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The Effects of Transformational Leadership on Sales Performance in a Multilevel Marketing

Organization

By

Alexander Techy

A Thesis Submitted in Partial Fulfillment of the

Requirements for the Degree of

Master of Arts

In

Industrial/Organizational Psychology

Minnesota State University, Mankato

Mankato, Minnesota

September 2019

The Effects of Transformational Leadership on Sales Po	erformance in a Multilevel Marketing
Organization	
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#### **Abstract**

Despite the rapid growth of multilevel marketing (MLM), there is little research that examines distributor performance in this unique organizational setting. The present study focused on the relationships between individual distributors and the people who recruited them into the organization (i.e., their sponsors). Given the unique structure of MLM organizations and the importance of sponsor-recruit relationships, it has previously been proposed that sponsors should employ a transformational leadership style. This study investigated transformational leadership as a predictor of performance, which was defined using both objective and subjective measures. Participants were 479 distributors at an MLM organization who were instructed to assess the degree to which their sponsors demonstrated key transformational leader behaviors. While transformational leadership positively predicted the subjective performance outcomes, it was unable to predict the objective performance outcomes. However, experimental design limitations threaten the interpretation of these results. These limitations, along with suggestions for future research, are discussed.

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#### **Chapter I: Introduction**

Multilevel marketing (MLM), also commonly referred to as network marketing, is a form of direct selling that has experienced an increase in growth over the years. According to the most recent estimates, direct selling firms (with the vast majority employing the MLM model) accounted for roughly \$35.5 billion in annual sales while boasting a membership of approximately 20.5 million people in the United States alone (Direct Selling Association, 2016). MLM organizations have been described as "networks of member-distributors whose earnings come both from selling products and recruiting new members," which highlights the dual role of a member as both a salesperson and a sales manager (Sparks & Schenk, 2001, p. 849). MLM organizations offer a wide range of products and services that a network of members is tasked with selling. Unlike traditional sales jobs however, members are considered independent sellers or distributors who operate away from a fixed business location, a distinction that makes MLM a form of direct selling (Peterson & Wotruba, 1996; Pratt & Rosa, 2003).

Members obtain an inventory of products from the organization and sell them to their customers. Instead of receiving a salary, members earn commissions and bonuses on their sales. What sets MLM organizations apart from more traditional direct selling organizations is the latter part of the definition provided by Sparks and Schenk (2001), which states that earnings also come from the recruitment of new members into the organization. Individual distributors are expected to actively recruit new members into the organization in addition to their sales duties. Recruited members become part of what is known as their downline, and distributors are able to earn commission on the sales of members in their downline. A distributor's downline includes members that their recruits are able to recruit, members their recruit's recruits are able to recruit, and so on. A distributor's upline includes the distributors who are above them in this hierarchy.

While it has been noted that many MLM organizations limit the number of levels from which a distributor can collect commission, this nevertheless highlights the importance of recruitment (Coughlan & Grayson, 1998).

Despite the increased popularity of MLM, it is still a relatively understudied topic. It has previously been noted that much of the existing literature focuses on the negative perceptions and ethical issues associated with MLM organizations (Sparks & Schenk, 2006). The literature examining performance outcomes of distributors in MLM organizations is limited, however. Research examining performance in direct selling organizations appears to be more common, and as previously explained, MLM is just a form of direct selling. Given the unique but complex organizational structure of MLM organizations where distributors not only earn commissions on their sales but also the sales of members they recruit, the results from the direct selling studies may not tell the full story. In fact, it has been demonstrated that salespeople in MLM organizations differ from salespeople in traditional direct selling organizations, in areas such as demographic, attitudinal, and behavioral characteristics (Brodie, Stanworth, & Wotruba, 2002). Because of these differences, a goal of this study is to add to the MLM-specific performance literature.

MLM organizations are well-known for hosting promotional events which target the recruitment of new members. These events are characterized by their high energy and upbeat nature, resembling pep rallies more than actual business meetings (Sparks & Schenk, 2006). These serve as informational meetings where prospective members have an opportunity to learn about the organization and the products it sells, as well as get a chance to meet current members. These meetings include presentations from successful distributors, which allow these distributors to tell their story about how they have been able to transform their lives through their work, as

well as transform the lives of those working under them. While some have commented on the passion and cult-like behaviors displayed by members during these events, they are also considered an important part of the socialization process for new members (Bhattacharya & Mehta, 2000; Biggart, 1989).

Given the direct selling nature of MLM where sales are conducted away from a fixed location, there is no standard onboarding process where new members receive formal training, although some MLM organizations provide resources that distributors can reference. Distributors are considered independent and technically on their own once they sign up, and their only human connection within the organization is usually with the members who recruited them into the organization, who are known as their sponsors (Sparks & Schenk, 2001). Given the dual role of a distributor as both a salesperson and sales manager, there is an incentive to build and manage a successful downline. This means that in addition to selling the product, one must actively recruit others into the business and effectively train them if he or she wants to experience positive financial outcomes. However, it is again important to highlight the independent nature of distributorship in MLM. Unlike sales managers in traditional selling organizations, sponsors have no formal authority over their recruits. This means that they have no official control over their recruits' work schedules, training, rewards, punishment, and anything else commonly seen in traditional settings. It has been noted that successful management of one's own distributorship requires the traditional managerial concerns for employee satisfaction, growth, and profitability (Coughlan & Grayson, 1998). Additionally, MLM members have cited the sponsor-recruit relationship as a key component of success in the business (Sparks & Schenk, 2001). Relationships with both upline sponsors and downline recruits are considered important drivers of business outcomes (Biggart, 1989; Koroth, 2014).

Given the passion members collectively feel for MLM, it is interesting that individual distributors typically earn poor financial returns (Bhattacharya & Mehta, 2000; Biggart, 1989; Sparks & Schenk, 2006). While much of the focus of this study will be on objective performance figures such as sales, it should be acknowledged that not everyone enters the business for financial reasons and many do not even work full time. Instead, they become distributors because it provides them with the opportunity to meet new people and/or because they are passionate about the product they are selling, among other reasons (Sparks & Schenk, 2001). Because success in MLM is in reality highly personal, subjective measures of performance, such as organizational commitment and work engagement, are also important to consider.

Regardless of one's reasons for being an individual distributor, however, the importance of relationships cannot be understated. Distributors are responsible for all aspects of their sales, including support functions usually covered by administrative staff in a traditional business setting (Msweli & Sargeant, 2001). However, many have no previous sales experience and/or experience running a business. This again highlights the importance of the sponsor-recruit relationship because it is the sponsor's responsibility to socialize and train recruits, even if he or she has no formal authority over them. This organizational structure creates complex leadership problems, but also highlights the importance of the sponsor as a leader. Given the lack of a formal hierarchy, Sparks and Schenk (2001) believe this limits the choice of leadership style employed by sponsors. Sponsors, they believe, must advise and assist their recruits rather than control them, and they can accomplish this through transformational leadership.

