


2018

Effects of Income Level on the Relationship Between Leadership and Employee Behavior

Andrew James Sherman
Walden University

Follow this and additional works at: <https://scholarworks.waldenu.edu/dissertations>

 Part of the [Business Administration, Management, and Operations Commons](#), [Management Sciences and Quantitative Methods Commons](#), and the [Organizational Behavior and Theory Commons](#)

This Dissertation is brought to you for free and open access by the Walden Dissertations and Doctoral Studies Collection at ScholarWorks. It has been accepted for inclusion in Walden Dissertations and Doctoral Studies by an authorized administrator of ScholarWorks. For more information, please contact ScholarWorks@waldenu.edu.

Walden University

College of Management and Technology

This is to certify that the doctoral dissertation by

Andrew Sherman

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee

Dr. Steven Tippins, Committee Chairperson, Management Faculty

Dr. David Banner, Committee Member, Management Faculty

Dr. Sunil Hazari, University Reviewer, Management Faculty

Chief Academic Officer

Eric Riedel, Ph.D.

Walden University

2018

Abstract

Effects of Income Level on the Relationship Between Leadership and Employee

Behavior

by

Andrew J. Sherman

MS, Western Carolina University, 2012

BS, Auburn University, 2004

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

May 2018

Abstract

Previous research has indicated that leadership affects employee behavior, but additional research could explain how this relationship is mediated. The purpose of this correlational, quantitative design study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior within the United States. The general problem for leaders is the lack of a comprehensive understanding regarding the relationship between their leadership and employee behavioral outcomes. The specific management problem is that unintended employee behavioral outcomes may be due to leadership decisions made without consideration given to the mediating effects of employee income level. Based on Adams's equity theory, the primary research question for this study was "How does income level affect the relationship between leadership and employee behavior?" To answer this question I collected a dataset of 95 individuals using an online survey through Qualtrics. Income level was examined as a mediation variable between leadership styles and employee behavior in this study; however, there was no significant relationship between leadership and employee behavior present in the dataset. It was hypothesized that income level partially mediates the relationship between leadership and employee behavior, but the results indicated that income level does not mediate the relationship between leadership and employee behavior. This research is relevant to the field of management and has a positive social change implication because it demonstrates that the understanding regarding leaders and employees may not be as significantly correlated as previously demonstrated.

Effects of Income Level on the Relationship Between Leadership and Employee
Behavior

by

Andrew J. Sherman

MS, Western Carolina University, 2012

BS, Auburn University, 2004

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

May 2018

Dedication

This dissertation is dedicated to my parents, my wife and my two daughters. My parents, Byron and Deborah Sherman, have always seen my academic potential even when I did not see it myself. My wife, Katie Sherman has supported me in countless ways over the last 12 years, and she has been especially supportive of my journey throughout this dissertation process. Finally, this work is dedicated to my amazing daughters, Beth Anne and Lainey Sherman. I hope that this dissertation serves as a reflection of my life-long attempt to lead you by example, and that you will be able to use this as motivation to achieve your own personal goals in the future.

Acknowledgments

Special thank you to my committee for such great and positive support throughout the progress of this dissertation. Also, special thanks to my wife Katie who supported me and pushed me to excellence in all aspects of my life. I would have never been able to complete this doctoral journey without your support. Thank you to Drs. Saad Hassan and Masood ul Hassan for permission to expand your research regarding mediation effects on the relationship between leadership and employee behavior. Your work has inspired me in both this project and will continue to inspire me in my future research endeavors.

Table of Contents

List of Tables	v
List of Figures	vi
Chapter 1: Introduction to the Study.....	1
Background of the Study	3
Problem Statement	5
Purpose of the Study	7
Research Questions and Hypotheses	8
Theoretical Foundation	9
Nature of the Study	10
Motivation for Research	13
Definitions.....	14
Assumptions.....	15
Scope	16
Limitations	17
Significance of the Study	17
Significance to Theory	18
Significance to Practice.....	19
Significance to Social Change	19
Summary	20
Chapter 2: Literature Review.....	22
Literature Search Strategy.....	23

Theoretical Foundation	25
Predictor Variable: Leadership	28
Employee Behavior.....	31
Income Level	34
Research Variables.....	35
Predictor Variable: Leadership	35
Criterion Variable: Employee Behavior	37
Mediation Variable: Income Level	40
Synthesis of Seminal and Current Research	42
Methodology	44
Other Relevant Research.....	47
Controversial Findings.....	51
Predictor Variable: Leadership	51
Ethical Leadership	52
Empowering Leadership	53
Gap Identified in Current Literature	54
Summary	55
Chapter 3: Research Method.....	57
Research Design and Rationale	58
Research Questions.....	58
Methodology	59
Population	59

Sampling	60
Procedures for Recruitment, Participation, and Data Collection	60
Instrumentation and Operationalization of Constructs	61
Predictor Variables.....	62
Criterion Variables.....	64
Mediation Variable	66
Data Analysis Plan.....	66
Assumptions.....	67
Analysis.....	69
Threats to Validity	69
Internal Validity	70
External Validity.....	71
Construct Validity.....	71
Ethical Procedures	72
Summary	73
Chapter 4: Results	74
Data Collection	75
Changes to Data Collection Plan	75
Representative Sample.....	76
Study Results	78
Sampling Accuracy and Reliability	78
Regression Assumptions.....	80

Linear Regression	86
Multiple Linear Regression.....	88
Findings.....	91
Summary	93
Chapter 5: Discussion, Conclusions, and Recommendations	94
Interpretation of Findings	96
Limitations of the Study.....	97
Recommendations.....	98
Implications.....	99
Conclusions.....	100
References.....	102
Appendix A: Author Approvals.....	117
Appendix B: Survey.....	119

List of Tables

Table 1. Sample Reliability.....	79
Table 2. Descriptive Statistics.....	80
Table 3. Sample Distribution	81
Table 4. Regression Model–Multicollinearity Test	84
Table 5. Homogeneity of Variance Test: Glejser Test	84
Table 6. Pearson Correlation Coefficients	86
Table 7. Leadership and Income Level Regression Model.....	87
Table 8. Leadership and Income Level Regression Coefficients	87
Table 9. Employee Behavior and Income Level Regression Model	87
Table 10. Employee Behavior and Income Level Regression Coefficients	88
Table 11. Leadership and Employee Behavior Regression Model.....	89
Table 12. Leadership and Employee Behavior Regression Coefficients.....	89
Table 13. Leadership and Employee Behavior Regression Model.....	90
Table 14. Leadership and Employee Behavior Regression Coefficients.....	90
Table 15. Two-Block Multiple Regression Model	91
Table 16. Two-Block Multiple Regression Coefficients	91

List of Figures

Figure 1. Theoretical framework	9
Figure 2. Research framework	12
Figure 3. G*Power output for sample size.....	59
Figure 4. Leadership distribution histogram.....	80
Figure 5. Employee behavior distribution histogram	82
Figure 6. Income level distribution histogram.....	82

Chapter 1: Introduction to the Study

One of the most important topics in the field of management is leadership. At its core, leadership is about generating expected behaviors in followers (Kellerman, 2007). One of the most important aspects of the relationship between a leader and an employee is the wage paid to the employee for labor because that income is one of the major motivational factors for an employee (Adams, 1963). The wages paid to employees is the largest cost of doing business (U.S. Bureau of Economic Analysis, 2016), and the return on investments for this cost is of critical importance to business organizations. In this study, I examined the relationship between leadership and employee behavior by testing the effect of employee income level on the relationship.

Business leaders and organizations expect positive employee behavioral outcomes in return for the wages paid, and those positive behavioral outcomes are vital to organizational success (Czaplewski, Key, & Van Scotter, 2016). As a business leader, I have been a stakeholder from both the leadership and employee perspective about investing resources, such as wages, with an expected return of intended employee behavioral outcomes. Over the past couple of years, I have explored the existing seminal and current literature to find empirical evidence to explain this observation.

Upon initial review of the literature, I was not able to find any empirical evidence to support the hypothesis that employee income level mediates the relationship between leadership and employee behavior. I did find that other researchers (Leana & Meuris, 2015) had also observed the same gap in the literature. Leanna and Meuris (2015) asserted that despite the critical role of income level, income level had not been heavily

researched. Considering how important this variable is in the motivation of employees (Adams, 1963), this research project can add supportive empirical evidence for wage equity theory. Based on this gap in literature, I examined the mediation of employee income level on the relationship between leadership and employee behavior.

While reviewing the current literature pertaining to the mediation of the relationship between leadership and employee behavior, I found a study that gave empirical support for the mediation of perceived organizational support on the relationship between leadership and employee behavior (Hassan & Hassan, 2015). In this study, I partially replicate Hassan and Hassan's (2015) research with the authors' permission as noted in Appendix A. This study could also expand the current knowledge on the subject by including a test of the mediation effects of employee income on the relationship between leadership and employee behavior. By building on Adams's (1963) equity theory and using Hassan and Hassan's (2015) survey, I expand upon both studies to further the understanding of the leadership and employee behavior relationship.

I partially replicated Hassan and Hassan's (2015) study by using the research instruments to measure the leadership and employee behavior variables. However, I introduced a different mediation variable (employee income level) for mediation testing. For this study, leadership was examined using three variables: leader-member exchange (Cropanzano, Dasborough, & Weiss, 2017), organizational justice (Moorman & Byrne, 2013), and empowering leadership (Dong, Bartol, Zhang, & Li, 2017). Employee behavior was examined using three variables: job performance (Conte, Heffner, Roesch,

& Aasen, 2017), organizational citizenship (Organ, 2017), and reduced withdrawal behavior (Afsar, Ali, Dost, & Safdar, 2017).

In this chapter, I present the academic background for the variables I used with a preliminary literature review. Next, I define the problem statement for this research study. Also included in this chapter is the purpose statement and the research questions that I explored. In addition to those core concepts, this chapter also includes an introduction to the research framework, methodology, and implications for social change involved with this research project. The potential social change implication for this study is an improvement in the relationship between leaders and employees at differing employee income levels.

Background of the Study

The focus of this study was the effects of employee income level on the relationship between leadership and employee behavior. This study is based on the theoretical foundation of wage equity theory established by Adams (1963). Adams stated that employee income equality leads to properly motivated employees who produce intended behavioral outcomes, while employees who perceived their income to be unfair may not be motivated to perform their work well.

This study was needed to generate empirical data to support Adams's (1963) theory. I partially replicated (Easley, Madden, & Dunn, 2000) a previous study in Pakistan (Hassan & Hassan, 2015) that included testing of perceived organizational support as a mediation variable for the relationship between leadership and employee behavior. In this study, I replicated the predictor variables, criterion variables, and

methodology, but incrementally expanded the knowledge of that study by using a new meditation variable and using a different population.

The seminal research for this study was Adams's (1963) idea that income, or wage inequality, is a social consideration for leaders. Other authors examined Adams's ideas in various ways such as Blau's (1964) concept of distributive justice. Leanna and Meuris (2015) examined the effect of income and income inequality on professional and personal behavior, and they also concluded that there had been very little theoretical research conducted on income level as a variable even though it is important. I further explored income and leadership by testing employee income level as a meditation variable on the relationship between leadership and employee behavior using multiple variables for leadership as predictor variables and multiple employee behavioral variables as criterion variables.

I used the leadership and employee behavior variables examined by Hassan and Hassan (2015) in a study on perceived organizational support as a mediation variable on the relationship between leadership and employee behavior to measure leadership and employee behavior. The leadership variables measured and analyzed as predictor variables were leader-member exchange (Janssen & Yperen, 2004; Zivnuska, Kacmar, & Valle, 2017), organizational justice (Francis & Barling, 2005; Gozukara, 2017), and empowering leadership (Mekpor, Mekpor, Dartey-Baah, & Dartey-Baah, 2017; Vecchio, Justin, & Pearce, 2010). The employee behavioral variables examined in this study were job performance (Chiang & Hsieh, 2012; Joseph, Jin, Newman, & O'Boyle, 2015), organizational citizenship behavior (Chiang & Hsieh, 2012; Tuan, 2017), and reduced

withdrawal behavior (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001; Smith, Micich, & McWilliams, 2016). The mediation variable tested in this study was employee income level.

Adams (1965) also produced seminal research on the concept of organizational justice in his equity theory by exploring the negative behavioral consequences of injustice within organizations. In this study, I measured leader-member exchange (Dulebohn, Wu, & Liao, 2017); organizational justice, which is a culture of fairness (Strom, Sears, & Kelly, 2014); and ethical leadership (Demirtas & Akdogan, 2015) as predictor variables for employee behavior. Because this study was about employee income level, it was important to measure multiple aspects of leadership experienced by respondents to ensure that any difference in employee behavior was a result of income level difference and not from poor leadership.

The effect of income level on the relationship between leadership and employee behavior is a gap in the literature that may be more important than previously understood. Employee income level can have wide-ranging impacts on an employee (Vohs, 2013). This study provides future leaders guidance for evaluating their workplace relationship relative to each employee's current income level.

Problem Statement

The general management problem was that global competition requires organizations to maximize the performance of their employees to respond quickly to the changing market conditions and remain competitive from a cost management and innovation perspective (Hassan & Hassan, 2015). The specific management problem was

that unintended employee behavioral outcomes such as poor job performance, lack of organizational citizenship, or withdrawal behavior, may be due to leadership decisions made without consideration given to the mediating effects of employee income level on the relationship between leadership and employee behavior. Crabtree (2013) noted that only 13% of employees are actively engaged at work. Because positive employee behavioral outcomes and attitudes are vital to organizational success, active employee engagement is a challenge that should be addressed by future leaders (Czaplewski et al., 2016).

By completing this research, and informing future leaders about income level as a mediation variable, there may be a positive social change for both leaders and employees by potentially lessening unnecessary income inequality. Blau (1964) asserted that part of a leader's role is to motivate employees to increase job performance and citizenship behavior. While there are numerous ways for leaders to motivate employees, many of them are based on the wages paid to the employee. To motivate their employees properly, leaders need to understand how income level affects their relationship with employees at different levels (Gerhart, 2017).

For business organizations, return on investment for employee labor costs is important. The largest cost of doing business is employee compensation, which comprises 57.4% of the total cost of doing business operations according to the U.S. Bureau of Economic Analysis (2016). Employee compensation is also the largest part of gross domestic income (U.S. Bureau of Economic Analysis, 2016). Because it is the greatest cost of doing business and the largest component of gross domestic income, the

importance of how employee income level mediates the relationship between leadership and employee behavioral outcomes is critical to the survivability of any organization.

Leaders who do not fully understand the mediation variables between leadership and employee behavior may suffer from poor employee performance that can render the organization unable to remain profitable in an evolving marketplace (Hassan, Hassan, & Shoaib, 2014). This lack of leader understanding coupled with the growing income disparity in the United States (Zardkoohi & Bierman, 2016) has created a need for additional leadership theory about employee income level effects on the relationship between leadership and employee behavior. The focus of this study was to expand upon the previous research by testing the mediation effects of employee income level on the relationship between leadership and employee behavior.

Purpose of the Study

The purpose of this correlational, quantitative design study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior in the United States. This study is an incremental expansion of knowledge to Adams's (1963) equity theory using established instruments for measuring the leadership and employee behavior relationship. The research design partially replicates previous research by Hassan and Hassan (2015), who reviewed the mediation effects of perceived organizational support on the relationship between leadership and employee behavior.

I combined Hassan and Hassan's (2015) design with Adams's (1963) theory to examine empirical evidence that could support or detract from Adams's theory. The following three leadership variables were used to measure leadership:

- Leader-member exchange (Janssen & Yperen, 2004)
- Organizational justice (Francis & Barling, 2005)
- Empowering leadership (Vecchio, Justin, & Pearce, 2010)

The following three employee behavior variables were used to measure employee behavior:

- Job performance (Chiang & Hsieh, 2012)
- Organizational citizenship behavior (Chiang & Hsieh, 2012)
- Reduced withdrawal behavior (Eisenberger et al., 2001)

Research Questions and Hypotheses

The research questions, hypotheses, and null hypotheses for this project were as follows:

RQ1: How does employee income level mediate the relationship between leadership and employee behavior?

H_a : Employee income level partially mediates the relationship between leadership and employee behavior.

H_0 : Employee income level does not mediate the relationship between leadership and employee behavior.

RQ2: How is employee income level related to leadership?

H_a : There is a significant, positive relationship between employee income level and leadership.

H_0 : There is no relationship between employee income level and leadership.

RQ3: How is employee income level related to employee behavior?

H_a : There is a significant, positive relationship between employee income level and employee behavior.

H_0 : There is no relationship between employee income level and employee behavior.

Theoretical Foundation

The theoretical foundation for this study was based on Adams's (1963) equity theory but also encompasses Hersey and Blanchard's (1977) situational leadership theory as well as Fiedler's (1964) contingency theory. Adams's (1963) equity theory is based on the idea that wage equalities lead to intended employee behavioral outcomes mediated through increased employee motivation while wage inequalities perceived or real lead to reduced employee motivation and thereby unwanted behavioral outcomes. Adams's equity theory is a motivational theory that regards income equity as a balance between an employee's perceived inputs and the outputs to the employee from the organization. Therefore, the mediation variable of employee income level is based on Adams's (1963) equity theory.

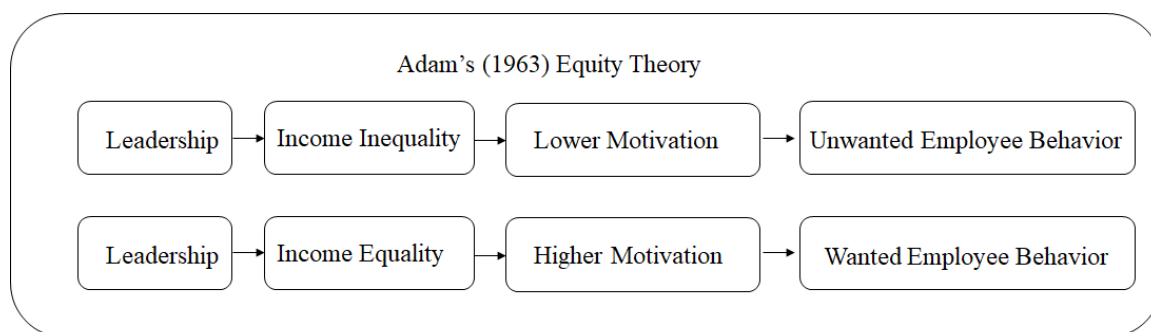


Figure 1. Theoretical foundation

Along with Adams's equity theory, this research project was also based on other leadership theories and employee behavioral theories. For example, Burns (1978) established leadership as a predictor of employee behavior.

The predictor category of leadership theoretical foundation for this study consisted of the following three concepts: leader-member exchange, organizational justice, and empowering leadership. Employee behavior as a criterion variable has also been well established in the literature (Roethlisberger, Dickson, Wright, & Pforzheimer, 1939). For this research study, the criterion variable category of employee behavior theoretical foundation consisted of the following three categories: job performance, organizational citizenship, and reduced withdrawal behavior.

