004). *Industrial and organizational psychology: Research and practice*, chapter 9 and 13. Australia: John Wiley & Sons, Inc..
- Stoker, J., & de Korte, T. (2000), *Het onmisbare middenkader*, hfst. 5 en 8. Assen, Van Gorcum/Stichting Management Studies.
- Sturges, J., & Guest, D. (2004). Working to live or living to work? Work/life balance early in the career. *Human Resource Management Journal*, 14, 5-20.
- Tanksy, J.W., & Cohen, D.J. (2001). The relationship Between Organizational Support, Employee Development, and Organizational Commitment: An empirical study. *Human resource development quarterly*, 12, 285-300.
- Tausig, M., & Fenwick, R. (2001). Unbinding Time: Alternate Work Schedules and Work-Life Balance. *Journal of Family and Economic Issues*, 22, 101-119.
- Taylor, C. W. (1963). Variables related to creativity and productivity among men in two research laboratories. In C. W. Taylor & R. Barron (Eds.), *Scientific creativity: Its recognition and development*. New York, NY: John Wiley & Sons.
- Torka, N. (2007). *In press*.
- Van Den Heuvel, H. & Thierry, H. (1995). Over de reflectietheorie. Betekenissen van Beloning. *Gedrag en Organisatie*, 8, 372-386.
- Verburg, R., & den Hartog, D. (2001). *Human resource management in nederland*. Amsterdam: B.V. Uitgeverij SWP.

West, M., & Farr, J. (1990). Innovation at work, in M.A. West and J.L. Farr (eds),
Innovation and Creativity at Work, Chichester: Wiley, p 9.

Yukl, G. A. (1989). *Leadership in organizations*. Englewood Cliffs, NJ: Prentice Hall.

Appendix

Items that were deleted to due a low Cronbach's Alpha:

In Dutch

- | | | | | | | |
|-----|---|---|---|---|---|---|
| 75. | Ik denk dat ik net zo gehecht kan raken aan elke andere organisatie als aan deze organisatie. | 1 | 2 | 3 | 4 | 5 |
| 78. | Deze organisatie heeft een grote persoonlijke betekenis voor mij. | 1 | 2 | 3 | 4 | 5 |
| 79. | Ik heb niet een sterk gevoel dat ik bij deze organisatie behoer. | 1 | 2 | 3 | 4 | 5 |

In German (Note: Numbers are different because of different numeration in the questionnaire. The content is the same.)

- | | | | | | | |
|-----|---|---|---|---|---|---|
| 15. | Ich glaube, dass ich mich bei jeder anderen Firma genauso wohl fühlen kann wie bei (BEDRIJF). (r) | 1 | 2 | 3 | 4 | 5 |
| 18. | (BEDRIJF) bedeutet mir persönlich nicht so viel. | 1 | 2 | 3 | 4 | 5 |
| 19. | Ich fühle mich nicht stark mit (BEDRIJF) verbunden.(r) | 1 | 2 | 3 | 4 | 5 |