## **Transformational Leadership**

Transformational leadership is one of the most widely studied concepts within the leadership literature over the past 30 years (Diaz-Saenz, 2011). A transformational leader was

first described as "one who raises the followers' level of consciousness about the importance and value of desired outcomes and the methods of reaching those outcomes" (Burns, 1978, p.141). The leader is able to convince his or her followers to abandon their own self-interests in favor of the interests of the group, and often stresses the higher purpose of their work. Transformational leadership was first conceptualized by Burns (1978) as a leadership style that is one part of a dichotomy along with transactional leadership. In other words, transformational and transactional leadership lie on opposite ends of a continuum and therefore leaders can only be one or the other. Bass (1985) has updated Burns' conceptualization by stating that these two leadership styles are not on opposite ends of a continuum. Instead, effective leaders can, and often do, exhibit characteristics from both of these styles, although research suggests that transformational leadership augments the effects of transactional leadership (Bass & Avolio, 1993; MacKenzie & Podsakoff, 2001; Waldman, Bass, & Yammarino, 1990).

Bass (1985) also modified the construct of transformational leadership by determining four components, which are known as the four I's: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Bass (1985) noted that transformational leaders exhibit these components differently. Additionally, idealized influence and inspirational motivation are often grouped together by researchers as charisma, but it has been stated that transformational leadership is distinct from charismatic leadership (Bass & Riggio, 2006). Charisma is ultimately just a component of transformational leadership.

As mentioned, idealized influence and inspirational motivation are the charisma components of transformational leadership. Idealized influence occurs when the leader serves as a model for his or her followers to emulate. Leaders let their actions speak for themselves, and ultimately impress their followers through their behaviors. In inspirational motivation, leaders

inspire and motivate their followers by providing a shared vision or meaning. Leaders challenge their followers to align their own values with that of the group (McCleskey, 2014). According to Bass and Riggio (2006), enthusiasm and optimism are key characteristics of inspirational motivation.

Intellectual stimulation occurs when leaders challenge their followers to come up with innovative ways of approaching their work (Bass & Avolio, 1994). Leaders openly encourage their followers to solve problems using novel and creative approaches, and reframe any challenge as an opportunity for growth (Bass & Avolio, 1994). Along with encouragement, feedback and support are also important characteristics. Intellectual stimulation is therefore expected to enhance the follower's belief in his or her ability to perform work tasks (Hughes, Ginnett, & Curphy, 1999).

In individualized consideration, leaders act as mentors or coaches to their followers by paying attention to their individual needs. While the higher purpose and shared vision aspects of transformational leadership are extremely important, leaders also acknowledge the individual differences displayed by their followers. Ultimately, leaders provide a continuous learning and supportive environment so that their followers can develop to their full potential (Bass & Avolio, 1994; Kark & Shamir, 2002).

There are other transformational leadership theories that exist in addition to Bass' adaptation. While they are all complimentary, it has been noted that these theories include different sets of behaviors (MacKenzie, Podsakoff, & Rich, 2001). In their review of the existing transformational leadership literature at the time, Podsakoff, MacKenzie, Moorman, and Fetter (1990) identified six key behaviors associated with transformational leaders: articulating a vision, providing an appropriate model, fostering the acceptance of group goals, having high

performance expectations, providing individualized support, and providing intellectual stimulation. They acknowledged that there is near consensus among researchers regarding some of these behaviors, such as articulating a vision, providing an appropriate model, and fostering the acceptance of group goals, but others such as intellectual stimulation have only been included in some of these models. However, there is a consensus amongst researchers that transformational leadership is a multidimensional construct (Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

Articulating a vision, providing an appropriate model, and fostering the acceptance of group goals are the charismatic leader behaviors identified by Podsakoff, MacKenzie, Moorman, and Fetter (1990) in their review of existing transformational leadership models. However, they found these behaviors to be highly intercorrelated and proposed that they belonged to a dimension they called core transformational leader behavior, which was subsequently supported by a confirmatory factory analysis. Articulating a vision, the first of these behaviors, occurs when leaders develop and communicate a clear vision of the future to their followers. This includes clarifying their work roles so that they are able to focus their work on this vision. The vision should align with the goals of the organization and the values of both the follower and the leader. Additionally, the leader must communicate this vision on a consistent basis. The next of these behaviors, providing an appropriate model, occurs when leaders become a model for their followers and lead by example. Leaders should set an appropriate example by displaying behaviors that are consistent with the goals and values of the organization. And the last behavior of the core transformational leadership behavior dimension is fostering the acceptance of group goals, where leaders promote cooperation and encourage their followers to work together toward a common goal. Leaders must transform the mentalities of their followers so that they perform for the good of the group instead of performing for their own personal needs.

The next transformational leader behavior in this model is high performance expectations. To demonstrate this behavior, leaders must expect high performance and excellence from their followers. They must also do an effective job of communicating these high performance expectations, as well as communicating their belief that their followers can satisfy these expectations. Providing individualized support is very similar to the individualized consideration dimension from the Bass (1985) model. This behavior occurs when leaders concern themselves with the individual development of their followers. While working as a group toward a shared vision is central to transformational leadership, leaders should also pay attention to the individual needs and feelings of their followers. The practitioner literature has suggested that this component can be especially effective in increasing employee motivation (Pacetta, 1994). And the final behavior is intellectual stimulation, which is the same behavior that is seen in the Bass (1985) model. Leaders demonstrate intellectual stimulation by challenging their followers to come up with novel and creative ways of approaching their work. While Bass (1985) originally thought this component would lead to positive effects, subsequent research has not always been supportive. Research has linked intellectual stimulation to a decrease in satisfaction and trust, and an increase in role conflict, burnout and stress (Seltzer, Numerof, & Bass, 1989; Podsakoff, MacKenzie, & Bommer, 1996; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). MacKenzie, Podsakoff, and Rich (2001) theorized that these negative effects are short-term and due to the cognitive reappraisal process of intellectual stimulation. Employees may be dissatisfied with the lack of clear expectations and unpredictability of this approach. However, the researchers believe that the positive effects may be experienced in the

long run after employees are able to develop novel and more effective methods to perform their jobs.