Nature of the Study

The research method for this study was correlational and quantitative using multiple regression for mediation testing and analysis. The data collection consisted of current employees of various income levels within the United States, with a target of 74 responses based on the G*power analysis that will be demonstrated in Chapter 3. The targeted source of recruitment was Qualtrics with a contingency plan to use Walden

University's participant pool. The data were analyzed using SPSS to determine the correlation between the predictor variables and the criterion variables as well as experimental differential testing of the mediating effects of the income levels between the predictor and criterion variables. This research may allow business leaders to gain a better understanding of how their leadership affects employee behavior at different income levels and therefore improve their future labor policy decisions.

With the permission of the authors, displayed in Appendix A, I adopted a survey questionnaire from a recent study by Hassan and Hassan (2015) for the predictor and criterion variables. All the variables included in this study have been well established in the literature and researchers continue to use them in the current literature. Therefore, the variables chosen are both accepted and relevant for continued use in this study. The variables that comprised the predictor variable category were leader-member exchange (Blau, 1964; Cropanzano et al., 2017), organizational justice (Adams, 1965; Goth, Bergsli, & Johanesen, 2017), and empowering leadership (Morrison, 1996; Kim & Beehr, 2017). The variables that comprised the criterion category were job performance (Eisenberger, Fasolo, & Davis-LaMastro, 1990; Kooij, Tims, & Akkermans, 2017), organizational citizenship behavior (Roethlisberger et al., 1939; Organ, 2017), and reduced withdrawal behavior (Cropanzano, Rupp, Mohler & Schminke, 2001; Bai, Dong, Liu, & Liu, 2017).

I describe the predictor and criterion variables in more detail in the Definitions section and Chapter 2. The data collection instruments are listed Chapter 3. The predictor and criterion variables were 5-point Likert scale, ordinal variables, and income level was

a categorical, mediating variable. The framework for this research project is shown in Figure 2. I hypothesized that income level mediates the relationship between organizational justice and employee behavior partially mediates the relationship between leader-member exchange and employee behavior and fully mediates the relationship between empowering leadership and employee behavior.

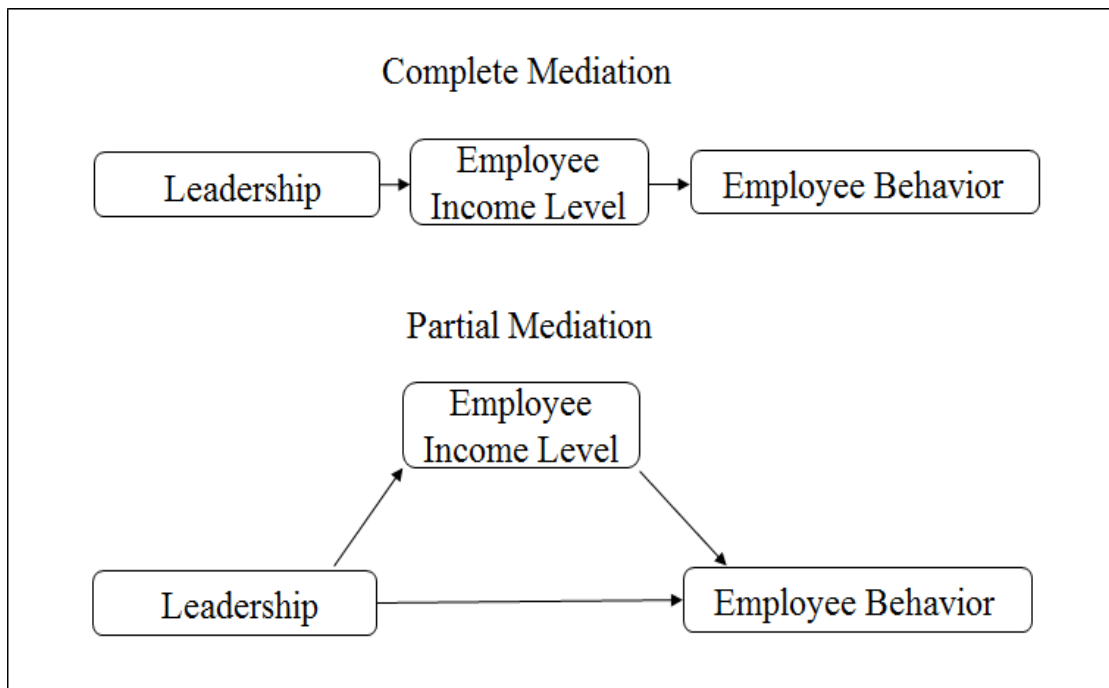


Figure 2. Research framework

The framework for this project was used to measure leadership variables as predictor variables to the criterion variables of employee behavior and tested the mediation effects of income level (Adams, 1963). After a review of the theories for the study, I concluded that income level could mediate the relationship between leadership and employee behavior. The research framework was developed by combining Adams's (1963) equity theory with Hassan and Hassan's (2015) findings. I tested for partial or full

mediation of employee income level on the relationship between leadership and employee behavior.

Motivation for Research

As a business leader working in five different labor-intensive industries—military, construction, recycling, manufacturing, and facilities operations and maintenance—I have developed an understanding that the relationship between leadership and employee behavior is a key component for organizational success. As a business executive, I have been involved in both corporate leadership and strategic planning as well as day-to-day operations management. Throughout my business career, I have observed that policy implementation and strategic decisions at the corporate level seem to be met with various employee behavioral responses at the operational level. Perhaps individuals who are receiving more compensation for their labor feel they owe more to the organization with regard to buy-in.

Prior to this study, I have observed that the variance in the behavioral responses may be correlated with the income level of the individual employee, but I lacked empirical evidence due to a gap in literature. Studying the hypothesis that employee income level mediates the relationship between leadership and employee behavior can advance the current leadership theory. Accepting the hypothesis would have allowed me as a business leadership practitioner to customize policy decisions based on individual employee income level; however, the hypothesis was not supported by the results. Accepting the null hypothesis also adds to the future decision making, but not in the way previously anticipated.

Definitions

Employee behavior: The sum of the variables including job performance (Kooij, Tims, & Akkermans, 2017), organizational citizenship behavior (Organ, 2017), and reduced withdrawal behavior (Bai et al., 2017).

Empowering leadership: Allowing independent decision-making by employees for decisions historically reserved for leadership (Kim & Beehr, 2017).

Income level: The total base compensation paid to an employee through annual salary, nonincentive wages, and hourly pay or negotiated monetary fringe benefits (Leana & Meuris, 2015).

Job performance: The degree to which an employee satisfies the requirements of his or her employment (Kooij et al., 2017).

Leader: An individual within an organization responsible for influencing and maximizing subordinates effort (Kruse, 2013).

Leadership: In this study, leadership was used as a category comprised of leader-member exchange (Cropanzano et al., 2017), organizational justice (Adams, 1965), and empowering leadership (Kim & Beehr, 2017).

Leader-member exchange: The interpersonal interaction between a leader and his or her subordinates (Cropanzano et al., 2017).

Organizational citizenship behavior: Actions taken that demonstrate an employee's voluntary commitment to their organization (Organ, 2017).

Organizational justice: The sum effect of distributive fairness, interactional fairness and procedural fairness within an organization (Hassan & Hassan, 2015).

Reduced withdrawal behavior: The decline of negative employee actions such as tardiness, absenteeism, or calling in sick (Afsar et al., 2017).

Assumptions

The general assumptions for this study were as follows:

- Enough employees are willing to volunteer their responses to provide a valid sample, and Qualtrics has access to this population.
- The empirical data and subsequent analysis will yield useful practical application conclusions with positive social change implications.
- The data gathered in this study indicates that income level does mediate the relationship between leadership and employee behavior. Therefore, leaders may be able to use this information to make better business decisions.

Along with the general assumptions, this study also had several statistical assumptions to test for mediation using linear regression. Baron and Kenny (1986) listed the following assumptions for mediation testing:

- The assumptions for linear regression:
 - Normally distributed population
 - The sample is representative of the population
 - Independent observations
 - Homogeneity of variance
 - Homogeneity of regression
 - No multicollinearity

- There is a significant correlation between the predictor variable and the criterion variable.
- There is a significant correlation between the predictor variable and the mediation variable.

In this study, the assumptions for linear regression were tested first, although some multicollinearity was expected with the mediation variable present. Secondly, the mediation assumptions were tested using linear regression to determine the relationship between leadership and employee behavior as well as measure the relationship between leadership and employee income level. Finally, once the assumptions for mediation were satisfied, a multiple regression model was used to test the mediation effects of employee income level on the relationship between the predictor and criterion variables.

Scope

The scope of this correlational, quantitative study using mediation testing was to examine how employee income level effects the relationship between leadership and employee behavior. The research delimits any variable not identified by the research questions, and the scope only encompasses variables explicitly defined and studied by previous peer-reviewed research. The targeted population for this study was current employees in the United States. This study also excludes any longitudinal aspect of research for the identified variables. Because the variables included basic leadership concepts, and previous researchers have conducted a similar study (Hassan & Hassan, 2015), the results of this study could be combined with their finding to generalize the results further.

Limitations

The main limitation of this study is the use of a 5-point Likert-type scale similar to Hassan and Hassan (2015) to measure the variables. While the Likert-type scale is one of the most commonly accepted scales for measuring self-reported feelings and perceptions, it only uses one type of response (Ho, 2017). The study is also limited by a lack of longitudinal aspect, because all data collected was from a single survey. This lack of a longitudinal element could be overcome in future research, but was not practical to address in this project. The expected sample for this project came from one organization, which also limits the extent to which the results can be generalized. Future research could further generalize the results by replicating the study on different populations.

Significance of the Study

This study is significant because it could expand future leaders' understanding regarding employee behavior outcomes in response to their leadership at various income levels. A recent poll showed that 13% of employees are actively engaged at work (Crabtree, 2013). Because the largest cost of doing business is employee compensation (U.S. Bureau of Economic Analysis, 2016), positive employee behavioral outcomes and attitudes are vital to organizational success (Czaplewski et al., 2016), and active employee engagement is an ongoing challenge for business leaders. Knowledge gained by this study could better prepare leaders to influence employees at differing income levels more appropriately and thereby improve individual and group performance.

In this study, I expanded the work by Hassan and Hassan (2015) by testing income level as a mediation variable between leadership and employee behavior. In their

publication, Hassan and Hassan called for future research using a sample from a western country. In this study, I used a sample collected from the U.S. employee population, which further generalizes some of the relational findings presented in the initial research. In conjunction with the results of the Hassan and Hassan project, this study gives leaders a more comprehensive understanding of the mediating variables affecting the relationship between leadership and employee behavior.

Significance to Theory

The specific management problem that was addressed by this study is the fact that there are unintended negative employee behavioral outcomes potentially resulting from leaders making decisions with an inadequate understanding of the mediating effects of employee income level on the relationship between leadership and employee behavior. Because a primary duty of a leader is to motivate employees to improve job performance (Blau, 1964; Hassan & Hassan, 2015), the absence of empirical information on this relationship is a significant gap in the current academic management theory.

Demonstrating a statistically significant finding of the relationship between leadership, employee behavior, and income level, has numerous theoretical implications for the field of management. For example, a new leadership style theory may be formulated based on managing employees differently at varying income levels. Current leadership theories such as empowering leadership (Kim & Beehr, 2017) could also be expanded to include income levels for which the theory is most appropriate.

Significance to Practice

While the findings of this study could be used to affect leadership theory development significantly, there are significant practical applications as well. Most corporate policies in the United States today only take into account the distinction between overtime exempt and hourly wage earner. With data suggesting that leadership policies impact employees in different ways depending on income level, future business policy designers and executive decision makers may develop unique plans for each income level. While this idea of specializing policy to income level may require further research, proper application of this approach would result in a competitive advantage for an organization implementing the more efficient policies.

Significance to Social Change

By completing this research, and informing future leaders about income level as a mediation variable, there may be a positive social change for both leaders and employees by potentially lessening unnecessary income inequality. Blau (1964) asserted that part of a leader's role is to motivate employees to increase job performance and citizenship behavior. In this study, I measured the effects of leadership on both employee's job performance and citizenship behavior. For leaders to motivate their employees properly, they need to understand how income level influences their relationship with employees at different levels (Gerhart, 2017). By completing this research, and informing future leaders about income level as a mediation variable, there may be a positive social change for both leaders and employees by potentially lessening unnecessary income inequality.

Any improvement to the current understanding of the relationship between leadership and employee behavior will benefit business organizations, leaders, employees, and the communities where the leaders and employees live and work. For the organizations, a better understanding of this relationship throughout an organization could lead to better policy creation and implementation, which provides a better return on investment for labor dollars spent on employee wages. For the leaders striving to maximize the potential of their employees, a better understanding of their relationship with their employees about the employee's income level could lead to more customized coaching and mentoring of individual employees at differing income levels. For the employees and the communities that they live in, having a better work place that is sustainable over time brings enduring economic growth and stability.

Summary

The focus of this study was the influence of leadership on employee behavior at various income levels. There is existing qualitative and quantitative data regarding the topic of leadership, but the literature is further expanded with this study. The primary inspiration for this study came from two places: my personal observations as a business executive and a recent study by Hassan and Hassan (2015), which showed that there is at least one mediation variable that affects the relationship between leadership and employee behavior. The goal of this study was to expand that research by testing the mediation effects of employee income level on the relationship between leadership and employee behavior.

By using the leadership and employee behavior variables already established in the literature and adding income level as a mediation variable, I hoped to further the existing knowledge for leadership practitioners and management scholars. In this chapter, I have explained the background for the study and introduced the problem statement, purpose and research questions. The next chapter is an exhaustive literature review of both the seminal and current research for each identified variable. The next chapter includes a literature review of the methodology and demonstrates the income level interaction with leadership and employee behavior is an important gap in the current literature.

Chapter 2: Literature Review

The purpose of the previous section was to explain the existing management problem that I addressed with this research project and demonstrate alignment between that problem and the research plan. The purpose of this literature review is to explain the current state of the academic literature pertaining to this research study regarding the effects of employee income level on the relationship between leadership and employee behavior. In this chapter, I present a comprehensive literature review with a primary focus on peer-reviewed articles written in the last 5 years.

In this chapter, I explain the strategy used to conduct the literature review and the theoretical foundation for this study along with articles related to the individual variables that are measured. This review includes both seminal and current works and a synthesis of the literature. The methodology for this study is explored as well as previous similar studies. Finally, this review includes a demonstrated gap in the existing literature to be explored by this study

The management problem addressed by this research study was unintended employee behavioral outcomes due to employee response to leadership differing between different income levels. The purpose of this correlational, quantitative design study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior within a private sector, publicly traded company operating in the United States. This study is significant in a number of ways; the primary significance of this study as it relates to the existing literature is that this study expands the existing knowledge regarding employee response to leadership.

By expanding leadership knowledge, this study presents evidence to future leaders with regard to employee behavior outcomes in response to their leadership at various income levels. This expansion of leadership knowledge and furthering of leadership theory could be useful to both scholars and practitioners in the field of leadership. By examining leadership in this new way, I may be able to use the findings of this study as evidence to support a new theory of leadership that encompasses income level as the primary influencing factor on employee behavioral outcomes.

The primary research question of this study was “How does income level mediate the relationship between leadership and employee behavior?” Numerous variables needed to be measured to answer the research question. The variables identified in the previous chapter—leader-member exchange, organizational justice, empowering leadership, job performance, organizational citizenship behavior, and reducing withdrawal behavior—were the basis for the literature review process. This chapter furthers the discussion of the variables to demonstrate both the theoretical framework and current literature associated with this research study.

Literature Search Strategy

To complete the literature review for this research project, I used a systematic approach. After developing my research questions and a general concept of the methodology and variables, I began searching for literature (see Booth, Sutton, & Papaioannou, 2016). Because this research project was inspired by a previous study (Hassan & Hassan, 2015), I started by exploring the literature listed as support for the variables in that study.

I began the literature review process by searching for seminal articles pertaining to all the variables. Once I established the seminal background, I then used the *cited by* function of Google Scholar to find other current articles related to the topic. After reviewing over 250 peer-reviewed articles and over 20 books dating from 1960 to the present, I was not able to find any quantitative research on the mediation effects of employee income level on the relationship between leadership and employee behavior. Initially, I found that a majority of the seminal research for this area of management was conducted in the 1960s and further explored from the 1980s to the present.

It was challenging to find current literature, so I used Google Scholar's *since* function based on a 2015 year combined with *cited by* function while reference chaining from current relevant peer-reviewed articles. There was much literature on each of the variables; however, the focus of research for each of these variables has changed over time, which made it challenging to demonstrate the most current and accepted use of each variable. In the next section, I provide a theoretical framework on each of the variables from both a seminal and current perspective.

In addition to adding more current works to the literature review after an initial search, I added a section for controversial findings and conflicting leadership theories. This section includes any literature that I could find with evidence against accepting my alternate hypothesis as well as demonstrates the current state of debate among scholars regarding leadership theory. The fact that leadership theory still has aspects which are actively debated over 50 years after Adams's (1963) work suggests that the field of leadership is an ever-evolving field of study. While this study may expand the

knowledge of leadership, I believe leadership theory will always be in a state of discussion. The strategy for finding articles that offered negative opinions of the variables I have chosen for this study was to search for the following terms: *negative effects of leadership, negative effects of ethical leadership, and negative effects of empowering leadership.*

After the theoretical framework is established, I give an exhaustive literature review of the current peer-reviewed publications that could be relevant to the research topic. The primary library used was the Walden University Library, but I also included other publicly available references found by Google Scholar. Examples of search terms are as follows: *leadership, employee behavior, job performance, income level, employee compensation, organizational citizenship behavior, organizational citizenship behavior, organizational justice, procedural justice, ethical leadership, and leader-member exchange.*

Theoretical Foundation

Because it was my intent to examine the relationship between leadership and employee behavior in the United States, the theoretical foundation for this research project was based on management theory developed in the United States after the industrial revolution. The theoretical foundation for this study consisted of motivation, leadership, and employee behavioral theories. The primary foundation is Adams's (1963) equity theory, which is a motivational theory based on an individual employee's perception of balance between his or her input to an organization and the output received from the organization.

Adams's (1963) equity theory helps explain that employees who believe that their inputs such as qualifications, skills, or experience are balanced with the outputs (compensation) they receive are more likely to be highly motivated and thereby produce employee behaviors that are intended by their leaders. Conversely, employees who perceive an imbalance between their inputs and outputs will have reduced motivation and produce unwanted employee behaviors. For this study, this idea that employee income level was an important factor in the relationship between leadership and employee behavior is a seminal theory.

The contingency theory (Fielder, 1964) helps explain that the most desired course of action for organizational leaders is contingent upon the internal and external situation and is also seminal to this research when combined with Adams's (1963) equity theory. Contingency theory (Fielder, 1964) was important to the findings of this study because if there was a mediation effect of employee income level on the relationship between leadership and employee behavior, applying this finding would need different leadership courses of action based on differing employee income levels. Similarly, situational theory (Hersey & Blanchard, 1977) supports the idea that there is no best leadership style, but each leader must adapt his or her leadership to each situation.