## **Transformational Leadership and Performance Outcomes**

Much research exists linking transformational leadership to positive organizational and individual outcomes, and these benefits have been demonstrated in a variety of organizations and levels within the organization. Higher levels of transformational leadership have been associated with increased organizational commitment and organizational citizenship behaviors (OCBs) among employees (Bycio, Hackett, & Allen, 1995; Koh, Steers, & Terborg, 1995). Transformational leadership has also been positively linked to subordinates' satisfaction with their supervisors (Hater & Bass, 1988). It has even been positively linked to commitment and participation in a union (Fullager, McCoy, & Schull, 1992; Kelloway & Barling, 1993). What is most relevant to this study though is the fact that there is research linking transformational leadership to increased job performance. In the school setting, Koh, Steers, and Terborg (1995) were able to demonstrate an indirect relationship between a principal's display of transformational leadership behaviors and student performance. Transformational leadership behaviors were also found to augment transactional leadership in the prediction of organizational commitment, OCBs, and teacher satisfaction. It has also been suggested that transformational leadership may have an impact on sales performance, which is something this study will address in the MLM organizational context (Jolson, Dubinsky, Yammarino, & Comer, 1993).

While the previously mentioned studies had cross-sectional designs, there is support in the literature that these positive effects of transformational leadership are sustained over time. Howard and Avolio (1993) examined the effects of transformational and transactional leadership on locus of control and consolidated-business-unit performance, which was defined as the

percentage of goals met by a unit. Specifically, they assessed branch managers' transformational and transactional leadership and tested the relationship with unit performance a year later. They found that while transactional leadership negatively predicted business-unit performance, transformational leadership was positively related to performance as well as locus of control. Units were ultimately more successful when their supervisors displayed the transformational leadership behaviors of charisma, intellectual stimulation, and individual consideration as opposed to the transactional leadership behaviors.

Given the importance of the sponsor-recruit relationship in MLM organizations, transformational leadership has the potential to be an effective leadership style. To date, there has only been one study that has examined the effects of transformational leadership in the MLM setting (Sparks & Schenk, 2001). While the researchers attempted to directly link transformational leadership to performance, their main focus was on the belief in a higher purpose of one's work, which they believed mediated the relationship between transformational leadership and performance.

Sparks & Schenk (2001) used the same transformational leadership measure that was previously discussed (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). However, after conducting focus groups with MLM distributors, they decided to measure only four of the six dimensions: articulating a vision, providing an appropriate model, providing individualized support, and setting high performance expectations. Items from the fostering acceptance of group goals and intellectual stimulation subscales were not deemed to be applicable to MLM work by the interviewed distributors. Ultimately, they found positive direct and indirect relationships between transformational leadership and effort, job satisfaction, and performance on the individual and group level. Even though sponsors have no formal authority over work-related

behaviors of their recruits, the results appear to highlight the importance of the sponsor-recruit relationship. While they were able to provide evidence that suggests that transformational leadership positively influences the performance of recruits within MLM organizations, this link was indirect. Instead, they found that transformational leaders were able to transform their followers by encouraging them to recognize the higher purposes of their work, which in the process positively impacted to performance. Although Sparks and Schenk (2001) did not find a direct link between transformational leadership and performance, past research has demonstrated a direct link (Barling, Weber, & Kelloway, 1996; Bass, 1985; Davis, 2008; Howell & Frost, 1989; Pillai & Williams, 2004). Therefore, I predict:

Hypothesis 1a: Transformational leadership will positively predict sales volume.

*Hypothesis 1b*: Transformational leadership will positively predict recruitment of distributors after 30 days.

Hypothesis 1c: Transformational leadership will positively predict recruitment of distributors after 90 days.

While the previous hypotheses examine the effects of transformational leadership as a whole, it is also important to examine the effects the individual dimensions of transformational leadership have on performance. MacKenzie, Podsakoff, and Rich (2001) attempted to do this in a study of salesperson performance, specifically examining both in-role (i.e., objective) and extra-role (i.e., organizational citizenship behaviors) performance. They predicted that all of the dimensions would be positively related to in-role performance except intellectual stimulation, which they predicted would be negatively related to in-role performance. Their results indicated that only individualized support positively contributed to in-role performance, while high performance expectations and the core transformational behaviors (i.e., articulating a vision,

providing an appropriate model, and fostering the acceptance of group goals) did not. Intellectual stimulation was negatively related to in-role performance, thus providing mixed support for this hypothesis. I am interested in determining whether direct effects exist between the six transformational leadership dimensions and performance in the MLM setting. Because the current study assesses early distributor performance (i.e., during the first 30-90 days of enrollment), my hypotheses are similar to those of MacKenzie, Podsakoff, and Rich (2001). Therefore:

Hypothesis 2a: Articulating a vision, providing an appropriate model, fostering the acceptance of group goals, individualized support, and high performance expectations will positively predict sales volume.

Hypothesis 2b: Articulating a vision, providing an appropriate model, fostering the acceptance of group goals, individualized support, and high performance expectations will positively predict recruitment of distributors after 30 days.

Hypothesis 2c: Articulating a vision, providing an appropriate model, fostering the acceptance of group goals, individualized support, and high performance expectations will positively predict recruitment of distributors after 90 days.

Hypothesis 3a: Intellectual stimulation will negatively predict sales volume.

Hypothesis 3b: Intellectual stimulation will negatively predict recruitment of distributors after 30 days.

*Hypothesis 3c*: Intellectual stimulation will negatively predict recruitment of distributors after 90 days.

## **Transformational Leadership and Contingent Reward**

Transactional leadership focuses on the transactions or exchanges that occur between leaders and their followers (Bass, 1985; Burns, 1978). The relationship between transactional leaders and their followers has been likened to a contractual agreement, where leaders provide positive or negative feedback in order for their followers to meet their own goals and ultimately help the organization achieve its goals (MacKenzie, Podsakoff, & Rich, 2001). Additionally, employees are either rewarded for good performance or disciplined for poor performance with this leadership approach (Bass, 1985).

The components of transactional leadership include contingent reward and managementby-exception. Contingent reward has to do with the process of rewarding or disciplining employees. As the name implies, the reward is contingent upon the effort and/or performance of the employee (Bass, 1985). The leader and follower come to an agreement over the type of reward that will be received if the follower meets or exceeds a predetermined performance objective (Jolson, Dubinsky, Yammarino, & Comer, 1993). For salespeople, these objectives can include sales volume, number of customers acquired and retained, and percentage of quota obtained while rewards can included bonuses, increased commissions, salary increases, and promotions (Jolson, Dubinsky, Yammarino, & Comer, 1993). Bass (1985) noted that contingent reward depends on the amount of control the leader has over rewards and penalties in the organization. In MLM organizations for example, advancement relies on an individual distributor's sales volume (including the sales of distributors in his or her downline). So while goal-setting remains important, sponsors have no control over the compensation of their recruits. Management by exception involves the process of the leader observing his or her followers from afar, and only intervening when the procedures for accomplishing tasks are not met (Bass, 1985;

Jolson, Dubinsky, Yammarino, & Comer, 1993). This component of transactional leadership is passive and reactive in nature, as the leader only steps in when the follower is doing something wrong, and is therefore not recommended.