In this study, the differing situations were the different income levels of employees. Building upon earlier research such as Adams's equity theory suggests that wage equalities lead to properly motivated employees and thereby result in employee behavioral outcomes that are intended by the leader. Conversely, Adams (1963) explained that any perceived wage inequality on the part of an employee can negatively

influence that employee's motivation and will most likely result in unwanted employee behavioral outcomes. Adams expanded his work in 1965 in addition to the others who have expanded his work (Blau, 1964; Burns, 1978) to incorporate various leadership and employee behavior variables.

While there are a great number of leadership and employee behavioral variables that can be used to effectively measure leadership and employee behavior, this study included limits to three leadership variables for the predictor category and three employee behavioral variables for the criterion category. Burns (1978) established a precedent for using leadership as a predictor of employee behavior. The predictor category for this study was leadership and consisted of the variables leader-member exchange (Blau, 1964), organizational justice (Adams, 1965), and empowering leadership (Morrison, 1996).

The following theories were the basis for the criterion variables of employee behavior: job performance (Eisenberger, Fasolo, & Davis-LaMastro, 1990), organizational citizenship (Roethlisberger et al., 1939), and withdrawal behavior (Cropanzano, Rupp, Mohler & Schminke, 2001). The research framework based on the above theories is shown in Figure 1. When combined, the above theories suggest that leadership effects employee behavior.

The following section includes an explanation of these ideas organized by variable type as I used them in the research process. This study was a correlational, quantitative design with mediation testing. Therefore, the variable categories were predictor, criterion, and mediation. Leadership theory has advanced significantly over

the last 30 years (Day, Fleenor, Atwater, Sturm, & McKee, 2014). There are entire academic publications such as *The Leadership Quarterly* that are peer-reviewed journals dedicated solely to the expansion of leadership theory. Leadership development theory is now its own area of research (Day et al., 2014), and this study may allow future leadership development practitioners and scholars to assess leadership development curriculum to determine if income level affects how a leader should tailor their style to individuals.

Predictor Variable: Leadership

Leadership theory is a heavily researched concept and using leadership as a predictor variable is an academically accepted practice dating back many years (Burns, 1978). Burns (1978) tried to further leadership theory research by demonstrating how a certain method or type of leadership such as transformational should yield better results than an alternative such as transactional. For example, the theory of transformational leadership has matured past the point of researching demonstrating value. Currently, researchers have studied transformational leadership effects with an assumption that transformational leadership should be preferred to transactional leadership (Nguyen, Mia, Winata, & Chong, 2017).

The effectiveness of leadership type may be less important than previously thought if employee income level mediates the relationship between leadership and employee behavior. In this study, I examined how much of the relationship between leadership and employee behavior is mediated by employee income level. If the relationship is fully mediated, by employee income level or any other variable, the type

of leadership is less important than the mediation variable when considering effects on employee behavior. In contrast to previous literature, the purpose of this study was not to lobby for or against any particular leadership style, method, or type.

The basic assumption from a leadership theory perspective for this study was that the goal of all leadership is to produce desired behavioral outcomes in the followers (Burns, 1978). In this study, I used leadership as a predictor variable in a way similar to previous studies (Harms, Credé, Tynan, Leon, & Jeung, 2017). While some (Harms et al., 2017) have argued that poor leadership can result in negative employee behavioral outcomes such as burnout, and others have suggested that positive leadership can result in positive outcomes (Newman, Schwarz, Cooper, & Sendjaya, 2017), I looked neutrally not the outcomes generated, but rather on mediation effects between the given leadership and the employees' behavior.

Leader-member exchange. A universally accepted aspect of leadership is that it entails a social exchange between the leader and the follower known as a leader-member exchange (Blau, 1964). This exchange in a business setting is found between a supervisor and an employee, and it exists at all levels throughout an organizational chain of command. It is important to note that all employees except for the lowest level employee participate in this exchange as both a leader and a member depending on whom the employee is interacting.

The first leadership variable to be examined in this study is a leader-member exchange. Later, social exchange theory morphed into what is known today as a leader-member exchange (Cropanzano et al., 2017). The leader-member exchange theory is a

relationship-based approach focused on the interpersonal relationship between the leader and the follower (Cropanzano et al., 2017). The aspects of leader-member exchange that set it apart from other leadership theories is the focus on the dyadic exchange relationship and the resources exchanged between the leaders and followers (Cropanzano et al., 2017).

Organizational justice. Organizational justice is an extension of equity theory (Adams, 1965). Adams's (1965) premise was that individual employees want the firm to treat all employees equitably. There seems to be a correlation between internal equality and performance, such as vocational teachers-in-training working in groups with higher equality learning more than groups with less equality. Goth, Bergsli, & Johanesen (2017) argued that internal equality is a prerequisite for employee job satisfaction and proficient job performance of followers. According to Hassan and Hassan (2015), three dimensions comprise organizational justice. The three dimensions of organizational justice are procedural, interactional, and distributive (Hassan & Hassan, 2015).

Procedural justice is a method for establishing fair criteria for internal organizational decision-making and applied consistently over time to all. Interactional justice shares some of the same aspects of procedural justice regarding applying things consistently to all, with the added layer of a focus on the fairness given to individuals throughout the procedural process (Moorman & Byrne, 2013). Finally, the basis for distributive justice is the individuals' perceived the level of fairness about an individual's outcome when compared to that of others within the organization (Organ, 2017). Organizational justice is an important aspect of leadership to measure for this study to

accurately measure the relationship between leadership and employee behavior. By including this variable of leadership, the subsequent employee behavior responses can be examined with respect to employee income level in both cases of high organizational justice and low organizational justice environments.

Empowering leadership. The basis of empowering leadership is authority delegation and collaborative decision-making (Dong et al., 2017). Empirical research has demonstrated that leaders enabling employees to work independently can lead to greater positive employee behavioral outcomes such as job performance (Kooij et al., 2017). Similar to organizational justice, including the variable of empowering leadership to measure leadership allows the mediation variable to be measured in cases where empowering leadership is either high or low. This allowed the data collected from each respondent to be included in the mediation testing regardless of the type of leadership present.

Employee Behavior

Employee behavior has been studied as a criterion variable for as long as the discussion of transactional versus transformational leadership has been present (van Knippenberg & Sitkin, 2013). Employee behavior is commonly accepted as the most important criterion variable to measure in the field of management. However, there is debate regarding how to measure employee variables. For this project, the following three variables were used to measure employee behavior: job performance (Seate, Poee, & Chinomona, 2016), reduced withdrawal behavior (Bai et al., 2017), and organizational citizenship behavior (Organ, 2017).

Since the purpose of this research is to explore the connection between leadership and intended leadership outcomes resulting in positive employee behavior, only positive employee behavior outcomes are measured. By measuring multiple leadership variables and multiple employee behavior variables, I intended to demonstrate that the mediation effect of income level is consistent across a variety of both leadership and employee behavioral variables. These variables are listed and discussed in priority order to the organization.

Job performance. In previous research (Conte, Heffner, Roesch, & Aasen, 2017), authors have identified ten dimensions of the job performance variable. These ten aspects of job performance could be categorized very similarly to the employee behavior criterion variable discussed above, but to remain consistent with the theoretical framework of Hassan and Hassan (2015), I have left this as a sub-category. These ten aspects form the theoretical foundation for job performance as it pertains to this study.

There is a positive correlation with some aspects of increased job performance, and a negative correlation with other variables. For this purpose of this study, the job performance variables that were measured were either naturally positively correlated or re-phased so that any increase in a job performance variable is indicative of improved job performance. For example, instead of measuring absenteeism, this study measures reduced withdrawal behavior as a positive employee behavior. The dimensions of job performance (Ng & Feldman, 2008) are listed below:

- Core task performance
- Performance in training programs

- Organizational citizenship behaviors
- Safety performance
- Creativity
- General counterproductive work behaviors
- Workplace aggression.
- Substance abuse
- Tardiness
- Absenteeism

In this study, many of the above variables were measured in one of the three employee behavior variable categories. General counterproductive work behaviors, tardiness, and absenteeism, are measured under the reduced withdrawal behavior variable.

Organizational citizenship behavior. Roethlisberger, Dickson, Wright, and Pforzheimer (1939) suggested that citizenship behaviors are part of group function pioneered the concept of organizational citizenship behavior. Later, researchers argued that organizational citizenship behavior should be used to measure employee performance (Organ, 2017). This previous research has established organizational citizenship behavior as a criterion variable for desired employee behavior. In this study organizational citizenship behavior is an important variable to measure to determine how employees are responding respective to their leadership. In order to test for mediation, the data would have to demonstrate a significant relationship between leadership and organizational citizenship behavior.

Reduced withdrawal behavior. Reduced withdrawal behavior is simply an inverse variable to the withdrawal behavior variable previously researched (Afsar et al., 2017). This variable category includes the negative aspects of job performance above restated to demonstrate a positive relationship with improved job performance. The areas of job performance included in withdrawal behavior are absenteeism, tardiness, and general counterproductive work behaviors. Since the foundation of this study rests on the premise that leadership desires to influence employee behavior in such a way that produces intended employee behavioral outcomes, reduced withdrawal behavior is an important employee behavioral variable to measure. For this study, a reduction of withdrawal behavior is an indication of intended employee behavior and increased withdrawal behavior are considered unintended employee behavior.

Income Level

The theoretical framework for the mediation variable for this study is based on the original literature regarding income inequality (Adams, 1963). Adams' (1963) wage Equity Theory is the seminal research for the income level variable, and later research (Stavrova & Ehlebracht, 2016) has expanded upon Adams (1963) to incorporate income level as a variable for quantitative research. Income level has studied as a variable in ways outside of leadership theory. For example, a recent study (Stavrova & Ehlebracht, 2016) linked cynical beliefs to income level.

Since most individuals' income level is based on the wages from their place of employment, it would stand to reason that future research regarding income level should include workplace interactions. More specifically, future research should examine the

interaction between leadership and how an employee responds to that leadership. For the purpose of this study, employee income level is the primary variable to be measured and tested in the relationship between leadership and employee behavior.

Research Variables

Predictor Variable: Leadership

Recently, researchers have sought to predict workgroup performance by using various leadership styles as predictors to assess what leadership style should be preferred (Khan, Khan, Umber, Ahmad, & Shan, 2016). One of my goals for this project is to explore how leadership influences employee behavior by examining three leadership variables: leader-member exchange, organizational justice, and empowering leadership. In some regards, these three variables can be combined to encompass a definition of an ethical inter-personal leader (Muenjohn & McMurray, 2016). Prottas (2013) reported that employee perception of leader integrity affects employee attitude and well-being.

Since previous research has demonstrated that unethical leadership can lead to negative employee behaviors (Bonner, Greenbaum, & Mayer, 2016), the focus of this study is to the research to areas where the leaders are ethical and thereby should be seeing the positive employee behaviors. Since the leadership of an organization has a tremendous effect on the moral climate (Demirtas & Akdogan, 2015), this paper seeks to study an organization or portion of an organization whose leaders are demonstrating ethical leadership.

Leader-member exchange. Recently, researchers have sought to expand the literature regarding various aspects of the relationship between leader and follower

including *liking* (Dulebohn, Wu, & Liao, 2017). Also, new theories leader-member exchange is influencing new theories such as reciprocity and quality theory (Joo & Jo, 2017). Another peer-reviewed study (Zivnuska, Kacmar, & Valle, 2017) included leader-member exchange as a predictor variable. The data from previous quantitative studies regarding leader-member exchange indicates that there is a positive correlation between a high-quality relationship between the leader and follower and positive member behavioral outcomes (Martin, Guillaume, Thomas, Lee, & Epitropaki, 2016).

Organizational justice. Internal equality within a group is now known as organizational justice (Gozukara, 2017) is required for employee job satisfaction and proficient job performance of followers. Organizational justice has been shown to have a positive impact on positive employee behavior outcomes (Strom, Sears, & Kelly, 2014) in previous quantitative research. According to Hassan and Hassan (2015), there are three dimensions to organizational justice: Procedural (Shin, Sung, Choi, & Kim, 2015), interactional (He, Fehr, Yam, Long, & Hao, 2017), and distributive (Pereira, Schwanen, & Banister, 2017).

Empowering leadership. A recent finding in the current literature supports the positive impacts of empowering leadership (Mertens & Recker, 2017; Masoud & Yazdi, 2017). Other researchers have also suggested that empowering leadership can be more effective if combined correctly with a particular leadership style (Günzel-Jensen, Hansen, Jakobsen, & Wulff, 2017). There is an opportunity for further empirical research in this area, but this project is limited in scope to using empowering leadership as a leadership variable to analyze independently from leadership style.

Criterion Variable: Employee Behavior

Scholars continue to research employee behavior as a criterion variable (Mekpor, Mekpor, Dartey-Baah, & Dartey-Baah, 2017). As authors introduce new leadership concepts, they must also evaluate the idea for effectiveness using employee behavior as the unit of measure for the model's impact. Employee behavior is a critical variable for leadership research because it affects numerous aspects business. For example, without positive employee behaviors being present organizational innovation could be challenging, and that innovation is a major component of needed organizational change (Delmas & Pekovic, 2016).

Job performance. Job performance is the most important employee behavioral variable from the perspective of the organization because job performance is what the organization is purchasing by investing resources in employee compensation. Job performance has been used as a criterion variable for employee behavior in recent research (Joseph, Jin, Newman, & O'Boyle, 2015). This concept is the foundation for all current leadership and business leadership theory. Since job performance is one of the most important leadership outcome variables for future leaders, it is given the top priority when seeking to measure employee behavior for this research study.

There has been empirical research that shows a positive relationship between job performance and numerous predictor variables. For example, Hassan and Hassan (2015) showed a significant positive correlation between job performance and leader-member exchange, organizational justice, and organizational citizenship behavior. Recent research

has also demonstrated that leader-member exchange can progress in stages by using affective events theory (Cropanzano, Dasborough, & Weiss, 2017).

Organizational citizenship behavior. Organizational citizenship behavior is the first employee behavioral variable measured (Tuan, 2017). A simple definition of organizational citizenship behavior in the workplace today is: Positive actions employees take that extend beyond their job descriptions with the motivation of bettering the organization (Tuan, 2017). This voluntary committee of the employee to the organization can create a climate within the organization that is both productive and give the organization a competitive advantage over other organizations in a competitive marketplace.

In a global environment, there is very little that limits one organization from the same resources that other organizations have, thus internal climate and employee volunteerism is one thing that can differentiate an organization by giving them a competitive advantage. For this reason, I have chosen to include organizational citizenship behavior as one of the employee behavior variables to measure in this study. About method for data collection about organizational citizenship behavior, there is still some debate as to how organizational citizenship behavior should be measured. Organizational citizenship behavior is measured by either self-ratings or other's ratings (Carpenter, Berry, & Houston, 2014). In this study, organizational citizenship behavior is measured using self-reported information, and thus the research is limited by the typical limitations of self-reported data.

The benefits of organizational citizenship behavior such as positive organizational climate (DiPaola & Tschannen-Moran, 2014) have been well-documented. There is also current research which has identified the underlying reality that organizational citizenship behavior does have a cost (Somech, 2016) associated such as emotional fatigue (Bolino, Hsiung, Harvey, & LePine, 2015). For this purposes of this research project that measures the mediation of income level on the relationship between leadership variables and organizational citizenship behavior, I hypothesize that higher income levels are willing to pay more of the emotional cost associated with organizational citizenship behavior than lower income levels.

Reduced withdrawal behavior. Withdrawal behavior is a term for a combination of the following variables: turnover, absenteeism, tardiness, or calling in sick (Afsar et al., 2017; Smith, Micich, & McWilliams, 2016). In this study, withdrawal behavior is reversed to generate a *wanted* employee behavior. The inverse variable of withdrawal behavior is reduced withdrawal behavior (Hassan & Hassan, 2015). There has been empirical research on each of the sub-variables that comprise the withdrawal behavior variable.

For example in a recent study (Waldman, Carter, & Hom, 2015) of Chinese employees, the results indicated that transformational leaders tend to have less employee turnover than transactional leaders. Similarly, a recent study found that there is an inverse relationship between employee citizenship behavior and withdrawal behavior (Smith, Micich, & McWilliams, 2016), which would indicate that this study should confirm that there is a positive relationship between organizational citizenship behavior

and reduced withdrawal behavior. Corporate leaders are very interested in reducing withdrawal behavior or mitigating the effects of the withdrawal behavior.

A recent Walden University dissertation researched ways to alleviate the effects of withdrawal behavior (Alexander, 2016). Withdrawal behavior has been measured from self-reported data (Hassan & Hassan, 2015) as well as from leader rated data (Renn, Steinbauer, & Fenner, 2014). This project uses self-reported data to measure all of the variables. However, the collection and analysis of leader reported performance data could expand the research in the future.

Mediation Variable: Income Level

The mediation variable for this study is *income level*. Income level could be one of the most important aspects of an employee's response to leadership. Income level is so important that a recent US research project studied the relationship between income level and life expectancy (Chetty, Stepner, Abraham, Lin, Scuderi, Turner, Bergeron, & Cutler, 2016). A relationship between income level and length of life implies that income level may be one of the more significant variables associated with individual health.

Even though there are always exceptions, such as employees who have significant family wealth, income is the reason employees are willing to give their time and talents to the organization. According to Vohs (2013), not only does income level affect employees directly by controlling the quality of life. Despite the fact that income is the tangible link between employees and organizations, the current literature does not contain as comprehensive research regarding this variable as the other variables previously discussed.

Recent research (Hassan, S., Hassan, M., & Shoaib, 2014) has tested employee engagement as a mediating variable, but there has been little research regarding income level in this capacity. Recent research authors (Zardkoohi & Bierman, 2016; Cobb, 2016) have presented the idea that firms intentionally shape income inequality. Cobb (2016) suggested that since the organization controls income wage decisions, the business can develop the employment relationship in a way that most advantageous to the employer. The entire power advantage according to Cobb (2016) lies with the corporate stakeholders and executive decision makers.

One thing that Cobb does not consider is that in an economic system where forced labor is not legal, labor is free to leave the organization if it becomes less economically fair to its employees than other firms. A free labor market allows competitor firms to hire employees away if they are not currently compensated fairly for their skills, labor, and responsibility in their current employment situation. While the research of income level is not currently exhaustive, there is an academic precedent for studying income level as a predictor variable for organizational behavior (Leana & Meuris, 2015).

Not only does income level affect relationship within the workplace between leaders and employees, but economic inequality can also be the motive for all sources of social injustice up to and including murder (Daly, 2017). In an economic environment of scarcity, humans have committed heinous crimes far exceeding the employee behavior I have explored in this research project. Some examples of things people are willing to do to capture a larger portion of a finite number of resources are as follows: wage war with other people groups, attempt genocide of people groups perceived to have been the

beneficiaries of income inequality, overthrow governments, enslave people and publicly torture people. Since the absence of resources can cause so many people to commit so many horrible things, it could be possible that the presence of a moderate amount of resources can influence people to comply with the intended desires of their leaders.

Synthesis of Seminal and Current Research

In the last 60 years, researchers have examined the relationship between leadership and employee behavior in various ways (Adams, 1963; Blau & Blau, 1982; Burns, 1978; Gerstner & Day, 1997). More recent literature has begun to consider this relationship in combination with a third variable such as perceived organizational support (Hassan & Hassan, 2015) or work stress (Yao, Fan, Guo, & Li, 2014). However, this type of research is currently conducted outside the United States. This study continues the current research trend of examining the leadership and employee behavior relationship with a third variable and conducting this research on a U.S. population.

Many of the more recent studies have focused on the motivational or ethical aspects of the relationship between leadership and employee behavior (Hassan & Hassan, 2015; Xinxin, 2013), which is a critical aspect of leadership. However, previous research has failed to conclusively examine what external factors either detract from or add to the effectiveness of the leadership on employee behavior. Again, since these previous studies collected data outside of the United States, they are perhaps neglecting the most important aspect of the leadership and employee behavior relationship in the US labor market: *employee income level*.

Since the importance of income level is very high to Americans, and individuals are free to search for jobs nationally with the most appealing level of income associated (Corak, 2013), leaders need to understand how an individual employee's income level affects the relationship between the leader's leadership and the employee's behavior. While this project does not offer a qualitative solution for leaders regarding recommendations for leading the employees at various income levels, this project may lay the groundwork for future qualitative leadership theory development that incorporates the income level variable as a factor of influence on employee behavior. Leadership theory has examined leadership in a variety of methods, and from various perspectives (Dinh, Lord, Gardner, Meuser, Liden, & Hu, 2014), which further supports the premise that a comprehensive leadership theory is desired by both scholars and practitioners alike.

In the discussion regarding employee behavior, managerial employees are considered employees, and previous research has demonstrated that income level is essential to managerial employees as well (Srivastava & Ali, 2016). Since income level and leadership affect both labor and managerial employees, I intend to study employee behavior at all levels. If a leader understands the affect income level has on an individual employee, the leader could then manipulate that variable in a variety of ways including pay-for-performance (Wang, Thornhill, & Zhao, 2016) to achieve the desired employee behaviors from that individual.

Income level affects an employee in ways well beyond the workplace in a manner that causes second and third order compounding effect on their work behavior. For example, employees at lower income levels are less likely to purchase health insurance

(Lieberthal, 2016). This lack of health insurance could cause an employee to face major debt consequences if they encounter significant unexpected health-related costs. The added debt could then add stress or financial burden to the employee by requiring a bankruptcy or a spouse to seek employment and thereby require the employee to be late to work at times to provide childcare for the working spouse. However, employees at higher income levels will more than likely have quality health insurance and thereby prevent any substantial impact on their employment for the health-related costs to themselves or their family members.

Leadership theory, in general, is continuing to evolve. A recent network analysis of leadership theory (Meuser, Gardner, Dinh, Hu, Linden, & Lord, 2016) investigated peer-reviewed journal articles from 2000 to 2013. In this study, the authors (Meuser, et al., 2016) studied the relationships that have formed among the various existing theoretical perspectives. Of interest to this study is the idea that leadership theory has a nature of aggregation, meaning that previous theories can be combined to create a newer and more dynamic leadership perspective (Dinh, et al., 2014). For example, a recent study that servant leadership and serving culture can have a positive influence on employee and organizational performance (Liden, Wayne, Liao, & Meuser, 2014), and this finding could be combined with other findings such as any potential findings from this study to create a comprehensive leadership model.

Methodology

The methodology for this study is a correlational, quantitative study. I have selected a quantitative research methodology because it can be used in business can

generate recommendations by further developing an existing theory (Anderson, Sweeney, Williams, Camm, & Cochran, 2013), and because the quantitative method is appropriate for the continued advancement of leadership theory (Antonakis, 2017) in an incremental way. I have chosen a correlational design using experimental differential analysis on survey data because the goal of this study is to test the effectiveness of the mediation variable, and an experimental differential method is the most appropriate method to test something's effectiveness (Johns, Hayes, Scicchitano, & Grottini, 2017).

According to Nebeker, Simon, Kalichman, Talavera, Booen, and Lopez-Arenas (2015), experimental analysis designs answer the questions *why* and *how*. All of the research questions presented in this proposed study are *how* questions. Since the primary research question for this study is how employee income level mediates the relationship between income level and employee behavior, a correlational, quantitative study using survey data to perform the experimental differential analysis is the most appropriate. The key action verb applicable to an experiment is a *test* (Nebeker, Simon, Kalichman, Talavera, Booen, & Lopez-Arenas, 2015). This study tests the mediation effect of employee income level on the relationship between leadership and employee behavior.

There are two elements of an experiment pertinent to this study: *manipulation* and *control* (Nebeker et al., 2015). For this study, the manipulation is the inclusion and removal of the income level variable, and the control is conducting the same exact statistical analysis on the same dataset with the mediation variable present and with it removed. This test allows me as a researcher to identify the level of impact income level has on the relationship between leadership and employee behavior.

This study follows a three-step sequential process to test for mediation (Zhang, Guo, Hu, & Liu, 2017). The first step in the process for this study is confirming that the predictor variable, leadership, is a statistically significant predictor of the criterion variable, employee behavior. To satisfy this step, regression was conducted to determine the predictor value associated with leadership for the criterion variable of employee behavior.

The second step is to confirm the relationship between the mediation variable and the predictor variable. In order to accomplish this second step, research question 2 as noted previously and restated below must be answered in a way that rejects the null hypothesis and accepts the alternative hypothesis:

RQ2: How is employee income level related to leadership?

H₂: There is a significant, positive relationship between employee income level and leadership.

H₀: There is no relationship between employee income level and leadership.

The final step in the process is regressing the predictor variable on both the mediation variable and criterion variable to confirm or deny that the mediation variable is a significant predictor of the criterion variable and that the previously significant predictor variable now shows a reduction in significance (Zhang, Guo, Hu, & Liu, 2017). So, the experimental aspect of this study is to test the relationship between leadership and employee behavior without the presence of income level and then repeating the relationship testing with the presence of the income level variable.

The research instruments and variables were chosen have a proven record of success in previous research (Hassan & Hassan, 2015). The population and sample size are based on my availability to data sources, namely the employees of my employer, (Bureau of Labor Statistics, 2014)and the research questions. Quantitative methods are widely accepted, because of the close adherence to the scientific method (Kopf, Hsu, Shows, & Albinsson, 2016). Since this study is using an experimental aspect in the analysis, quantitative statistics are given more widely accepted evidence than using qualitative assessment of a smaller number of responses.

Other Relevant Research

Other authors have conducted quantitative research to explore the relationship between leadership and employee behavior, the study most similar to this one is the Hassan and Hassan (2015) study, but there are ones with common research themes. For example, in a recent study (Schmitt, Den Hartog, & Belschak, 2016), scholars used mediation testing on similar variables but for different reasons. Schmitt, Den Hartog, and Belschak (2016) examined work engagement as moderation and mediation variable for the relationship between leadership and proactive work behavior. This is important to this study because it is an example of a study that used mediation testing on the relationship between leadership and employee behavior, just as this study does.

One significant difference between the Schmitt, Den Hartog, and Belschak (2016) work and this study is the span of focus for the leadership and employee behavior variables. In the Schmitt, Den Hartog, and Belschak (2016) article, the only leadership variable explored was transformational leadership and the only employee behavior

variable explored was employee proactivity. While transformational leadership and employee proactivity are certainly important components of leadership and employee behavior, a finding based on such a narrow focus has narrow usefulness. This study widens the finding implications to the larger concepts of leadership and employee behavior as generalized conclusions.

The focus of another recent study (Wang, Demerouti, & Le Blanc, 2017) was testing the mediation effect of employee adaptability on the relationship between transformational leadership and job crafting. Similar to the Schmitt, Den Hartog, and Belschak (2016) article, the Wang, Demerouti, and Le Blanc (2017) article tests a mediational variable and a moderation variable on the relationship between a leadership variable and an employee behavior variable.

Again, by only examine one leadership variable and one employee behavior the research focus is very narrow, and while a narrow focus may be appropriate for a journal article, the focus of this dissertation study is much more encompassing. Another commonality between the Schmitt, Den Hartog, and Belschak (2016) article and the Wang, Demerouti, and Le Blanc (2017) article is the fact that the latter confirmed the finding that transformational leadership facilitates employee adaptability and proactivity. While adaptability and proactivity are not targeted for research in this study, future research could combine the design of these previous studies with this study to create an even broader category for wanted employee behaviors.

Another recently completed study expanded the concept of leadership and reduced withdrawal behavior by exploring the relationship between transformational

leadership and turnover intention (Wang & Hu, 2017). The Wang and Hu (2017) also expanded the literature by conducting the study in a communist based country and by studying a non-work related environment of Chinese physical education. The interesting thing about the Wang and Hu (2017) study was that it involved athletic coaches instead of traditional business leaders.

The authors repeatedly discussed the coach-athlete relationship (Wang & Hu, 2017), but this relationship is essentially a new perspective on the leader-member exchange. The idea of combining reduced withdrawal behavior and leader-member exchange is an important precedent for the foundational design of this study. Since it has been established in the literature that different leadership variables and different employee behavior variables can be combined, then they can be combined with both a qualitative and quantitative analysis standpoint in future research.

A recent article conducted a study similar to the Hassan and Hassan (2015) study (Xu, Loi, & Ngo, 2016). The premise of the Xu, Loi, and Ngo (2016) article was testing the mediation effects of trust in the organization on the relationship between ethical leadership and employee justice perceptions. Trust in organizations from Xu, Loi, and Ngo (2016) is very similar to perceived organizational support from the Hassan and Hassan (2015) study. Since both studies used similar mediation variables and similar predictor variables with consistent results, a theory creation and practical application regarding these variables can proceed. This is important for this study because if any potential findings from this study can be combined with other research, new theory regarding income level as a mediation factor can move forward.

Recently research models have expanded to more elaborate and complex versions of the earlier models. For example, a recent study (Qian, Wang, Han, & Song, 2017) described a double moderated mediation model of the influence of ethical leadership on employee feedback seeking. In their study, Qian, Wang, and Song (2017) examined leader-member exchange as a mediation variable for ethical leadership and employee feedback seeking, they also examined emotional intelligence and work unit structure as moderators on the mediated positive relationship between ethical leadership and employee feedback seeking. The Qian, Wang, and Song (2017) research is important preliminary research to this study because it explored leader-member exchange and ethical leadership which are two of the leadership variables that I intend to collect data for in this study.

In a German study (Blickle, Kane-Frieder, Oerder, Wihler, von Below, Schütte, Matanovic, Mudlagk, Kokudeva, & Ferris, 2013), authors recently examined two mediation variables on the relationship between leader power transmission and effectiveness outcome. Leader power transmission is very similar to leader-member exchange, and effective outcome is very similar to intended employee behavior, so the German study is very similar in concept to this study. However, the mediation variables tested in the German study (Bickle, et al., 2017) were based on leadership actions or behaviors, and not a variable outside the leader-member exchange relationship. The data set for this article (Bickle, et al., 2017) which consisted of 190 leaders and 476 followers demonstrated that the findings could be generalized to a wider population.

Controversial Findings

Within the current literature, there are studies that have reported conflicting or controversial findings. This section contrast studies, which conclude differing opinions based on conflicting results. Some of the conclusions differ from previous research because the data itself differs and others differ because the analysis conducted was not consistent across all of the studies. The purpose of including this section in this study is to demonstrate that the variables used in this study are not universally accepted. However, even though there may not be a consensus regarding these variables, the counterpoints to the variables do not influence either the research or intent of this study by way of how the variables are to be included.

Predictor Variable: Leadership

In a recent publication regarding a Dutch mayor, Karsten and Hendriks (2017) noted that even the term *leader* could be controversial. In societies where democratic consensus is regarded as something that should be valued, some leaders shy away from identifying as a *leader* even though they are in a leadership position. The authors (Karsten & Hendriks, 2017) called this style of reaching a consensus *bridging-and-bonding leadership*. This demonstrates that while the term leader may not be particularly popular in certain democratic societies, organizations have an innate need for leadership. For this purpose of this study, it is assumed that organizations as well as the individuals within organizations both need and recognize the need for leadership.

In the discussion section of their publication, Karsten and Hendriks (2017) explain that there are different dimensions to the aversion to leadership in the

Netherlands. They (Karsten & Hendriks, 2017) explained that there had been scholars advocating for doing away with the term *leadership* in academic writing. While I understand their viewpoint, I do not feel that it would be productive to simply stop studying leadership because some scholars have decided they do not like the concept. Granted, the term leadership is seen as a positive term in the culture that I am researching, but even if the term leadership was not popular in my culture, I could not exclude it from this study simply because others do not like some of the implications of the term.

Ethical Leadership

Some authors (Wilson & McCalman, 2017) have end begun to challenge the seemingly universally accepted concept of ethical leadership. Wilson and McCalman (2017) presented a study which suggested that the current understanding of ethical leadership is not effective and that ethical leadership needs some rebranding as leadership for the greater good. Wilson and McCalman (2017) asserted that the core assumptions of ethical leadership should be further examined and that process of investigation is currently underway.

The reason given by Wilson and McCalman (2017) is that there are certain leadership paradoxes that must be addressed and as such ethical leadership theory may be better examined as a social practice theory. Wilson and McCalman (2017) call for research into the paradoxical conceptualizations of ethical leadership. Wilson and McCalman (2017) also present the concept of *the greater good* as the path forward;

arguing that the future research agenda should include the theory of leadership for the greater good rather than the term ethical leadership.

However, even though Wilson and McCalman (2017) may argue that I should have chosen to use leadership for the greater good as the variable name over ethical leadership, I have chosen to use ethical leadership as the variable because it is a well-established and commonly understood leadership variable. For the purpose of this study, the subtle difference between leadership for the greater good and ethical leadership is not material. Since the focus of this study is on employee income level, which is the mediation variable rather than the predictor or criterion variables, any accepted leadership variable should suffice.

Empowering Leadership

The authors of a recent study (Lee, Cheong, Kim, & Yun, 2017) suggested that the results of empowering leadership should be questioned. Lee, Cheong, Kim, and Yun (2017) conducted a survey regarding empowering leadership and task performance. They (Lee et al., 2017) concluded that there could be a *too-much-of-a-good-thing* effect because of the curvilinear relationship between task performance and empowering leadership. In this study the relationship between job performance and empowering leadership are examined, so the study may either confirm the previous work (Lee et al., 2017) or present evidence to the contrary.

Another study (Lorinkova & Perry, 2017) also presented negative aspects of empowering leadership. Lorinkova and Perry (2017) examined the concept of empowering leadership in the context of cynicism and time theft. The authors

(Lorinkova & Perry, 2017) argue that a leader who is employing an empowering leadership method could foster employee cynicism which leads to frustration and other negative emotions. Once an employee is experiencing the negative emotions, they tend to react in negative or unwanted ways. One of the ways an employee may react negatively to empowering leadership is time theft, which is a passive way of hurting the organization because the organization is using resources to pay for the employee's time.

I do concede that there can be negative employee behavior results from a leader with good intentions implementing a strategy of empowering leadership. However, for the purpose of this study, it is not material whether or not empowering leadership can negatively affect employee behavior. The emphasis in this study as it pertains to empowering leadership and employee behavior is on how employee income level interacts with either positive or negative impact on employee behavior because of empowering leadership.

Gap Identified in Current Literature

It is fascinating that even when other authors attempt to build a comprehensive theory by integrating older and newer leadership approaches (Dansereau, Seitz, Chiu, Shaughnessy, & Yammarino, 2013); income level is not included as a consideration or approach to leadership. Similarly, when contemporary scholars attempt to build a comprehensive process model for leadership (Eberly, Johnson, Hernandez, & Avolio, 2013), income level is also omitted as a variable. If this study is able to demonstrate a significant relationship effect of income level on the interaction between leadership and employee behavior, perhaps a new process model could be created to include the income

level variable. Likewise, even current research focused on the micro level events (Hoffman & Lord, 2013) do not include income as a factor for the interaction.

This glaring omission could explain why some authors are still questioning the current consensus that transformational leadership is the most effective form of leadership (van Knippenberg & Sitkin, 2013). Recent researchers have also investigated leadership communication from a practical and theoretical perspective (Ruben & Gigliotti, 2016) without incorporating the most tangible communication involved: the wages given by the leader to the employee. Current literature also addresses transactional leadership communication (Fairhurst & Connaughton, 2016) without addressing income level, even when income level is the actual resource exchanged in the employment relationship.

Although income level has been absent from leadership research, there has been a great deal of study regarding income level and how organizations allocate income to employees (Zardkoohi & Bierman, 2016). Employee behavior and income have been studied together (Brown, Evans, Moser, & Presslee, 2016). Since previous literature includes quantitative and qualitative studies regarding leadership, income level, and employee behavior separately, the existing gap in the literature is how these three aspects of the leader-employee relationship are connected.

Summary

Leadership, in general, is a well-researched and documented topic for the field of management. Ever since Adams (1963) and Blau (1964), scholars continue to research leadership, income, and employee behavior. However, they have not all been explicitly

researched in a combined quantitative manner. Leadership theory has expanded from the traditional approaches of group-oriented, development-based and individual-based to more modern approaches of vision-based, outcome-based, organizational, and non-leadership (Dansereau, et al., 2013). Included in these approaches to leadership are numerous types of leadership which have been studied from both a qualitative and quantitative perspective (Dansereau, et al., 2013).

Leadership types are associated with the leadership theme. For example, development-based leadership includes path-goal theory, decision-making model, servant leadership, and situational leadership (Dansereau, et al., 2013). Even the most contemporary themes like organizational leadership which uses a romance of leadership type (Dansereau, et al., 2013), fail to give aspiring practitioners in the field of leadership the tools needed to assess the implications of each leadership type on employee behavior at varying income levels. Since leadership is required to lead teams of people with wide-ranging income levels, leaders may need to adapt their leadership type to most appropriately interact with employees at different income levels to maximize the potential for employee behavior to meet intended outcomes. This research project could be the first step towards a new leadership theory that gives future leaders the tools needed to incorporate income level into their leadership decision-making process.

Chapter 3: Research Method

The purpose of this correlational, quantitative design study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior within the United States. Hassan and Hassan (2015) established a precedent for this type of research by examining the mediation effects of perceived organizational support on the relationship between leadership and employee behavior. In this study, I intended to introduce employee income level as a new mediation variable to examine the relationship further.

In this section, the methodology, population, data collection plan, data analysis plan are explained along with how this study overcomes threats to validity to prevent any future criticism of this study. As a business leader, I became interested in the interaction between leadership, employee behavior, and income level. Throughout my business career, I have observed that policy implementation and strategic decisions at the corporate level have been met with various employee behavioral responses at the operational level.