Past studies have supported contingent reward as the most effective dimension of transactional leadership (Bass & Avolio, 1994; Lowe, Kroeck, & Sivasubramaniam, 1996).

Research has demonstrated that contingent reward is positively related to transformational leadership, suggesting that transformational leaders effectively and consistently employ contingent reward behaviors (Bass, 1985; Tejeda, Scandura, & Pillai, 2001; Tepper & Percy, 1994; Yammarino, Spangler, & Dubinsky, 1998). A more recent study by Judge and Piccolo (2004) found that both transformational leadership and the contingent reward aspect of transactional leadership are effective leadership styles, and that these two leadership styles tend to be highly correlated. I expect this relationship to be supported within the MLM setting, thus:

Hypothesis 4: Contingent reward will be positively related to transformational leadership.

Hypothesis 5a: Contingent reward will positively predict sales volume.

Hypothesis 5b: Contingent reward will positively predict recruitment of distributors after 30 days.

*Hypothesis 5c*: Contingent reward will positively predict recruitment of distributors after 90 days.

Given the support of contingent reward as an effective leadership characteristic and its positive relationship with transformational leadership, one may wonder why the attention in the leadership literature has been primarily focused on transformational leadership. If both are effective leadership styles, why can't a leader be one or the other? Ever since the modification of this leadership theory by Bass (1985), the research has conceptualized both transactional and

transformational leadership as complementary leadership styles that can be exhibited by the same leader (Waldman, Bass, & Yammarino, 1990). However, transformational leadership, especially the charismatic components, is related to increased leader effectiveness when compared to contingent reward (Bass & Avolio, 1993; MacKenzie, Podsakoff, & Rich, 2001; Waldman, Bass, & Yammarino, 1990). In the research, transactional leadership has not accounted for as much variance in performance outcomes as was originally expected (Bryman, 1992). Transactional leaders clarify job tasks and responsibilities, which allows their followers to fulfill their own self-interests (Sadeghi & Pihie, 2012; Waldman, Bass, & Yammarino, 1990). This relationship has been likened to a contract in which employees will exert the minimum effort needed to complete clearly-articulated tasks (Waldman, Bass, & Yammarino, 1990). Whereas transactional leaders mainly focus on rewards and their effect on performance, transformational leaders appeal to the intrinsic motivation of their followers. Transformational leaders are able to "transform" the mentalities of their followers so that they ascribe higher purposes to their work (Sparks & Schenk, 2001). They motivate their followers to perform for the good of the group and to "perform above and beyond expectations" (MacKenzie, Podsakoff, & Rich, 2001, p. 116). A meta-analysis by Lowe, Kroeck, and Sivasubramaniam (1996) indicated that both transactional and transformational leadership were positively related to performance, but transformational leadership had a significantly stronger effect. In other words, transformational leadership augments or enhances the effects of transactional leadership. So while leaders should be encouraged to display the contingent reward component of transactional leadership, the research suggests that exceptional leaders go beyond this by also exhibiting transformational leadership characteristics (Bass & Avolio, 1993; MacKenzie, Podsakoff, & Rich, 2001; Waldman, Bass, & Yammarino, 1990). I expect this to be supported within the MLM setting, therefore:

*Hypothesis 6a:* Transformational leadership will account for unique variance in sales volume beyond that of contingent reward.

Hypothesis 6b: Transformational leadership will account for unique variance in recruitment of distributors after 30 days beyond that of contingent reward.

Hypothesis 6c: Transformational leadership will account for unique variance in recruitment of distributors after 90 days beyond that of contingent reward.

## **Transformational Leadership and Subjective Performance Outcomes**

In addition to the three objective performance measures, I am also interested in determining the effects of transformational leadership on subjective performance outcomes. Not every member joins a MLM organization solely to achieve financial success, so the objective measures alone may not tell the whole story. In fact, members have cited a variety of reasons that drive their continued participation, including strong identification with the products, flexible schedules, the ability to work from home, and the social benefits (Sparks & Schenk, 2001). Additionally, past research has indicated that subjective and objective measures of performance are not highly correlated and may be differentially affected by these forms of leadership behavior (Bommer, Johnson, Rich, Podsakoff, & MacKenzie, 1995).

Past research has linked transformational leadership to turnover intentions
(Dimaculangan Jr. & Aguiling, 2012; Tse, Huang, & Lam, 2013), job satisfaction (Braun, Peus, Weisweiler, & Frey, 2013; Bryman, 1992; Sparks & Schenk, 2001), satisfaction with one's supervisor (Hater & Bass, 1988; Koh, Steers, & Terborg, 1995), organizational citizenship behaviors (Koh, Steers, & Terborg, 1995; MacKenzie, Podsakoff, & Rich, 2001), organizational commitment (Brodie, Stanworth, & Wotruba, 2002; Bycio, Hackett, & Allen, 1995), and work engagement (Ghadi, Fernando, & Caputi, 2013; Vincent-Höper, Muser, & Janneck, 2012),

among other outcomes. In this study I examined two subjective performance measures: organizational commitment and work engagement.

Organizational commitment is the "strength of an individual's identification with and involvement in a particular organization" (Porter, Steers, & Mowday, 1974, p. 604). According to Porter, Steers, and Mowday (1974), it can be characterized by the following three factors: acceptance of the organization's goals and values, willingness to exert a great deal of effort to achieve these organizational goals, and a desire to remain loyal to the organization. Organizational commitment has been linked to transformational leadership in a variety of settings. It has been suggested that transformational leaders positively influence their followers' organizational commitment by promoting a shared vision and the intrinsic nature of their work (Shamir, House, & Arthur, 1993). They also positively influence organizational commitment by allowing their followers to be creative in how they approach their work and taking an active role in their individual development so they are able to reach their full potential (Allen & Meyer, 1990; Bass & Avolio, 1994; Bycio, Hackett, & Allen, 1995). Past research has indicated that MLM organizations suffer from high turnover rates (Msweli & Sargeant, 2001). Given that transformational leadership has been positively linked to organizational commitment, I predict a similar relationship to occur within the MLM setting. Therefore:

*Hypothesis 7:* Transformational leadership will positively predict organizational commitment.