The variance in the responses such as indifference or embracing the new policies seemed to be correlated with the income level of the individual employee. Because I had not collected any empirical data, prior to this study, this research was designed to test this hypothesis which was based on lived experience. Although there may be other factors that influence this outcome, income level seemed to be a factor that was consistent across different operational units, demographics, and geographic locations.

Research Design and Rationale

The research design for this study was a quantitative, mediation design with regression analysis of survey data. The predictor variables for this study were leader-member exchange (Zivnuska, Kacmar, & Valle, 2017), organizational justice (Gozukara, 2017), and empowering leadership (Mekpor, Mekpor, Dartey-Baah, & Dartey-Baah, 2017). The criterion variables for this study were job performance (Joseph, Jin, Newman, & O'Boyle, 2015), organizational citizenship behavior (Tuan, 2017), and reduced withdrawal behavior (Smith, Micich, & McWilliams, 2016). The mediating variable that I tested was employee income level (see Leana & Meuris, 2015).

Research Questions

The research questions for this study were focused on the interaction of employee income level with leadership and employee behavior. Previous literature has continually shown a significant relationship between leadership and employee behavior as well as the qualitative theory that employee income level mediates the relationship between leadership and employee behavior. However, the impact of employee income level on the relationship between leadership and employee behavior had not been explored in the previous literature using empirical data (Yao et al., 2014). In this study, I explored the effects of employee income level on the relationship between leadership and employee behavior as well as exploring the relationship between employee income level with leadership and employee behavior individually.

Below are the research questions and hypotheses that I tested in this research project:

RQ1: How does employee income level mediate the relationship between leadership and employee behavior?

H_a: Employee income level partially mediates the relationship between leadership and employee behavior.

H₀: Employee income level does not mediate the relationship between leadership and employee behavior.

RQ2: How is employee income level related to leadership?

H_a: There is a significant, positive relationship between employee income level and leadership.

H₀: There is no relationship between employee income level and leadership.

RQ3: How is employee income level related to employee behavior?

H_a: There is a significant, positive relationship between employee income level and employee behavior.

H₀: There is no relationship between employee income level and employee behavior.

Methodology

Population

The targeted population for this study was individuals employed in the United States. I intended to gather my sample from the employee population of a construction and facility services company, however at the oral defense it was decided that a random sampling of the population from a wider sample pool would be more representative. The survey was designed such that any full-time employee of any for-profit, private sector

business could participate. The population of full-time employees in the U.S. totals approximately 100 million (Bureau of Labor Statistics, 2014).

Sampling

To achieve a representative sample, I planned to use the services of Qualtrics to recruit participants and administer the survey. If there were not enough responses from Qualtrics, I could have expanded the sampling to the Walden University participant pool. I intended to perform linear multiple regression analysis, so my minimum sample size is 74 valid responses based on the results of a G*Power test shown in Figure 3. This sample size was selected to achieve a 95% confidence interval and a margin of error of 5%.

t tests – Linear multiple regression: Fixed model, single regression coefficient		
Analysis:	A priori: Compute required sample size	
Input:	Tail(s)	= One
	Effect size f^2	= 0.15
	α err prob	= 0.05
	Power (1- β err prob)	= 0.95
	Number of predictors	= 6
Output:	Noncentrality parameter δ	= 3.3316662
	Critical t	= 1.6679161
	Df	= 67
	Total sample size	= 74
	Actual power	= 0.9508227

Figure 3. G*Power output for sample size.

Procedures for Recruitment, Participation, and Data Collection

I intended to recruit participants from one company by sending the Qualtrics anonymous link through the company's e-mail system. As an alternative to that recruiting method, I planned to use the paid portion of the Qualtrics participant pool. As a tertiary recruiting method if Qualtrics failed, I planned to use the Qualtrics link and recruit participants through the Walden University's participant pool. If I received too

many responses, I planned to use SPSS to narrow the sample of respondents for my statistical analysis.

The only piece of demographic information that I intended to collect for this study was the participant's annual household income. While other demographic information could be useful for follow-up research, I wanted to limit the amount of personal information requested for this study to give participants the greatest amount of anonymity as possible. I thought that if participants believed they could not be identified by their personal information, they were more likely to respond to questions regarding their leadership. An informed consent acknowledgment was the first response option given in the survey. I used a force response function to omit any response without a positive response to the informed consent variable from entry into the data management system.

I intended to collect the data using a web-based survey portal. I also had a plan to distribute paper surveys at my workplace, but I did not receive a letter of cooperation from the company before data collection. For the final study, I used Qualtrics to provide the participant pool to receive approval from the company, marking this change in data collection on my IRB application for approval. Qualtrics was able to provide the required dataset in a number of hours from the launch of the recruiting effort.

Instrumentation and Operationalization of Constructs

The survey instrument that I used was used by Hassan and Hassan (2015). The Hassan and Hassan survey was a combination of previously established surveys:

- Leader-member exchange, $\alpha=.93$ (Janssen & Yperen, 2004)
- Organizational justice $\alpha=.95$ (Francis & Barling, 2005)

- Empowering leadership, $\alpha=.94$ (Vecchio, Justin, & Pearce, 2010)
- Job performance $\alpha=.91$ (Chiang & Hsieh, 2012)
- Organizational citizenship behavior $\alpha=.86$ (Chiang & Hsieh, 2012)
- Reduced withdrawal behavior $\alpha=.90$ (Eisenberger et al., 2001)

The predictor variable was leadership, the criterion variable was employee behavior, and the mediation variable was employee income level. I have received written permission to use Hassan and Hassan's (2015) research tools and concept via e-mail (Appendix A). The only modification I made to the survey to was removing the perceived organizational support mediation variable and replacing it with the continuous variable of employee income level. Because the research design was similar, the survey instruments were appropriate for this study.

Except for the employee income level variable, I gathered the same questionnaire items as Hassan and Hassan's (2015) study using a sample from a different population. The questionnaire items were tested for reliability and validity before inclusion for analysis. The survey included a 5-point Likert scale to quantify each predictor and criterion variable. The mediation variable was a continuous variable. The survey questions are below.

Predictor Variables

Leader-Member Exchange ($\alpha = \text{TBD}$)

LMX1- My supervisor personally helps me solve problems.

LMX2- My relationship with my supervisor is effective.

LMX3- My supervisor defends my decisions.

LMX4- My supervisor considers my suggestions.

LMX5- My supervisor and I are suited to each other.

LMX6- My supervisor understands my problems.

LMX7- My supervisor recognizes my potential.

Organizational Justice (α = TBD)

Distributive fairness.

OJdf1- I am rewarded fairly for my responsibilities.

OJdf2- I am rewarded fairly for my experience.

OJdf3- I am rewarded fairly for my efforts.

OJdf4- I am rewarded fairly for my work.

OJdf5- I am rewarded fairly for my stress from the job.

Interactional justice.

OJij1- My supervisor considers my viewpoint.

OJij2- My supervisor considers situations objectively.

OJij3- My supervisor provides me timely feedback.

OJij4- My supervisor treats me with kindness.

OJij5- My supervisor shows concern for employee's rights.

Procedural Justice

OJpj1- My employer collects information about any decision regarding complaints.

OJpj2- My employer gives employees the opportunity to appeal decisions regarding complaints.

OJpj3- My employer follows standards and policies for decision-making regarding complaints.

OJpj4- My employer listens to the concerns from all parties involved with a complaint.

Empowering Leadership ($\alpha = \text{TBD}$)

EL1- My supervisor encourages me to find solutions.

EL2- My supervisor urges to assume responsibilities.

EL3- My supervisor asks for advice in the problem-solving process.

EL4- My supervisor urges me to see problems as opportunities.

EL5- My supervisor advises me to look for opportunities.

EL6- My supervisor encourages me to see failure as a chance of learning

EL7- My supervisor urges me to work in a team.

EL8- My supervisor encourages me to work with other employees within the organization.

Criterion Variables

Job Performance ($\alpha = \text{TBD}$)

JP1- I exceed my job responsibilities.

JP2- I meet standards.

JP3- I give satisfactory performance.

JP4- I am effective at my job.

JP5- I produce high-quality work.

Organization Citizenship Behavior (OCB) ($\alpha = \text{TBD}$)

Altruism

OCBa1- I help others with their workload.

OCBa2- I help when someone is absent.

OCBa3- I help solve work-related problems.

OCBa4- I help new people.

OCBa5- I am always ready to help.

Courtesy

OCBc1- I prevent problems

OCBc2- I affect others positively.

OCBc3- I avoid creating problems.

OCBc4- I have a positive impact on others.

Civic Virtue

OCBcv1- I attend all meetings.

OCBcv2- I attend optional functions.

OCBcv3- I keep abreast of change.

OCBcv4- I read organizational memos.

Reduced Withdrawal Behavior ($\alpha = \text{TBD}$)

RWB1- I am punctual.

RWB2- I always begin my work on time.

RWB3- My work attendance is above the norm.

RWB4- I always give advance notice when I will miss work.

Mediation Variable

Income level: This variable is a continuous variable for annual household income measured in U.S. Dollars.

Data Analysis Plan

The data analysis plan for this study was developed to answer the research questions:

RQ1: How does employee income level mediate the relationship between leadership and employee behavior?

H_a : Employee income level partially mediates the relationship between leadership and employee behavior.

H_0 : Employee income level does not mediate the relationship between leadership and employee behavior.

RQ2: How is employee income level related to leadership?

H_a : There is a significant, positive relationship between employee income level and leadership.

H_0 : There is no relationship between employee income level and leadership.

RQ3: How is employee income level related to employee behavior?

H_a : There is a significant, positive relationship between employee income level and employee behavior.

H_0 : There is no relationship between employee income level and employee behavior.

The purpose of this study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior the United States.

I used SPSS for the statistical analysis. The data was screened for error correction and was conducted in two phases: error detection and error correction. First, the data entries were reviewed qualitatively to determine if the survey response was erroneous or valid. Subsequently, I planned to manually remove all identified data errors (see Chu & Ilyas, 2016).

I intended to review each survey received individually for accuracy and validity; I did not intend to include any data until after I had reviewed the survey response. If the survey was accepted, I intended to input the data into the IBM SPSS software at that time. Once I had input all of the data into the software, I planned to conduct a methodical review of each line of the data to check for errors and correct any data entry mistakes. Once each response was confirmed, the analysis phase was to begin.

Assumptions

I intended to use mediation testing as my primary analytical strategy for this project. I intended to use the experimental difference method (VanderWeele, 2016) for mediation testing. Before any mediation analysis, certain assumptions must be met or addressed. First, the assumptions for linear regression must be satisfied: normally distributed population, the sample is representative of the population, independent observations, homogeneity of variance, homogeneity of regression, and no multicollinearity. Once the assumptions for linear regression have been established, the following assumptions for mediation testing must also be met:

- There is a significant correlation between the predictor variable and the criterion variable.
- There is a significant correlation between the predictor variable and the mediation variable.

To demonstrate the above assumptions for mediation testing are satisfied the following relationships needed to be examined:

- Leadership and employee behavior
 - Leader-member exchange and organizational citizenship behavior
 - Leader-member exchange and job performance
 - Leader-member exchange reduced withdrawal behavior
 - Organizational justice and organizational citizenship behavior
 - Organizational justice and job performance
 - Organizational justice and reduced withdrawal behavior
 - Empowering leadership and organizational citizenship behavior
 - Empowering leadership and job performance
 - Empowering leadership and reduced withdrawal behavior
- Leadership and employee income level
 - Leader-member exchange and income level
 - Organizational justice and income level
 - Empowering leadership and income level

Analysis

Once the data set has met the assumptions or the assumptions have been addressed, I planned to test the variables for validity using Cronbach's α (Taber, 2016). I intended to omit any variables that do not pass the validity testing from the analysis. Next, a correlation analysis was to be conducted to determine significant relationships between the predictor, criterion, and mediation variables. The third step in the analysis process was to conduct linear regression analysis to find the level of impact the predictor variables have on the criterion variables.

A multiple linear regression model was used to determine the effect of the mediation variable on the predictor and criterion variables with the mediation variable present and without the mediation variable present. The results of the regression models were compared and contrasted to determine the level of mediation present. Hassan and Hassan (2015) demonstrated that perceived organizational support partially mediates the relationship between leadership and employee behavior using a similar methodology, and I have obtained the authors' permission to partially replicate their study.

Threats to Validity

With every study, there are threats to validity. At present, validity theory is broken into various aspects of validity (Shono, Ames, & Stacy, 2016). To address the threats to validity for this study, this section will list the internal, external, and construct threats along with my response to each threat. In some cases, the threat can be mitigated, and in other situations, the threat must be accepted for this study and resolved by future research.

Internal Validity

The primary concern of internal validity from a theoretical standpoint was variable content and interaction (Shono, Ames, & Stacy, 2016). In this study, the relationship between the variables is established in previous literature from both an individual item and an interaction perspective (Hassan & Hassan, 2015). Since the variable design does not contain a significant threat to validity, the primary threat to validity in this study was the accuracy of responses. The primary threat to internal validity was the nature of the responses generated through self-reporting.

The error to variable data within certain variable could also be a threat to validity because of the self-reported nature of the data. For example, a survey participant answering a question about their organizational citizenship behavior or reduced withdrawal behavior may not answer truthfully because they either do not have an honest opinion of themselves or they may fear consequences from their employer if somehow their supervisor was able to learn that they are less than an ideal employee. In addition to intentional deception on the part of the participants, there is also a risk that the employee does not have an accurate evaluation of themselves.

A recent study (Junco, 2013) demonstrated that people might not know as much about themselves as we would like them to by asking how many times per day people check their Facebook. The researcher (Junco, 2013) then used monitoring software to count the usage and compared the results to the self-reported data. The author (Junco, 2013) concluded that while the individuals can approximate their usage, it was not accurate enough to use for scholarly research. Also, since I intend to collect the survey

data from all participants at a single point in time, there should be no threat of history, maturation, instrument change, or repeated testing for this project.

External Validity

This study did contain threats to external validity. The primary external validity threat for this study was selection bias. However, during data collection, Qualtrics was able to reach a wide range of participants and mitigate any threat of selection bias. Within the population, the income level distribution may be skewed rather than normally distributed since there would most likely be a higher number of responses at the lower income levels than responses from higher income earners.

I planned to mitigate this threat by using quota sampling by setting a requirement that the responses be capped equally by income range to ensure there was a variety of income responses. Since the dataset comes from one source, the conclusion may not be able to be generalized across the entire population without further research to confirm the results. The selection bias for this study could have been accepted for this study, but future research should replicate the survey and analysis on different samples within the population to eliminate the external validity threat (Fiske, 2016).

Construct Validity

The primary construct validity threat for this project, as described in the Hassan and Hassan (2015) study was *mono-method bias* resulting from using one type of scale for a majority of the variables. I was able to partially mitigate the mono-method bias threat by using a different categorical scale for the mediation variable. Another construct threat to this project was *restricted generalizability across constructs*. Since I only

examined a limited number of predictor and criterion variable, the results of the mediation testing were limited to the variables tested. Another threat to construct validity for this project was self-reported data. All of the data collected for this study was self-reported. Since this project was intended to be a starting point for future research in the advancement of leadership theory, self-reported data was appropriate (Brutus, Aguinis, and Wassmer, 2013), but did limit the study.

Ethical Procedures

To meet IRB requirements, and satisfy any ethical concerns for human testing, I needed to gain individual informed consent, and all participants need to be volunteers. The IRB approved the informed consent language used at the beginning of the survey as well as the implied consent clause that indicated consent was implied by completion of the survey. The voluntary nature of the study, as well as other informed consent clauses, were reviewed and approved by the IRB as well.

To gain individual informed consent, the first page of the survey was a forced response required acknowledgment of the informed consent information. No respondents were allowed to proceed to the survey without this required step. I did not gather any demographic or personal information except income level to protect the privacy of the survey participants. As the research analyst, I will never have access to the identity of any of the participants, and all data gathered will remain confidential. The data will only be used for this academic research project and subsequent similar research opportunities.

Summary

This quantitative survey design study expanded the current understanding of the relationship between leaders and employees. By collecting data on the United States employee population through a survey, this research design might become a foundational study of future leadership theory development that expands upon the existing Equity Theory. While additional research may be required to generalize the results further, this study established a precedent for leadership research that incorporates income level as an influential factor for analysis.

Previous authors have explored mediation variable influence on the relationship between leadership and employee behavior, but to fully understand how leadership and employee behavior interact, more information is needed. Since the relationship between leadership and employee behavior is one of the most important to business operations, and income is perhaps the most important part of that relationship to both parties involved, this study may expand the understanding of this relationship in such a way that significantly alters the leadership paradigm.

Chapter 4: Results

In this chapter the results of this study include the data collection process as well as the statistical findings relevant to the research questions and hypotheses:

RQ1: How does employee income level mediate the relationship between leadership and employee behavior?

H_a : Employee income level partially mediates the relationship between leadership and employee behavior.

H_0 : Employee income level does not mediate the relationship between leadership and employee behavior.

RQ2: How is employee income level related to leadership?

H_a : There is a significant, positive relationship between employee income level and leadership.

H_0 : There is no relationship between employee income level and leadership.

RQ3: How is employee income level related to employee behavior?

H_a : There is a significant, positive relationship between employee income level and employee behavior.

H_0 : There is no relationship between employee income level and employee behavior.

The purpose of this study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior the United States.

Data Collection

The data collection plan for this research project was modified throughout the oral defense of the proposal and IRB approval process. The IRB approval number for this study from Walden University's IRB is 01-12-18-0500309. While the original data collection plan involved using my employer's employee population and Walden University's participant pool as possible sources of data, I decided that an independent survey company such as Qualtrics would be able to provide a dataset free from the selection bias associated with using my employer. Although the cost of using a commercial firm to recruit participants was higher than using a free source, it was a better option from an academic and scheduling perspective.

Upon receiving approval from the IRB to proceed with data collection, I began to work with Qualtrics to launch my online survey and went through the process to gain access to the Walden University participant pool. Less than 1 week after IRB approval, Qualtrics had returned 106 responses to my survey. With the assumption that at least 74 of them would be valid responses, I concluded my data collection process. The response rate for this survey was 10% according to Qualtrics' recruiting team.

Changes to Data Collection Plan

There was only one relevant change required to the data collection and cleaning plan as described in Chapter 3. My original plan to clean the dataset was to manually check each response as I entered the response data into SPSS. However, the functionality of Qualtrics provided me the dataset in SPSS format, which eliminated any possible data entry mistakes from the survey response to the dataset used for analysis. Qualtrics also

rejected any incomplete responses as invalid. After the dataset was uploaded to SPSS all that was required was to eliminate erroneous responses such as responses where a participant selected the same choice for all questions.