I also examined the effect of transformational leadership on work engagement. Work engagement has been defined as a "positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2001, p. 74). Vigor is characterized by having a high level of energy while at work, and

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the willingness to exert effort in one's work. Dedication occurs when one is highly involved in his or her work and experiences a sense of meaning and enthusiasm. Absorption occurs when one is fully concentrated in his or her work. Time passes quickly and people have trouble detaching themselves from their work. Although this conceptualization of work engagement has been empirically supported, some have wondered if it should be its own unique construct (Saks & Gruman, 2014; Viljevac, Cooper-Thomas, & Saks, 2012). Specifically, some wonder if the organizational commitment and job satisfaction constructs measure the same thing as work engagement (Viljevac, Cooper-Thomas, & Saks, 2012; Wefald & Downey, 2009). Regardless of these concerns however, transformational leadership has been positively linked to work engagement (Ghadi, Fernando, & Caputi, 2013; Vincent-Höper, Muser, & Janneck, 2012). I predict that this relationship will extend to the MLM setting, thus:

Hypothesis 8: Transformational leadership will positively predict work engagement.

#### **Chapter II: Method**

## **Participants**

Participants were distributors at a large MLM company that is based in Florida and sells wellness products. The participants were situated within different levels of one high-ranking distributor's downline and were geographically dispersed. Overall, 479 participants were used in the analyses. The participants were predominantly female (97.3%) and ranged in age from 19 to 67 years old (M = 30.82, SD = 7.11). Additionally, a majority of the participants were white (97.1%) and had only been distributors within the organization for a few months (M = 5.49, SD = 4.15).

## Measures

Leadership Behavior. Leadership behavior was measured with the Leader Behavior Scale developed by Podsakoff, MacKenzie, Moorman, and Fetter (1990). The scale measures six key behaviors that Podsakoff and his colleagues determined were commonly represented in the existing transformational leadership theories. These behaviors included: articulating a vision, providing an appropriate model, setting high performance expectations, fostering the acceptance of group goals, providing individualized support, and intellectual stimulation. The scale also includes five items that measure the contingent reward dimension of transactional leadership. Participants were asked to assess their sponsor on a 7-point Likert-type scale, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). A study by Podsakoff, MacKenzie, and Bommer (1996) determined that all six of the subscales had acceptable reliabilities: articulating a vision ( $\alpha = .87$ ), providing an appropriate model ( $\alpha = .84$ ), setting high performance expectations ( $\alpha = .80$ ), fostering the acceptance of group goals ( $\alpha = .89$ ), providing individualized support ( $\alpha = .80$ ), fostering the acceptance of group goals ( $\alpha = .89$ ), providing individualized support ( $\alpha = .80$ ), fostering the acceptance of group goals ( $\alpha = .89$ ), providing individualized support ( $\alpha = .80$ )

.90), and intellectual stimulation ( $\alpha$  = .82). Sparks and Schenk (2001) determined similar reliabilities in their study of MLM distributors, although they did not use the fostering acceptance of group goals and intellectual stimulation subscales in their study. In their review of the psychometric properties of the measure, Podsakoff and his colleagues (1990) demonstrated good internal consistencies and discriminant validity between the dimensions. However, three of the behaviors (articulating a vision, providing an appropriate model, and fostering the acceptance of group goals) were highly intercorrelated and therefore grouped into a new dimension called core transformational leadership behavior. Another study supported the original six-factor model of the measure, so I decided to examine all six transformational leadership behaviors individually (Podsakoff, MacKenzie, & Bommer, 1996). Ultimately, the dimensions of this measure were consistent with previous transformational leadership models, including the four-factor model by Bass (1985). The full scale can be found in the Appendix.

Objective Performance Measures. Objective performance was operationalized using measures that assessed each distributor's sales and recruiting ability. These measures focused on early distributor performance, specifically assessing performance in their first 30-90 days of enrollment within the organization. Sales ability was assessed by their personal business volume (PBV) after their first 30 days. It is important to note that I was provided with every distributor's monthly PBV and start date. However, start dates varied by distributor. To make up for the fact that not every distributor began selling at the beginning of the month, PBV from the first two months was averaged for many distributors to get an approximated 30 day PBV. Recruiting ability was assessed by the number of distributors each participant was able to successfully recruit and enroll after their first 30 and 90 days within the organization. Because I was provided with the start date of every distributor, recruitment figures were not estimated and were therefore

more precise than the PBV. Sales volume and number of distributors recruited were both objective measures that were used in past research examining the effects of transformational leadership in MLM (Spark & Schenk, 2001).

Organizational Commitment. Organizational commitment was measured with the Organizational Commitment Questionnaire (OCQ), which was developed by Porter, Steers, Mowday, and Boulian (1974). The OCQ is a 15-item self-report measure that is rated on a 7-point Likert-type scale. The OCQ assesses three main dimensions: loyalty toward the organization, willingness to exert a great deal of effort to achieve organizational goals, and acceptance of the organization's values. A previous study linking transformational leadership to organizational commitment used the OCQ, and reported an overall reliability of .90 (Brodie, Stanworth, & Wotruba, 2002). The full scale can be found in the Appendix.

Work Engagement. Work engagement was measured with a shortened, nine item version of the Utrecht Work Engagement Scale (UWES-9), which was developed by Schaufeli, Bakker, and Salanova (2006). The UWES-9 is rated on a 7-point Likert-type scale and assesses three dimensions of engagement at work: vigor, dedication, and absorption. Schaufeli, Bakker, and Salonova (2006) demonstrated an overall reliability of .93, which is similar to the longer versions of the measure. The full scale can be found in the Appendix.

#### **Procedure**

Potential participants were sent an email that contained a link to take the survey online. Participants were asked to provide their distributor ID number so their survey responses could be linked to their objective performance data. Participation was voluntary, and participants were given the opportunity to take part in a drawing to win one of four \$25.00 gift cards.

Files containing PBV and recruitment data were obtained from our contact at the organization. These data were linked with the survey data via the distributor ID numbers. As previously noted, precise sales figures were unable to be obtained for every distributor. While we were provided with monthly PBV, not every new distributor began selling on the first day of the month. Therefore, the PBVs recorded for many of the participants were just estimates. Because the data provided also included the start date of every distributor, the recruitment figures were more precise.

#### **Chapter III: Results**

## **Preliminary Analysis**

I first performed a reliability analysis by calculating Cronbach's alpha for each measure.

All of the reliabilities were acceptable and can be found in Table 1.