Representative Sample

In order to achieve a representative sample of the population, I added two verification questions prior to allowing participants to advance to the research survey. The first question ensured that the respondent was currently employed in the United States, and only participants with a *yes* answer were allowed to continue to the survey. The second question was a categorical question regarding the participant's annual household income using the following categories for response:

1. \$0-50,000
2. \$50,000-\$100,000
3. Over \$100,000

The categories were chosen to ensure the sample contained responses from the entry level, management level, and executive level of incomes. Qualtrics then capped the participants allowed to continue to the survey at 33% for the first response, 34% for the second, and 33% for the third. This step ensured that the dataset would contain information for each of these income levels to generate an appropriate quota sample (Moser & Stuart, 1953). While the dataset does not represent the whole population, there were essentially three separate representative samples taken, one from each income bracket. This sampling method was required in order to meet the normal distribution

requirement for the research design regarding mediation testing (Fairchild & MacKinnon, 2009).

The raw dataset consisted of 106 completed responses, and 95 of them were complete and valid responses. The data was cleaned using an 8-step process:

1. I verified that all responses had a different IP address and were generated at a different latitude and longitude, geographic location, to ensure that an individual did not submit multiple responses.
2. I verified that all responses completed 100% of the survey.
3. I verified that all responses took an appropriate amount of time to complete the survey.
4. I verified that all participants responded *yes* to the employment verification question.
5. I checked all responses for a valid income level response.
6. I removed the nine responses with invalid income level responses.
7. I corrected the formatting to the income inputs to delete non-numeral characters such as commas or dollar signs.
8. I removed two responses that answered the same response to all of the questions.

Eleven invalid responses were removed from the dataset prior to any validity testing or subsequent analysis. This left a dataset with 95 valid responses with a targeted sample of 74. There was no demographic information collected other than the annual household

income which had a range of \$11,000 to \$500,000 per year with a mean income of \$87,105.

Study Results

This section displays the results of the testing performed on the data. However, the detailed interpretation and implications derived from the analysis will be explained in Chapter 5. The first step in the data analysis process once the dataset was cleaned for erroneous or invalid responses as previously described was to test the internal validity of the variable instruments. The reliability test was the Cronbach's α , and the test was run via SPSS 24 on each variable category.

Sampling Accuracy and Reliability

The first step in the statistical testing procedure was to test the sample for accuracy and reliability. The sample was tested for accuracy using Kaiser-Meyer-Olkin (KMO) and was tested for reliability using Cronbach's α . As shown in Table 1, the KMO measure of sampling adequacy was strong for the independent variables of leader-member exchange, organizational justice, and empowering leadership with a score of .936. The KMO test is a scale of 0 to 1 with scores close to 1 demonstrating the strongest sampling adequacy and a score of .6 is the normal minimum score (Williams, Onsman & Brown, 2010).

The results of the Cronbach's α testing showed that the leadership variables could be used as stand-alone variables for future research using this dataset, but while the employee behavior variables were high enough to be considered reliable scales, they did not pass the .9 threshold. For the employee behavior analysis using this dataset, the three

employee behavioral categories must be aggregated to meet the .9 threshold for Cronbach's α . The entire 95 response dataset was used for these sampling tests, and the results of the Cronbach's α tests are shown in Table 1.

Table 1

Sample Reliability

Variable name	Variable acronym	Cronbach's α	Number of items
Leader-member exchange	LMX	.952	7
Organizational justice	OJ	.943	14
OJ – Distributive fairness	OJdf	.903	5
OJ – Interactional justice	OJij	.917	5
OJ – Procedural justice	OJpj	.883	4
Empowering leadership	EL	.909	8
<u>Leadership Total</u>		<u>.972</u>	<u>29</u>
Job performance	JP	.796	5
Organizational citizenship behavior	OCB	.880	13
OCB – Altruism	OCBa	.801	5
OCB – Curtesy	OCBc	.744	4
OCB – Civic virtue	OCBcv	.694	4
Reduced withdrawal behavior	RWB	.676	4
<u>Employee Behavior Total</u>		<u>.906</u>	<u>22</u>

The next step in the analysis process was combining the various variables generated by each survey question into new variable categories. Using the compute variable function from SPSS 24, I created a mean variable category that combined the 51 multiple choice responses into the following groups: leader-member exchange, organizational justice, empowering leadership, job performance, organizational citizenship behavior, and reduced withdrawal behavior. I also coded each of these variable categories to match the acronyms shown in Table 2 for each variable category.

Table 2

Descriptive Statistics

Variable name	Variable acronym	Mean	Standard Deviation	N
Leader-member exchange	LMX	3.5	1.037	95
Organizational justice	OJ	3.5	.792	95
Empowering leadership	EL	3.6	.813	95
Job performance	JP	4.3	.592	95
Organizational citizenship behavior	OCB	4.1	.467	95
Reduced withdrawal behavior	RWB	4.3	.538	95
Income level	IL	87,105	69,567	95

The outcome of the means for each variable was anticipated by nature of self-reported data; the respondents seem to have graded their own performance slightly higher than that of their leaders.

Regression Assumptions

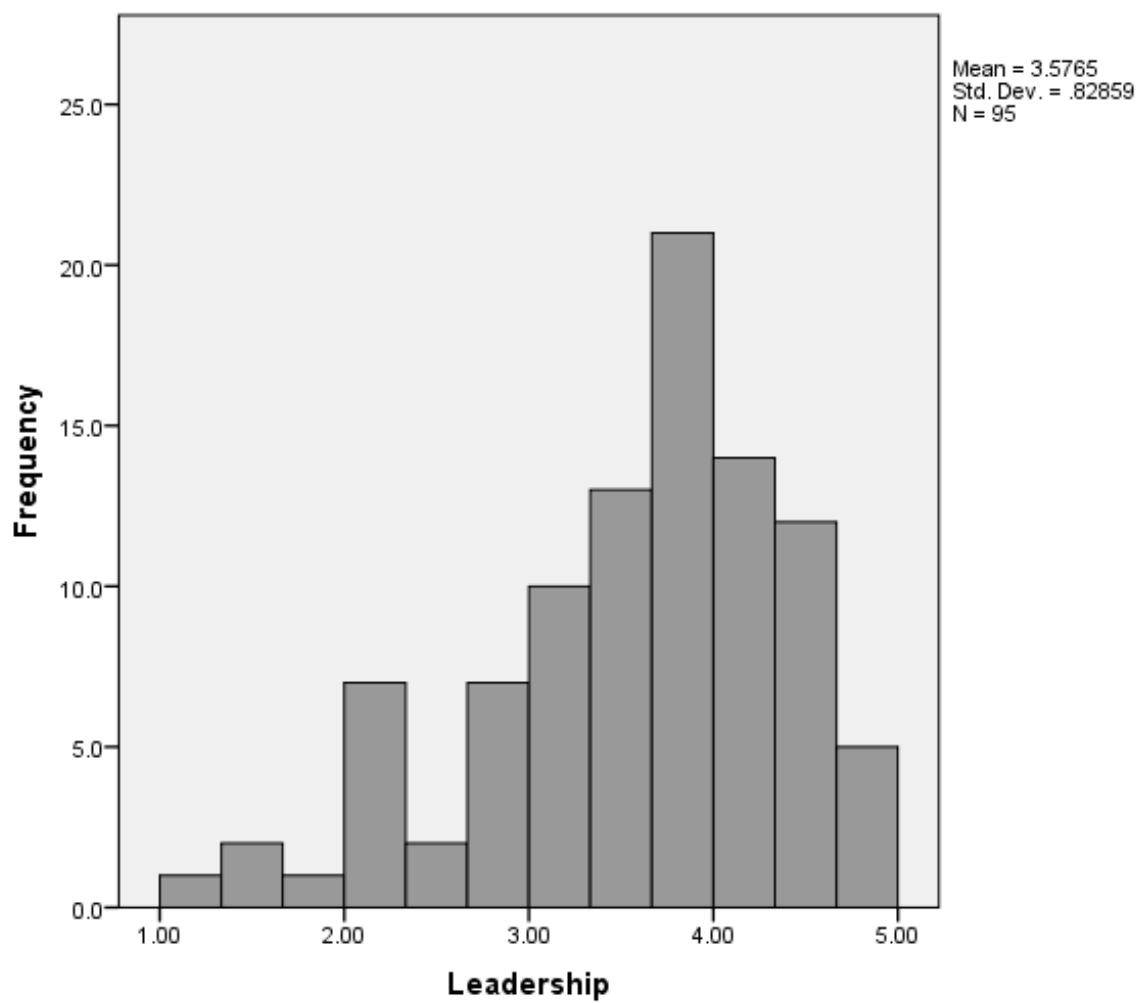
In order to use regression analysis, the assumptions for regression must be met. These assumptions are normally distributed population, a representative sample of the population, independent observations, homogeneity of variance, no multicollinearity, and a significant correlational relationship between the predictor and criterion variables (Berry, 1993). For this study, the assumptions of a representative sample and independent observations were not tested, but the data collection was designed to address these assumptions. The remaining assumption are discussed individually in this section.

Normal distribution. The first assumption for regression tested is normal distribution. The skewness and kurtosis with associated standard error information for income level, leadership, and employee behavior are shown in Table 3. Figures 4, 5, and 6 display the distribution of the three variables as a histogram.

Table 3

Sample Distribution

Variable Name	Skewness	Std. Error	Kurtosis	Std. Error
Leadership	-0.847	0.247	.292	0.490
Employee Behavior	-0.514	0.247	.344	0.490
Income Level	2.749	0.247	12.873	0.490

*Figure 4.* Leadership distribution histogram.

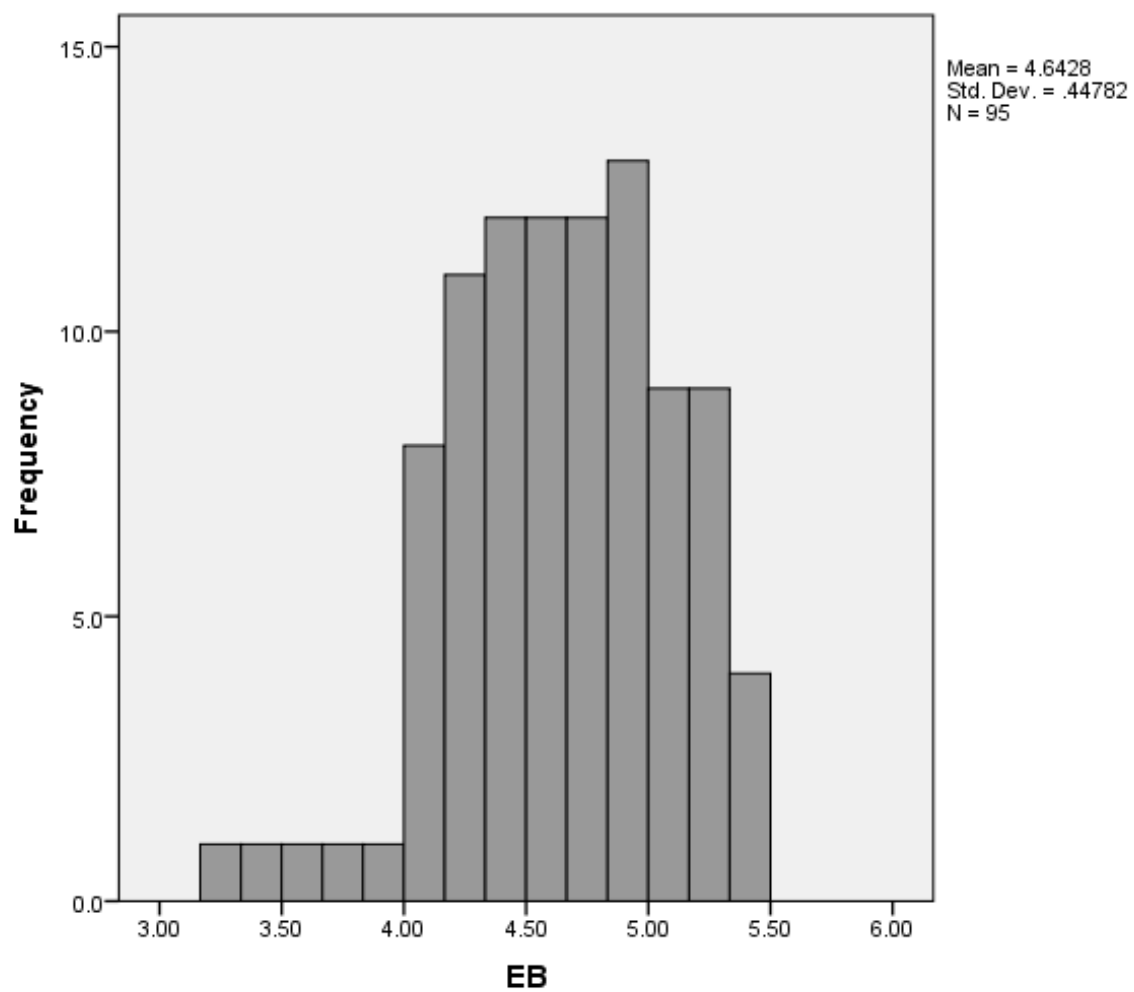


Figure 5. Employee behavior distribution histogram.

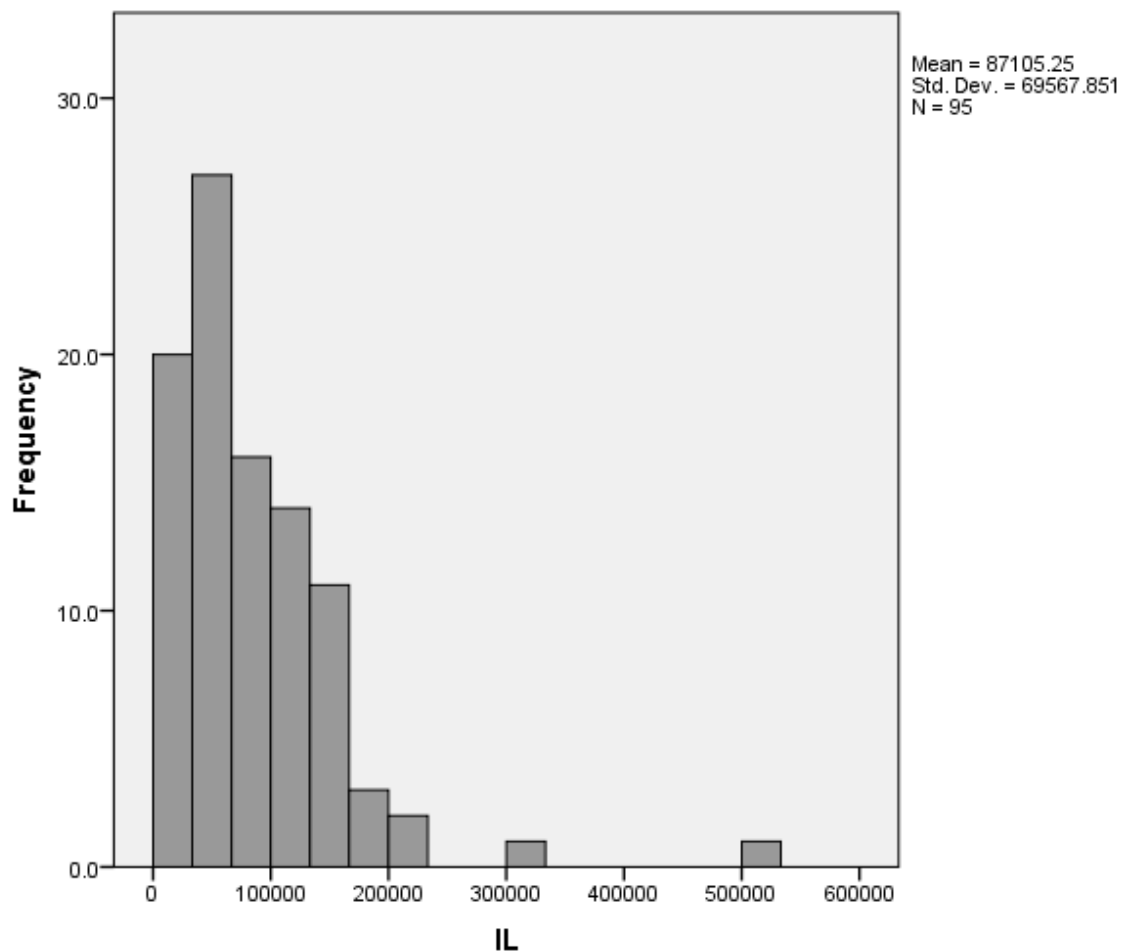


Figure 6. Income level distribution histogram.

Based on Table 3 and Figures 4-6, it is clear that the variables are slightly skewed, but within an allowable range to be considered normally distributed for regression testing.

Multicollinearity. Another assumption for regression is that there is no multicollinearity among the predictor variables. As demonstrated in Table 4, the variance inflation factor (VIF) for each variable tested is between 1 and 10. A VIF value between 1 and 10 indicates that there is no multicollinearity among the variables.

Table 4

Regression Model–Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Er	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	4.607	.252		18.298	.000		
	LMX	0.035	0.103	0.08	0.337	0.737	0.179	5.586
	OJ	0.027	0.107	0.047	0.25	0.803	0.285	3.503
	EL	-0.007	0.111	-0.012	-0.061	0.951	0.251	3.988
	IL	-1.78E-06	0	-0.276	-2.712	0.008	0.98	1.021

Note. a. Dependent Variable: Employee Behavior

Homogeneity of variance. In order to test for a problem with heteroscedasticity, a residual variable was saved from the regression model in Table 4 and regressed with the same variables. The results shown below in Table 5 show a significance value greater than .05 for each variable. Therefore, the assumption for homogeneity of variance has been met.

Table 5

Homogeneity of Variance Test: Glejser Test

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	0.435	0.136		3.187	0.002		
	LMX	0.084	0.056	0.372	1.516	0.133	0.179	5.586
	OJ	-0.079	0.058	-0.266	-1.367	0.175	0.285	3.503
	EL	-0.028	0.060	-0.097	-0.469	0.640	0.251	3.988
	IL	7.191E-08	0.000	0.021	0.203	0.840	0.980	1.021

Note. a. Dependent Variable: Absolute Residual Value

Variable correlation. The final assumption for regression is that the variables have a significant relationship. All of the leadership variables and employee behavior variables were tested for correlation using the Pearson Moment correlation test. The correlations are shown in Table 6. It is interesting to note that unlike the Hassan and Hassan (2015) study that found significant positive relationships for all of the variables, the data here only showed a significant relationship in 8 of the 21 relationships. A Pearson value of 0 to 0.2 means that there is almost no correlation between the variables. Of note from Table 7, the income level variable did not show any correlation to any of the predictor or criterion variables.

Also, the leadership variables showed a high correlation to the other leadership variables but no correlation to the employee behavior variables. The highly correlated relationships among the income level variables were also shown to be significant at the .01 level. Similarly, the employee behavior variables did not show a correlation between the leadership variables but did demonstrate a correlation between the other employee behavior variables. Also, the employee behavior variable correlational relationship is significant to the .01 level.