## **Descriptive Statistics**

The descriptive statistics for every measure are provided in Table 1. Correlations between all of the measures are presented in Table 2.

## **Test of Hypotheses**

Hypothesis 1a-c posited that transformational leadership would positively predict the three objective measures of sales performance. A simple regression analysis was conducted to test all three parts of H1. All 23 transformational leadership-related items were combined and averaged to create a mean transformational leadership score, and the three performance variables were regressed on this score. Transformational leadership was not a significant positive predictor of sales volume (F(1,464) = .05, p > .05,  $\beta = .01$ ), recruitment of distributors after 30 days (F(1,464) = .001, p > .05,  $\beta = .001$ ), and recruitment of distributors after 90 days (F(1,326) = 1.16, p > .05,  $\beta = .06$ ). Therefore, H1 was not supported.

Hypothesis 2a-c examined the effects of five of the key transformational leader behaviors on the objective sales measures. It was posited that these transformational leadership behaviors (i.e., articulating a vision, providing an appropriate model, fostering the acceptance of group goals, individualized support, and high performance expectations) would positively predict the three objective sales measures. Multiple regression analyses were conducted to test all three parts of H2. Mean scores for these five transformational leadership subscales were created, and the three performance variables were regressed on these subscale scores. The analyses indicated that

this model was not a positive predictor of sales volume (F(5,451) = .66, p > .05), recruitment of distributors after 30 days (F(5,451) = .11, p > .05), and recruitment of distributors after 90 days (F(5,317) = .35, p > .05). Therefore, H2 was not supported. Additional information regarding these analyses can be found in Tables 3-5.

Hypothesis 3a-c posited that intellectual stimulation would negatively predict the objective sales measures. A simple regression analysis was conducted to test all three parts of H3. A mean score for the intellectual stimulation subscale was created and the three performance variables were regressed on it. The analyses indicated that intellectual stimulation was not a negative predictor of sales volume (F(1,464) = .003, p > .05,  $\beta = .003$ ), recruitment of distributors after 30 days (F(1,464) = .05, p > .05,  $\beta = -.01$ ), and recruitment of distributors after 90 days (F(1,325) = 1.68, p > .05,  $\beta = .07$ ). Therefore, H3 was not supported.

Hypothesis 4 predicted that transformational leadership and contingent reward would be positively related. To test this relationship, a Pearson's correlation was calculated. The analysis indicated that there was a significant, positive relationship between transformational leadership and contingent reward (r = .81, p < .001). Respondents who rated their sponsors as high in transformational leadership also tended to rate them as high in contingent reward. This strong, positive correlation is supported in a previous study (Judge & Piccolo, 2004). Therefore, H4 was supported.

Hypothesis 5a-c posited that contingent reward would positively predict the three objective sales measures. A simple regression analysis was conducted to test all three parts of H5. A mean score for the contingent reward subscale was created and the three performance variables were regressed on it. The analyses indicated that contingent reward was not a positive predictor of sales volume (F(1,468) = .50, p > .05,  $\beta = .03$ ) or recruitment of distributors after 30

days (F(1,468) = .16, p > .05,  $\beta = .02$ ). However, contingent reward was a significant, positive predictor of recruitment of distributors after 90 days (F(1,326) = 3.66, p = .03,  $\beta = .11$ ). In other words, contingent reward was linked with increased recruitment numbers after 90 days of enrollment within the organization. Therefore, H5 was partially supported.

Hypothesis 6a-c predicted that transformational leadership would account for unique variance in the objective sales measures beyond that of contingent reward. However, because both transformational leadership and contingent reward were not significant, positive predictors of the three objective measures, it was unnecessary to test this hypothesis. Therefore, H6 was not supported.

Hypothesis 7 posited that transformational leadership would positively predict organizational commitment. A simple regression analysis was conducted to test this hypothesis. All items from the OCQ scale were averaged to create a mean score, and this was regressed on transformational leadership. The analysis indicated that transformational leadership ( $\beta$  = .31, p < .001) was a significant positive predictor of organizational commitment (F(1,456) = 49.61, p < .001,  $R^2$  = .098). Transformational leadership accounted for about 10% of the variance in organizational commitment. Therefore, H7 was supported.

Hypothesis 8 posited that transformational leadership would positively predict work engagement. A simple regression analysis was conducted to test this hypothesis. All items from the UWES-9 were averaged to create a mean score, and this was regressed on transformational leadership. The analysis indicated that transformational leadership ( $\beta$  = .20, p < .001) was a significant positive predictor of engagement (F(1,457) = 19.90, p < .001, R<sup>2</sup> = .042). Transformational leadership accounted for about 4% of the variance in engagement. Therefore, H8 was supported.

Table 1.

Descriptive Statistics for all Study Variables

Measure Measure	Number of Items	Range	Mean	SD	Alpha
Leadership Behavior					
Transformational Leadership	23	1-7	5.58	1.14	.97
Articulating a Vision	5	1-7	5.69	1.31	.94
Providing an Appropriate Model	3	1-7	5.90	1.38	.93
Fostering the Acceptance of Group Goals	4	1-7	5.75	1.29	.92
High Performance Expectations	3	1-7	5.02	1.33	.80
Individualized Support	4	1-7	5.85	1.12	.81
Intellectual Stimulation	4	1-7	5.20	1.41	.93
Contingent Reward	5	1-7	5.84	1.28	.94
Objective Performance					
PBV	-	-	434.12	216.55	-
Recruits – 30 Days	-	-	0.91	1.56	-
Recruits – 90 Days	-	-	2.50	3.40	-
Subjective Performance					
Organizational Commitment	15	1-7	6.10	0.89	.90
Work Engagement	9	0-6	4.81	1.04	.95

Table 2. Intercorrelations Between all Study Variables

	1	2	3	4	5	6	7	8	9	10	11	12
1. Transformational Leadership												
2. Articulating a Vision	.96**											
3. Providing an Appropriate Model	.93**	.89**										
4. Fostering the Acceptance of Group Goals	.94**	.90**	.87**									
5. High Performance Expectations	.73**	.68**	.63**	.62**								
6. Individualized Support	.71**	.57**	.63**	.65**	.29**							
7. Intellectual Stimulation	.90**	.85**	.78**	.83**	.62**	.55**						
8. Contingent Reward	.81**	.74**	.75**	.79**	.50**	.72**	.69**					
9. PBV	.01	.002	.03	.001	02	.03	.003	.03				
10. Recruits – 30 Days	001	004	01	01	.02	.01	01	.02	.16**			
11. Recruits – 90 Days	.06	.05	.05	.04	.03	.07	.07	.11	.26**	.86**		
12. Organizational Commitment	.31**	.29**	.23**	.26**	.15**	.37**	.31**	.34**	.16**	.22**	.26**	
13. Work Engagement	.20**	.19**	.14**	.18**	.15**	.17**	.20**	.21**	.10*	.16**	.15**	.38**

<sup>\*</sup>Correlation is significant at the 0.05 level (two-tailed)
\*\* Correlation is significant at the 0.01 level (two-tailed)

Table 3.