Table 6

Pearson Correlation Coefficients

	IL	LMX	OJ	EL	JP	OCB	RWB
IL	1	0.035	0.028	-0.040	-.257*	-0.182	-.237*
Sig.		0.739	0.786	0.701	0.012	0.078	0.021
LMX		1	.841**	.859**	0.137	0.159	-0.040
Sig.			0.000	0.000	0.185	0.123	0.699
OJ			1	.766**	0.112	0.127	0.010
Sig.				0.000	0.278	0.221	0.927
EL				1	0.120	0.165	-0.017
Sig.					0.246	0.110	0.874
JP					1	.563**	.562**
Sig.						0.000	0.000
OCB						1	.550**
Sig.							0.000
RWB							1

Note.

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

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

Linear Regression

The original plan to answer RQ2: *How is employee income level related to leadership?* and RQ3: *How is employee income level related to employee behavior?* was to use Pearson correlation testing followed by a linear regression model to explain how much of the variance in the employee behavior variables and the leadership variables could be explained by income level. However, this plan assumed that there would be a significant correlation between leadership and income level as well as between employee behavior and income level.

For the purpose of displaying the complete results, the regression information is shown below, even though the variables are not correlated. Tables 7 and 8 display the

results of the regression model associated with RQ2, and Tables 9 and 10 are the results of the regression model used to answer RQ3.

Table 7

Leadership and Income Level Regression Model

R	R Square	Adjusted R Square	Std. Error of the Estimate
.010 ^a	.000	-.011	.83298

Note. a. Predictors: (Constant), IL

Table 8

Leadership and Income Level Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.566	.137		25.953	.000		
IL	1.240E-7	.000	.010	.100	.920	1.000	1.000

Note. a. Dependent Variable: Leadership

Based on the results shown above in Table 7 the R Square value for the linear regression model is 0, which means that no part of the variance in leadership is due to the predictor variable income level. Also, as shown in Table 8, the regression model has a significance of .920 which does not meet the .05 threshold for significance.

Table 9

Employee Behavior and Income Level Regression Model

R	R Square	Adjusted R Square	Std. Error of the Estimate
.271 ^a	.074	.064	.43331

Note. a. Predictors: (Constant), Income Level

Table 10

Employee Behavior and Income Level Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	4.795	.071		67.092	.000		
IL	-1.748E-6	.000	-.271	-2.720	.008	1.000	1.000

Note. a. Dependent Variable: Employee Behavior

Based on the results shown above in Table 9 the R Square value for the linear regression model is .074, which means that 7.4% of the variance in employee behavior is due to the predictor variable income level. Also, as shown in Table 10, the regression model has a significance of .008 which does meet the .05 threshold for significance.

Multiple Linear Regression

To answer RQ1: *How does employee income level mediate the relationship between leadership and employee behavior?* the research plan was designed to use multiple regression to test income level as a mediation variable, as well as a linear regression model that included income level with the predictor variables. The multiple regression model that included income level would be compared to the multiple regression model that did not contain income level for mediation analysis. Tables 11 and 12 below display the results of the multiple regression model using the leadership variables and as predictor variables for the criterion variable of employee behavior. Tables 13 and 14 below display the results of the multiple regression model that includes income level as a predictor variable.

Table 11

Leadership and Employee Behavior Regression Model

R	R Square	Adjusted R Square	Std. Error of the Estimate
.108 ^a	.012	-.021	.45250

Note. a. Predictors: (Constant), EL, OJ, LMX

Table 12

Leadership and Employee Behavior Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	4.419	.250		17.649	.000		
LMX	.006	.106	.015	.060	.952	.181	5.528
OJ	.021	.110	.037	.190	.850	.286	3.502
EL	.035	.114	.063	.305	.761	.256	3.912

Note. a. Dependent Variable: Employee Behavior

Based on the results shown in Table 11 the R Square value for the linear regression model is .012. This means that only 1.2% of the variance in employee behavior is due to the leadership predictor variables. Also, as shown in Table 12, the regression model coefficients show that none of the predictor variables have a significance value that meets the .05 threshold for significance.

Table 13

Leadership and Employee Behavior Regression Model

R	R Square	Adjusted R Square	Std. Error of the Estimate
.294 ^a	.086	.046	.43748

Note. a. Predictors: (Constant), IL, LMX, EL, OJ

Table 14

Leadership and Employee Behavior Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	4.607	0.252		18.298	0.000		
LMX	0.035	0.103	0.080	0.337	0.737	0.179	5.586
OJ	0.027	0.107	0.047	0.250	0.803	0.285	3.503
EL	-0.007	0.111	-0.012	-0.061	0.951	0.251	3.988
IL	-1.777E-06	0.000	-0.276	-2.712	0.008	0.980	1.021

Note. a. Dependent Variable: Employee behavior

Based on the results shown in Table 13 the R Square value for the linear regression model is .086. This means that 8.6% of the variance in employee behavior is due to the leadership predictor variables combined with income level as a predictor variable. Also, as shown in Table 14, the regression model coefficients show that income level is the only predictor variable which has a significance value which meets the .05 threshold for significance.

In order to verify my overall test conducted above, I used SPSS 24 to run a two block multiple regression model. The results of that test are shown below in Tables 15 and 16, and they coincide with results displayed in the above tables.

Table 15

Two-Block Multiple Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.108a	0.012	-0.021	0.45250
2	.294b	0.086	0.046	0.43748

Note. a. Predictors: (Constant), EL, OJ, LMX

b. Predictors: (Constant), EL, OJ, LMX, IL

Table 16

Two-Block Multiple Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	4.419	0.250		17.649	0.000		
LMX	0.006	0.106	0.015	0.060	0.952	0.181	5.528
OJ	0.021	0.110	0.037	0.190	0.850	0.286	3.502
EL	0.035	0.114	0.063	0.305	0.761	0.256	3.912
2 (Constant)	4.607	0.252		18.298	0.000		
LMX	0.035	0.103	0.080	0.337	0.737	0.179	5.586
OJ	0.027	0.107	0.047	0.250	0.803	0.285	3.503
EL	-0.007	0.111	-0.012	-0.061	0.951	0.251	3.988
IL	-1.777E-06	0.000	-0.276	-2.712	0.008	0.980	1.021

Note. a. Dependent Variable: Employee behavior

Findings

In the previous sections of this chapter, all of the information needed to answer the three research questions was presented in raw form along with brief explanations of the results' meaning. This section will provide the research finding for this project with

detailed explanations. The data analysis from this project results in the following findings according to the dataset examined:

1. There is no significant relationship between leadership and employee behavior.
2. There is a significant positive correlational relationship between leader-member exchange, organizational justice and empowering leadership.
3. There is a significant positive correlational relationship between job performance, organizational citizenship behavior, and reduced withdrawal behavior.
4. There is no significant relationship between income level and leadership.
5. There is a significant negative relationship between income level and employee behavior.
6. Income level does not mediate the relationship between leadership and employee behavior.

Items one through four above are demonstrated in Table 6 above as indicated in the Pearson correlation testing. Item six above was demonstrated in two ways. First, logically, there can be no mediation of a relationship if that relationship is not present. Since there is not a significant correlation between leadership and employee behavior; income level cannot mediate that relationship. Secondly, in comparison of the two linear regression models' *R* Square in Tables 9 and 11, it is observed that income level has an *R* Square of .074 and leadership has an *R* Square of .014 when regressed as predictor variables for employee behavior. This demonstrates that income level has more of an

effect on employee behavior than leadership, so while it is possible that leadership partially mediates the relationship between income level and employee behavior, the converse is not demonstrated by this dataset.

Summary

This research project has three research questions. The first research question which is: *How does employee income level mediate the relationship between leadership and employee behavior?* Based on the above results and the explanation given at the end of the previous section, I accept the null hypothesis for this research question that employee income level does not mediate the relationship between leadership and employee behavior.

The second research question is: *How is employee income level related to leadership?* Based on the Pearson correlation results displayed in Table 6 above, I accept the null hypothesis that there is no relationship between employee income level and leadership. The third research question is: *How is employee income level related to employee behavior?* Based on the Pearson correlation results displayed in Table 6 above along with the *R* Square found in Table 9 of .074, I reject the null hypothesis that there is no relationship between employee income level and employee behavior, and conclude that there is a significant negative relationship between income level and employee behavior.

Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this correlational, quantitative design study was to test the mediating effects of employee income level on the relationship between leadership and employee behavior in the United States. This study was conducted to build upon the theoretical foundation of Adams's (1963) equity theory by examining empirical data using quantitative statistical tools. The primary finding of this study was that while there was no significant relationship observed between leadership and employee behavior, there was a significant negative relationship observed between income level and employee behavior.

When I first conducted the correlational testing, I was concerned that there was a data entry error when transferring data from Qualtrics to SPSS 24, because the results displayed in Table 6 that did not show a correlation between leadership and employee behavior. I compared the data results in Qualtrics to the data results tab in SPSS to confirm they were a match. As demonstrated by Hassan and Hassan (2015), leadership and employee behavior have been found to have a significant positive correlation in previous research, so the finding in this study that there was no significant relationship between leadership and employee behavior was unexpected.

Because there was no correlation between leadership and employee behavior, the first two research questions were answered by accepting the null hypothesis. However, the last research question required further examination. While the Pearson correlation demonstrated a significant negative relationship between two of the employee behavior variables and income level, the level of correlation was low. By completing the

subsequent regression analysis which resulted in an *R* Square of .074 and a significance of .008, I was able to conclude that there is a significant negative relationship between income level and employee behavior.

Even though there were no leadership variables with a significant relationship to employee income level, previous research (Hassan & Hassan, 2015), as well as the theoretical foundation for this study (Adams, 1963) suggested that there is a significant relationship between leadership and employee behavior. In fact, most current business leadership theory assumes this relationship must exist, otherwise there would be no need for business leadership theory development. Because one of the primary purposes of business leadership is to produce desired employee behaviors, a lack of a significant relationship between leadership and employee behavior makes any energy exerted on business leadership a waste of resources.

The *R* Square resulting from the regression of income level and leadership was zero, which meant that the income level variable does not explain any of the variation of the leadership variable. This did not match my hypothesis, which indicated that income level does not predict any part of the leadership variables. Perhaps future research should replicate this study on a different sample from the same population to further generalize or contrast the results.

While the finding that there is no significant relationship between leadership and employee behavior was an unexpected result, it does meet the research objective of continuing the incremental expansion of knowledge regarding the relationship among the three variable groups studied. By demonstrating that leadership, employee income level,

and employee behavior are not always correlated, certain management theoretical conclusions can now be examined and supported by this new empirical evidence. The negative relationship between income level and employee behavior should be further researched.

Interpretation of Findings

The findings of this quantitative research study does not support the findings of the Hassan and Hassan (2015) study. In the Hassan and Hassan study, all the variables had a positive, significant correlation. In this study, in which I used the same survey instrument for six out of the seven variables, there were not the same resulting significant relationships. This could be due to nature of using only self-reported data or because the population in the United States in 2017 does not have the same relationships as the previously examined population.

The findings of this study also conflict with Adams's (1963) qualitative analysis and resulting equity theory. Adams theorized that income inequality would decrease motivation and thereby decrease employee behavioral outcomes. However, the findings of this study suggest that there is a negative relationship between employee income level and employee behavior. This finding suggests that income inequality may not impact employee behavior as Adams suggested, and in fact could have the opposite effect.

Along with not supporting the foundational research for this study by Adams (1963, 1965) that suggested that income level and employee behavior are positively related, the findings of this study are also counter to other leadership research studies. Almost all leadership theory is based on the conceptual framework that leadership effects

employee behavior. In fact, if leadership does not affect employee behavior, there would be no practical or academic reason for the continued research and development of leadership theory. While I am not suggesting that this study should replace the previous research with regard to the understanding of the relationship between leadership and employee behavior, it does indicate that there are at least certain situations where leadership and employee behavior are not correlated.

Limitations of the Study

There were four main limitations of this study. First, the use of self-reported data seemed to have inflated the employee behavior responses and decreased the leadership responses, but there are always limitations when using only self-reported data (Ho, 2017). Secondly, this study solely used a 5-point Likert-type scale similar to Hassan and Hassan (2015) to measure the variables. While the Likert-type scale is one of the most commonly accepted scales for measuring self-reported feelings and perceptions, it only uses one type of response.

Thirdly, the study was limited to a small sample size of 95, although that sample exceeds the minimum sample of 74 based on the G*Power analysis conducted given the plan to use the multiple regression model. Lastly, the study is also limited by a lack of longitudinal aspect, because all data collected was from a single survey conducted at a single point in time. The sample for this project came from one organization, which also limits the extent to which the results can be generalized. Future research could further generalize the results by replicating the study on different populations.

This study is limited with regard to generalizability due to the sample size, and self-reported nature of the study, however the validity and reliability testing demonstrate that the results are a good representation of the survey instrument. In order to generalize the results across the entire population, a wider sample will be needed to confirm or disconfirm the results of this study. A longitudinal aspect of future research could also help to further generalize or contrast the results of this study.

Recommendations

Because of the limitations discussed in the previous section, I have several recommendations for subsequent research studies. First, this study was limited due to the self-reported nature of the study, a future study that is based on supervisor reported data for the employee behavior variables and the employee reported data for the leadership variables could either confirm or disconfirm the findings of this study. This study was also limited by the nature of the survey instrument used being comprised primarily of five-point scale Likert questions. Future research could expand the survey instrument to other types of questions in order to encompass a broader spectrum of leadership and employee behavior responses.

Since this study was limited to a 95-case sample size and found an R Square value of zero for one of the relationships, future research could examine if a larger or different sample would demonstrate different results. A larger sample may also allow the results to be further generalized across the population. Another limitation of this study was the lack of longitudinal information. If a future research design included a longitude aspect, it could determine if the relationship between leadership and employee behavior is

consistently not correlated, consistently correlated or if the relationship changes based on changing circumstances.

Finally, since the findings of this study conflict with the findings of the previous research from Hassan and Hassan (2015), further replication of this study on the same population using multiple samples may allow future researchers to add evidence to support either the findings presented in this study regarding the relationship between leadership and employee behavior or the findings presented in Hassan and Hassan's study. Since this study and Hassan and Hassan (2015) studied entirely different geographic populations, further research on both populations could be useful to determine if the results are consistent within the populations. I also recommend partial replication of this study to further explore the correlation between employee income level and employee behavior. For future studies that find similar significant relationships to the ones found in the Hassan and Hassan (2015) study, full replication of the mediation testing as described in the research plan for this study would also be recommended.

Implications

There are multiple implications to the field of management and for potential positive social changes as a result of the findings presented in this study. For the field of management, leadership theory development has been previously based on the idea that leadership affects employee behavior (Adams, 1963; 1965). However, the results of this study imply that we may not be able to take that assumption for granted, and future leadership theory development may need to include provisions that incorporate the

inconsistency of the relationship as well as the possibility of a negative relationship between employee income level and employee behavior.

With regard to positive social change, an understanding that employee behavior may not always be affected by employee income level or leadership should allow leaders to judge employee behavior as a standalone variable. In the past senior leaders have attempted to hold middle managers and supervisors accountable for employee behavior. However, this study indicates that in the US business sector this may not be an appropriate organizational leadership strategy. By holding employees accountable for their own behavior, future organizations may have better long-term success with both leader and employee performance.

Another positive social change implication is the correlation between job performance and organizational citizenship behavior. Since there is a significant positive correlation between job performance and organizational citizenship behavior, organizations may be able to build a culture with high organizational citizenship by simply ensuring high job performance. Since it is in the best interest of the organization for an employee to have job performance, and in the best interest of everyone in the social network to have high organizational citizenship behavior, individual accountability for job performance could lead to a better social environment.

Conclusions

This study was designed to test the mediation of employee income level on the relationship between leadership and employee behavior. While the results of the study were not expected, the results do add to the current literature regarding the relationship

between leadership and employee behavior. Current leadership theory assumes that there is a correlation between leadership and employee behavior, but as this study indicates that may not always be the case. The current theory assumes a positive correlation between employee income level and employee behavior, while this study gives evidence to the presence of a negative relationship.

Even if future research reveals that the results of this study are the exception rather than the norm, future theory developers should still take into account the fact that leadership does not always affect employee behavior. Perhaps future leadership theory regarding employee behavior should be more focused on the employee's actions rather than the leader's actions. Individual accountability for job performance may actually be more important than leadership for the long-term success of a business organization.

References

- Adams, J. S. (1963). Wage inequities, productivity and work quality. *Industrial Relations: A Journal of Economy and Society*, 3(1), 9-16. doi:10.1111/j.1468-232X.1963.tb00805.x
- Adams, J. S. (1965). Inequity in social exchange. *Advances in Experimental Social Psychology*, 2, 267-299. doi:10.1016/S0065-2601(08)60108-2
- Afsar, B., Ali, Z., Dost, M., & Safdar, U. (2017). Linking error management practices with call center employees' helping behaviors and service recovery performance. *Pakistan Journal of Commerce & Social Sciences*, 11(1). Retrieved from <http://www.jespk.net>
- Anderson, D. R., Sweeney, D. J., Williams, T. A., Camm, J. D., & Cochran, J. J. (2013). *Quantitative methods for business*. Mason, OH: Cengage Learning.
- Antonakis, J. (2017). *The nature of leadership*. Thousand Oaks, CA: Sage publications.
- Bai, Y., Dong, Z., Liu, H., & Liu, S. (2017). We may be different, but I can help you: the effects of leaders' political skills on leader–follower power distance value incongruence and withdrawal behavior. *Journal of Leadership & Organizational Studies*, 24(2), 216-229. doi:10.1177/1548051816665582
- 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. Retrieved from <http://www.apa.org>

- Berry, W. D. (1993). *Understanding regression assumptions*. Newbury Park, CA: Sage Publications.
- Blau, P. M. (1964). *Exchange and power in social life*. New York, NY: Wiley.
- Blau, J. R., & Blau, P. M. (1982). The cost of inequality: Metropolitan structure and violent crime. *American Sociological Review*, 114-129. Retrieved from <http://www.jstor.org/stable/2095046>
- Blickle, G., Kane-Frieder, R. E., Oerder, K., Wihler, A., von Below, A., Schütte, N., . . . Ferris, G. R. (2013). Leader behaviors as mediators of the leader characteristics-follower satisfaction relationship. *Group & Organization Management*, 38(5), 601-629. doi:10.1177/1059601113503183
- Booth, A., Sutton, A., & Papaioannou, D. (2016). *Systematic approaches to a successful literature review*. Thousand Oaks, CA: Sage Publications Inc.
- Brown, C., Evans, J. H., III, Moser, D., & Presslee, A. (2016). How does reducing pay dispersion affect employee behavior? *University of Pittsburgh*. Retrieved from <http://www.psu.edu>
- Brutus, S., Aguinis, H., & Wassmer, U. (2013). Self-reported limitations and future directions in scholarly reports: Analysis and recommendations. *Journal of Management*, 39(1), 48-75. doi:10.1177/0149206312455245
- Burns, J. M. (1978). *Leadership*. New York, NY: Harper and Row.
- Chetty, R., Stepner, M., Abraham, S., Lin, S., Scuderi, B., Turner, N., . . . Cutler, D. (2016). The association between income and life expectancy in the United States, 2001-2014. *Jama*, 315(16), 1750-1766. doi:10.1001/jama.2016.4226