Multiple Regression of Sales Volume on the Transformational Leader Behaviors

Variable	β	p
Articulating a Vision	05	.71
Providing an Appropriate Model	.17	.13
Fostering the Acceptance of Group Goals	09	.43
High Performance Expectations	05	.50
Individualized Support	.02	.75

Table 4.

Multiple Regression of 30 Day Distributor Recruitment on the Transformational Leader Behaviors

Variable	β	p
Articulating a Vision	.02	.91
Providing an Appropriate Model	04	.72
Fostering the Acceptance of Group Goals	03	.80
High Performance Expectations	.04	.58
Individualized Support	.03	.67

Table 5.

Multiple Regression of 90 Day Distributor Recruitment on the Transformational Leader Behaviors

Variable	β	p
Articulating a Vision	.05	.73
Providing an Appropriate Model	.03	.85
Fostering the Acceptance of Group Goals	09	.53
High Performance Expectations	.01	.90
Individualized Support	.07	.37

## **Chapter IV: Discussion**

Past research has demonstrated positive links between transformational leadership and performance in a variety of settings. The purpose of this study was to determine if these positive links also applied to performance in the multilevel marketing (MLM) setting. Performance was operationally defined using both objective and subjective measures. While transformational leadership positively predicted the subjective measures, it was not a predictor of objective sales performance.

## **Summary of Findings**

I hypothesized that transformational leadership would positively predict the three objective performance measures, but was unable to determine any significant, positive links. While this was partially supported by Sparks and Schenk (2001), who instead found positive, indirect links, this result did not support findings from other studies that demonstrated a direct link (Barling, Weber, & Kelloway, 1996; Bass, 1985; Davis, 2008; Howell & Frost, 1989; Pillai & Williams, 2004). One possible explanation for the insignificant results is restriction in range for the transformational leadership measure. Participants tended to rate their sponsors as high in transformational leadership, leading to a lack of variability in the predictor. Another explanation could be attributed to my decision to establish direct links between transformational leadership and the objective performance measures without considering any potential mediators, as has been suggested in past research (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Sparks & Schenk, 2001).

In addition to transformational leadership as a whole, I hypothesized that the key transformational leadership behaviors would predict the objective performance measures.

Specifically, I posited that articulating a vision, providing an appropriate model, fostering the

acceptance of group goals, individualized support, and high performance expectations would positively predict performance while intellectual stimulation would negatively predict performance. However, none of the key transformational leadership behaviors predicted objective performance. This is inconsistent with the MacKenzie, Podsakoff, and Rich (2001) study that identified individualized support and intellectual stimulation as significant positive and negative predictors, respectively. As shown in the correlation matrix in Table 2, several of the behaviors are very highly correlated (i.e., .80 or above). These high correlations, along with the collinearity statistics for each of the multiple regression analyses, indicate the potential presence of multicollinearity.

I next examined contingent reward and hypothesized that it would be positively related to transformational leadership. The results indicated a strong, positive correlation, which is supported in the literature (Judge & Piccolo, 2004). Participants who rated their sponsors as high in transformational leadership also tended to rate them as high in contingent reward behaviors. I then hypothesized that contingent reward would positively predict the objective performance measures, but was only able to partially support this hypothesis. Contingent reward positively predicted recruitment of distributors after 90 days. As was the problem with transformational leadership, there was little variability in the contingent reward measure. Building on my previous hypotheses, I posited that transformational leadership would account for significantly more unique variance beyond that of contingent reward in the objective performance measures. However, because both transformational leadership and contingent reward were not significant predictors of the objective measures, it was unnecessary to run the analyses. Therefore, this hypothesis was not supported.

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My focus next shifted to the subjective performance measures of organizational commitment and work engagement. Simple regression analyses indicated that transformational leadership was a significant, positive predictor of both measures. This is an interesting contrast to the regression analyses involving transformational leadership and the objective measures that were not significant and accounted for virtually none of the variance in performance. One explanation is that these results suggest that transformational leadership promotes increased commitment and engagement amongst MLM distributors, which is potentially valuable information for an industry that suffers from high turnover rates (Msweli & Sargeant, 2001). As was the problem with the measure of transformational leadership however, there was little variability in these subjective measures. Participants tended to rate themselves as high in organizational commitment and engagement. So why were the regression analyses significant for the subjective measures but not the objective measures? Because past research has found that objective and subjective performance measures are not highly correlated, it is possible that the objective and subjective measures in my study were differentially affected by transformational leadership (Bommer, Johnson, Rich, Podsakoff, & MacKenzie, 1995). The relationships between the objective and subjective measures were all significant but not highly correlated (i.e., nothing above r = .26), which is consistent with past research. The second, and more probable explanation, is the presence of common method variance. These analyses included predictor and outcome variables that were obtained from the same source, i.e., the study participants. Additionally, these variables were obtained at the same time and with the same method via the questionnaire sent to all participants. Because of these method and source biases, the observed relationships between transformational leadership and the subjective performance measures are potentially spurious and not indicative of an actual relationship (Podsakoff, MacKenzie, Lee, &

Podsakoff, 2003). Therefore, the interpretation that transformational leadership promotes increased commitment and engagement is potentially threatened by common method variance.

#### **Limitations and Future Directions**

One limitation of the present study is its design. Because the predictor (i.e., transformational leadership) and some of the outcome variables (i.e., the subjective performance measures) were collected at the same time and from the same person, they may share common method variance. Future research should consider collecting data from different sources and/or at different points in time. For example, past research has linked transformational leadership with increased organizational citizenship behaviors (OCBs) of followers, and this can be evaluated by supervisors or colleagues (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Additionally, future research should consider using measures that employ different scales and anchors in order to further reduce method biases.

The three objective outcome variables were not obtained from the same source as the predictor. However, the relationships between the predictor and outcome variables were quite weak and ultimately not significant. My decision to establish direct links between transformational leadership and the objective performance measures is another design limitation. Given the multidimensional nature of transformational leadership, future research should consider potential indirect effects instead. Past research has suggested examining role ambiguity, trust, higher purpose, effort, confidence, satisfaction, and motivation as potential mediators (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Sparks & Schenk, 2001). Ultimately, mediators may better our understanding of the mechanisms through which transformational leaders transform their followers' attitudes and behaviors.

Another limitation in the design of the study is the representativeness of the data. Data were collected from distributors at one MLM organization. Additionally, participants belonged to one high-ranking distributor's downline. While there should not be any concerns regarding the ability to generalize these results to other MLM organizations, this is still important to note. Additionally, data were cross-sectional in nature. Leadership behavior and the subjective performance measures were collected from participants at one point in time. The objective measures assessed sales performance over a short time period (i.e., the first 30-90 days in the organization). It is therefore difficult to make any causal inferences. Future studies could attempt to incorporate a longitudinal design in order to examine how transformational leadership influences performance over time.

As previously mentioned, there appears to be a restriction in range in the transformational leadership measure. Participants overwhelmingly rated their sponsors as high in transformational leader behavior. There are a couple possible explanations for these high ratings. First, transformational leadership is a subjective measure in which participants were asked to rate their sponsors. However, subjective ratings are subject to rating errors and therefore do not always provide the most accurate responses. And second, we must consider the nature of the sponsor-recruit relationship. Sponsors have full control over who they can recruit into the organization, and are therefore more likely to recruit people they personally know (e.g., family members and friends). Because of the personal nature of this relationship, I suspect that participants felt more inclined to rate their sponsors highly on the transformational leadership measure. Participants also rated themselves highly on the subjective performance measures. While it is possible that they are actually highly committed and engaged, the responses could also be biased due to social desirability.

I also did not assess the participants' contact with their sponsors. How often do they interact with their sponsors, and is this enough to provide an accurate assessment of their transformational leadership behaviors? In their study of transformational leadership in the MLM setting, Sparks and Schenk (2001) controlled for this by making sure distributors lived in the vicinity of their sponsors, which they based on zip code. Zip code was essentially used as a proxy for face-to-face contact. However, it is possible to live within the vicinity of a sponsor but in another zip code. Additionally, living within the vicinity of a sponsor does not guarantee face-to-face contact. Instead, asking how frequently distributors interact with their sponsors in a professional context in a typical week or month is a potential solution. Distributors who respond to the questionnaire but have little to no contact with their sponsors could then be excluded from the sample. This could potentially provide a sample of distributors who are better able to assess their sponsors' transformational leadership behaviors. However, the minimum level of contact necessary for inclusion is subjective and would have to be well-defined through consultation with organizational leaders and/or distributors.

## **Conclusion**

This study investigated the effects of transformational leadership on performance in the multilevel marketing (MLM) setting. While transformational leadership positively predicted the subjective performance measures of organizational commitment and work engagement, it did not predict the objective sales measures. These results would seem to suggest that sponsors' transformational leadership promotes increased commitment and engagement amongst their distributors, but experimental design limitations make it difficult to draw any definitive conclusions. Therefore, I am unable to offer any practical implications at this time. Further

research is necessary to better understand the impact of transformational leadership in such a unique setting as MLM.

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#### **Chapter VI: Appendix**

#### **Leader Behavior Scale**

#### Item

#### **Articulating a Vision**

Has a clear understanding of where we are going.

Paints an interesting picture of the future for our group.

Is always seeking new opportunities for the organization.

Inspires others with his/her plans for the future.

Is able to get others committed to his/her dream.

# **Providing an Appropriate Model**

Leads by "doing," rather than simply by "telling."

Provides a good model for me to follow.

Leads by example.

## **Fostering the Acceptance of Group Goals**

Fosters collaboration among work groups.

Encourages employees to be "team players."

Gets the group to work together for the same goal.

Develops a team attitude and spirit among employees.

## **Setting High Performance Expectations**

Shows us that he/she expects a lot from us.

Insists on only the best performance.

Will not settle for second best.

#### **Providing Individualized Support**

Acts without considering my feelings. (R)

Shows respect for my personal feelings.

Behaves in a manner thoughtful of my personal needs.

Treats me without considering my personal feelings. (R)

#### **Intellectual Stimulation**

Challenges me to think about old problems in new ways.

Asks questions that prompt me to think.

Has stimulated me to rethink the way I do things.

Has ideas that have challenged me to reexamine some of the basic assumptions about my work.

#### **Contingent Reward**

Always gives me positive feedback when I perform well.

Gives me special recognition when my work is very good.

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. (R)

Responses to each item are measured on a 7-point scale with scale point anchors labeled: (1) strongly disagree; (2) moderately disagree; (3) slightly disagree; (4) neither disagree nor agree; (5) slightly agree; (6) moderately agree; (7) strongly agree. An "R" denotes a reverse coded item.

# Organizational Commitment Questionnaire (OCQ)

#### **Item**

I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.

I talk up this organization to my friends as a great organization to work for.

I feel very little loyalty to this organization. (R)

I would accept almost any type of job assignment in order to keep working for this organization.

I find that my values and the organization's values are very similar.

I am proud to tell others that I am part of this organization.

I could just as well be working for a different organization as long as the type of work was similar. (R)

This organization really inspires the very best in me in the way of job performance.

It would take very little change in my present circumstances to cause me to leave this organization. (R)

I am extremely glad that I chose this organization to work for over others I was considering at the time I joined.

There's not too much to be gained by sticking with this organization indefinitely. (R)

Often, I find it difficult to agree with this organization's policies on important matters relating to its employees. (R)

I really care about the fate of this organization.

For me this is the best of all possible organizations for which to work.

Deciding to work for this organization was a definite mistake on my part. (R)

Responses to each item are measured on a 7-point scale with scale point anchors labeled: (1) strongly disagree; (2) moderately disagree; (3) slightly disagree; (4) neither disagree nor agree; (5) slightly agree; (6) moderately agree; (7) strongly agree. An "R" denotes a negatively phrased and reverse scored item.

# **Utrecht Work Engagement Scale-9 (UWES-9)**

## **Items**

Never 0	Almost Never	Rarely 2	Sometimes 3	Often 4	Very Often 5	Always 6
Never	A few times a year or less			Once a week	A few times a week	Every day

At my work, I feel bursting with energy. (VI)

At my job, I feel strong and vigorous. (VI)

I am enthusiastic about my job. (DE)

My job inspires me. (DE)

When I get up in the morning, I feel like going to work. (VI)

I feel happy when I am working intensely. (AB)

I am proud of the work that I do. (DE)

I am immersed in my work. (AB)

I get carried away when I am working. (AB)

*Note*. VI = Vigor scale; DE = Dedication scale; AB = Absorption scale