- Chiang, C. F., & Hsieh, T. S. (2012). The impacts of perceived organizational support and psychological empowerment on job performance: The mediating effects of organizational citizenship behavior. *International Journal of Hospitality Management, 31*(1), 180-190. doi:10.1016/j.ijhm.2011.04.011
- Chu, X., & Ilyas, I. F. (2016). Qualitative data cleaning. *Proceedings of the VLDB Endowment, 9*(13), 1605-1608. Retrieved from <http://www.vldb.org/>
- Cobb, J. A. (2016). How firms shape income inequality: Stakeholder power, executive decision making, and the structuring of employment relationships. *Academy of Management Review, 41*(2), 324-348. doi:10.5465/amr.2013.0451
- Corak, M. (2013). Income inequality, equality of opportunity, and intergenerational mobility. *The Journal of Economic Perspectives, 27*(3), 79-102. Retrieved from <http://hdl.handle.net/10419/80702>
- Conte, J. M., Heffner, T. S., Roesch, S. C., & Aasen, B. (2017). A person-centric investigation of personality types, job performance, and attrition. *Personality and Individual Differences, 104*, 554-559. doi:10.1016/j.paid.2016.09.004
- Crabtree, S. (2013). Worldwide, 13% of employees are engaged at work. Retrieved from <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>
- Cropanzano, R., Dasborough, M. T., & Weiss, H. M. (2017). Affective events and the development of leader-member exchange. *Academy of Management Review, 42*(2), 233-258. doi:10.5465/amr.2014.0384

- Cropanzano, R., Rupp, D. E., Mohler, C. J., & Schminke, M. (2001). Three roads to organizational justice. *Research in Personnel and Human Resources Management, 20*, 1-113. doi:10.1016/S0742-7301(01)20001-2
- Czaplewski, A. J., Key, T. M., & Van Scotter II, J. R. (2016). The role of positive organizational behavior in building a worldclass service organization. *Leading the Positive Organization: Actions, Tools, and Processes*, 58. New York, NY: Business Expert Press, LLC.
- Daly, M. (2017). *Killing the competition: Economic inequality and homicide*. New York, NY: Routledge.
- Dansereau, F., Seitz, S. R., Chiu, C. Y., Shaughnessy, B., & Yammarino, F. J. (2013). What makes leadership, leadership? Using self-expansion theory to integrate traditional and contemporary approaches. *The Leadership Quarterly, 24*, 798-821. doi:10.1016/j.leaqua.2013.10.008
- Day, D. V., Fleenor, J. W., Atwater, L. E., Sturm, R. E., & McKee, R. A. (2014). Advances in leader and leadership development: A review of 25 years of research and theory. *The Leadership Quarterly, 25*(1), 63-82. doi:10.1016/j.leaqua.2013.11.004
- Delmas, M. A., & Pekovic, S. (2016). Corporate sustainable innovation and employee behavior. *Journal of Business Ethics, 1-18*. doi:10.1007/s10551-016-3163-1
- Demirtas, O., & Akdogan, A. (2015). The effect of ethical leadership behavior on ethical climate, turnover intention, and affective commitment. *Journal of Business Ethics, 130*(1), 59-67. doi:10.1007/s10551-014-2196-6

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014).

Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, 25(1), 36-62.

doi:10.1016/j.leaqua.2013.11.005

Dong, Y., Bartol, K. M., Zhang, Z. X., & Li, C. (2017). Enhancing employee creativity via individual skill development and team knowledge sharing: Influences of dual-focused transformational leadership. *Journal of Organizational Behavior*, 38(3), 439-458. doi:10.1002/job.2134

Easley, R. W., Madden, C. S., & Dunn, M. G. (2000). Conducting marketing science: The role of replication in the research process. *Journal of Business Research*, 48(1), 83-92. doi:10.1016/S0148-2963(98)00079-4

Eberly, M. B., Johnson, M. D., Hernandez, M., & Avolio, B. J. (2013). An integrative process model of leadership: Examining loci, mechanisms, and event cycles. *American Psychologist*, 68, 427-443. doi:10.1037/a0032244

Eisenberger, R., Armeli, S., Rexwinkel, B., Lynch, P. D., & Rhoades, L. (2001). Reciprocation of perceived organizational support. *Journal of Applied Psychology*, 86(1), 42-51. doi:1037//0021-9010.86.1.42

Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived organizational support and employee diligence, commitment, and innovation. *Journal of Applied Psychology*, 75(1), 51-59. Retrieved from <http://www.apa.org>

- Fairchild, A. J., & MacKinnon, D. P. (2009). A general model for testing mediation and moderation effects. *Prevention Science, 10*(2), 87-99. doi:10.1007/s11121-008-0109-6
- Fairhurst, G. T., & Connaughton, S. L. (2014). Leadership: A communicative perspective. *Leadership, 10*, 7-35. doi:10.1177/1742715013509396
- Fiedler, F. E. (1964). A contingency model of leadership effectiveness. *Advances in Experimental Social Psychology, 1*, 149-190. doi:10.1016/S0065-2601(08)60051-9
- Fiske, S. T. (2016). How to publish rigorous experiments in the 21st century. *Journal of Experimental Social Psychology, 66*, 145-147. doi:10.1016/j.jesp.2016.01.006
- Francis, L., & Barling, J. (2005). Organizational injustice and psychological strain. *Canadian Journal of Behavioural Science, 37*(4), 250. Retrieved from <http://psycnet.apa.org>
- Gerhart, B. (2017). Incentives and pay for performance in the workplace. *Advances in Motivation Science, 4*, 91-140. doi:10.1016/bs.adms.2017.02.001
- Gerstner, C. R., & Day, D. V. (1997). Meta-analysis review of leader-member exchange theory: Correlation and construct issues. *Journal of Applied Psychology, 82*, 827-844. Retrieved from <http://psycnet.apa.org/>
- Goth, U. S., Bergsli, O., & Johanesen, E. M. (2017). Integration of ethnic minorities during group-work for vocational teachers-in-training in health studies. *International Journal of Medical Education, 8*, 31. doi:10.5116/ijme.5862.505a

- Harms, P. D., Credé, M., Tynan, M., Leon, M., & Jeung, W. (2017). Leadership and stress: A meta-analytic review. *The Leadership Quarterly*, 28(1), 178-194.
doi:10.1016/j.leaqua.2016.10.006
- Hassan, S. & Hassan, M. (2015). Testing the mediating role of perceived organizational support between leadership styles, organizational justice and employees' behavioral outcomes. *Pakistan Journal of Commerce & Social Sciences*, 9(1), 131-158. Retrieved from <http://www.jespk.net/publications/225.pdf>
- Hassan, S., Hassan, M., & Shoaib, M. (2014). Measuring the impact of perceived organization support, psychological empowerment and rewards on employees' satisfaction: Testing the mediating impact of employee engagement. *World Applied Sciences Journal* 30(5), 652-660.
doi:10.5829/idosi.wasj.2014.20.05.14094
- He, W., Fehr, R., Yam, K. C., Long, L. R., & Hao, P. (2017). Interactional justice, leader-member exchange, and employee performance: Examining the moderating role of justice differentiation. *Journal of Organizational Behavior*, 38(4), 537-557. doi:10.1002/job.2133
- Hersey, P., & Blanchard, K. H. (1977). *Management of organizational behavior: Utilizing human resources*. Englewood Cliffs, N.J: Prentice-Hall.
- Ho, G. W. (2017). Examining perceptions and attitudes: A review of likert-type scales versus Q-methodology. *Western Journal of Nursing Research*, 39(5), 674-689.
doi:10.1177/0193945916661302

- Hoffman, E. L., & Lord, R. G. (2013). A taxonomy of event-level dimensions: Implications for understanding leadership processes, behavior, and performance. *The Leadership Quarterly*, 24(4), 558-571.
doi:10.1016/j.leaqua.2013.03.009
- Janssen, O., & Van Yperen, N. W. (2004). Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction. *Academy of Management Journal*, 47(3), 368-384.
doi:10.2307/20159587
- Johns, T. L., Hayes, R., Scicchitano, M. J., & Grottini, K. (2017). Testing the effectiveness of two retail theft control approaches: an experimental research design. *Journal of Experimental Criminology*, 1-7. doi:10.1007/s1129
- Junco, R. (2013). Comparing actual and self-reported measures of Facebook use. *Computers in Human Behavior*, 29(3), 626-631.
doi:10.1016/j.chb.2012.11.007
- Karsten, N., & Hendriks, F. (2017). Don't call me a leader, but I am one: The Dutch mayor and the tradition of bridging-and-bonding leadership in consensus democracies. *Leadership*, 13(2), 154-172. doi:10.1177/1742715016651711
- Kellerman, B. (2007). What every leaders needs to know about followers. *Harvard Business Review*, 85(12), 84. Retrieved from <http://www.hbr.org>
- Kim, M., & Beehr, T. A. (2017). Self-efficacy and psychological ownership mediate the effects of empowering leadership on both good and bad employee

behaviors. *Journal of Leadership & Organizational Studies*.

doi:10.1177/1548051817702078

Kooij, D. T., Tims, M., & Akkermans, J. (2017). The influence of future time perspective on work engagement and job performance: the role of job crafting. *European Journal of Work and Organizational Psychology*, 26(1), 4-15.

doi:10.1080/1359432X.2016.1209489

Kopf, D. A., Hsu, M. K., Shows, G. D., & Albinsson, P. A. (2016). Quantitative versus qualitative research methods. *2016 SMA Proceedings*, 470. Retrieved from

<http://www.marketingadvances.org>

Kruse, K. (2013). What is leadership. *Forbes Magazine*, 3. Retrieved from

<http://www.forbes.com>

Leana, C. R., & Meuris, J. (2015). Living to work and working to live: Income as a driver of organizational behavior. *The Academy of Management Annals*, 9(1), 55-95.

doi:10.1080/19416520.2015.1007654

Lee, S., Cheong, M., Kim, M., & Yun, S. (2017). Never too much? The curvilinear relationship between empowering leadership and task performance. *Group & Organization Management*, 42(1), 11-38. doi:10.1177/1059601116646474

Lieberthal, R. D. (2016). Demand for health insurance. *What Is Health Insurance (Good) For?* 87-115. Switzerland: Springer International Publishing.

doi:10.1007/978-3-319-43796-5_4

- Liden, R. C., Wayne, S. J., Liao, C., & Meuser, J. D. (2014). Servant leadership and serving culture: Influence on individual and unit performance. *Academy of Management Journal*, 57, 1434-1452. doi:10.5465/amj.2013.0034
- Lorinkova, N. M., & Perry, S. J. (2017). When is empowerment effective? The role of leader-leader exchange in empowering leadership, cynicism, and time theft. *Journal of Management*, 43(5), 1631-1654.
doi:10.1177/0149206314560411
- Martin, R., Guillaume, Y., Thomas, G., Lee, A., & Epitropaki, O. (2016). Leader-member exchange (LMX) and performance: A meta-analytic review. *Personnel Psychology*, 69(1), 67-121. doi:10.1111/peps.12100
- Meuser, J. D., Gardner, W. L., Dinh, J. E., Hu, J., Liden, R. C., & Lord, R. G. (2016). A network analysis of leadership theory: The infancy of integration. *Journal of Management*, 42(5), 1374-1403. doi:10.1177/0149206316647099
- Moorman, R. H., & Byrne, Z. S. (2013). How does organizational justice affect organizational citizenship behavior?. *Handbook of Organizational Justice*. Mahwah, NJ: Erlbaum.
- Morrison, E.W., (1996). Organizational citizenship behavior as a critical link between HRM practices and service quality. *Human Resource Management*, 35 (4), 493–512. doi:10.1002/(SICI)1099-050X(199624)35:4<493::AID-HRM4>3.0.CO;2-R
- Moser, C. A., & Stuart, A. (1953). An experimental study of quota sampling. *Journal of the Royal Statistical Society. Series A (General)*, 116(4), 349-405.
doi:10.2307/2343021

- Muenjohn, N., & McMurray, A. (2016). The impact of leadership on workplace innovation in Thai and Vietnamese SMEs. *Journal of Developing Areas, 50*(5), 479-486. doi:10.1353/jda.2016.0045
- Nebeker, C., Simon, G., Kalichman, M., Talavera, A., Booen, E., & Lopez-Arenas, A. (2015). *Building research integrity and capacity (BRIC): An interactive guide for promotores/community health workers*. San Diego, CA: BRIC Academy.
- Newman, A., Schwarz, G., Cooper, B., & Sendjaya, S. (2017). How servant leadership influences organizational citizenship behavior: The roles of LMX, empowerment, and proactive personality. *Journal of Business Ethics, 145*(1), 49-62. doi:10.1007/s10551-015-2827-6
- Ng, T. W. H., & Feldman, D. C. (2008). The relationship of age to ten dimensions of job performance. *Journal of Applied Psychology*. doi:10.1037/0021-9010.93.2.392
- Nguyen, T. T., Mia, L., Winata, L., & Chong, V. K. (2017). Effect of transformational-leadership style and management control system on managerial performance. *Journal of Business Research, 70*, 202-213. doi:10.1016/j.jbusres.2016.08.018
- Organ, D. W. (2017). Recent developments in research pertaining to organizational citizenship behavior (OCB). *Annual Review of Organizational Psychology and Organizational Behavior, 5*(1). doi:10.1146/annurev-orgpsych-032117-104536
- Pereira, R. H., Schwanen, T., & Banister, D. (2017). Distributive justice and equity in transportation. *Transport Reviews, 37*(2), 170-191. doi:10.1080/01441647.2016.1257660

- Prottas, D. J. (2013). Relationships among employee perception of their manager's behavioral integrity, moral distress, and employee attitudes and well-being. *Journal of Business Ethics, 113*(1), 51-60. doi:10.1007/s10551-012-1280-z
- Qian, J., Wang, B., Han, Z., & Song, B. (2017). Ethical leadership, leader-member exchange and feedback seeking: A double-moderated mediation model of emotional intelligence and work-unit structure. *Frontiers in Psychology, 8*. doi:10.3389/fpsyg.2017.011174
- Roethlisberger, F. J., Dickson, W. J., Wright, H. A., & Pforzheimer, C. H. (1939). *Management and the worker: An account of a research program conducted by the Western Electric Company, Hawthorne Works, Chicago*. Cambridge, MA: Harvard University Press.
- Ruben, B. D. & Gigliotti, R. A. (2016). Leadership as social influence: An expanded view of leadership communication theory and practice. *Journal of Leadership and Organizational Studies, 23*, 467-479. doi:10.1177/1548051816641876
- Schmitt, A., Den Hartog, D. N., & Belschak, F. D. (2016). Transformational leadership and proactive work behaviour: A moderated mediation model including work engagement and job strain. *Journal of Occupational and Organizational Psychology, 89*(3), 588-610. doi:10.1111/joop.12143
- Seate, B. M., Pooe, R. I., & Chinomona, R. (2016). The relative importance of managerial competencies for predicting the perceived job performance of broad-based black economic empowerment verification practitioners. *SA Journal of Human Resource Management, 14*(1), 1-11. doi:10.4102/sajhrm.v14i1.696

- Shono, Y., Ames, S. L., & Stacy, A. W. (2016). Evaluation of internal validity using modern test theory: Application to word association. *Psychological Assessment, 28*(2), 194. doi:10.1037/pas0000175
- Srivastava, R., & Ali, S. H. (2016). The impact of organizational level and annual income on the emotional intelligence and leadership of managerial personnel. *Journal of Management & Administration, 2016*(2), 42-64. Retrieved from <http://www.journals.co.za>
- Stavrova, O., & Ehlebracht, D. (2016). Cynical beliefs about human nature and income: Longitudinal and cross-cultural analyses. *Journal of Personality and Social Psychology, 110*(1), 116. Retrieved from <http://psyciq.apa.org>
- Strom, D. L., Sears, K. L., & Kelly, K. M. (2014). Work engagement: The roles of organizational justice and leadership style in predicting engagement among employees. *Journal of Leadership & Organizational Studies, 21*(1), 71-82. doi:10.1177/1548051813485437
- U.S. Bureau of Economic Analysis. (2016). *National income and product account tables*. Retrieved from <https://www.bea.gov/>
- U.S. Bureau of Labor Statistics. (2014) *Nonprofits account for 11.4 million jobs, 10.3 percent of all private sector employment*. Retrieved from <https://www.bls.gov>
- van Knippenberg, D., & Sitkin, S. B. (2013). A critical assessment of charismatic-transformational leadership research: Back to the drawing board? *The Academy of Management Annals, 7*: 1-60. doi:10.1080/19416520.2013.759433

- Vecchio, R. P., Justin, J. E., & Pearce, C. L. (2010). Empowering leadership: An examination of mediating mechanisms within a hierarchical structure. *The Leadership Quarterly*, *21*(3), 530-542. doi:10.1016/j.leaqua.2010.03.014
- Vohs, K. D. (2013). The poor's poor mental power. *Science*, *341*(6149), 969-970. doi:10.1126/science.1244172
- Wang, H. J., Demerouti, E., & Le Blanc, P. (2017). Transformational leadership, adaptability, and job crafting: The moderating role of organizational identification. *Journal of Vocational Behavior*, *100*, 185-195. doi:10.1016/j.jvb.2017.03.009
- Wang, T., Thornhill, S., & Zhao, B. (2016). Pay-for-performance, employee participation, and SME performance. *Journal of Small Business Management*. doi:10.1111/jsbm.12268
- Wang, Y., & Hu, T. (2017). Transformational leadership behavior and turnover intention in china physical education. *Eurasia Journal of Mathematics, Science and Technology Education*, *13*(9), 6357-6368. doi:10.12973/eurasia.2017.01070a
- Wilson, S., & McCalman, J. (2017). Re-imagining ethical leadership as leadership for the greater good. *European Management Journal*, *35*(2), 151-154. doi:10.1016/j.emj.2016.06.001
- Williams, B., Onsman, A., & Brown, T. (2010). Exploratory factor analysis: A five-step guide for novices. *Australasian Journal of Paramedicine*, *8*(3). Retrieved from <https://ajp.paramedics.org>

- Xu, A. J., Loi, R., & Ngo, H. Y. (2016). Ethical leadership behavior and employee justice perceptions: The mediating role of trust in organization. *Journal of Business Ethics, 134*(3), 493-504. doi:10.1007/s10551-014-2457-4
- Yidong, T., & Xinxin, L. (2013). How ethical leadership influence employees' innovative work behavior: A perspective of intrinsic motivation. *Journal of Business Ethics, 116*(2), 441-455. doi:10.1007/s10551-012-1455-7
- Yao, Y. H., Fan, Y. Y., Guo, Y. X., & Li, Y. (2014). Leadership, work stress and employee behavior. *Chinese Management Studies, 8*(1), 109-126.
doi:10.1108/CMS-04-2014-0089
- Zardkoohi, A., & Bierman, L. (2016). How firms shape income inequality: Stakeholder power, executive decision making, and the structuring of employment relationships. *Academy of Management Review, 41*(4), 744-749.
doi:10.5465/amr.2015.0197
- Zivnuska, S., Kacmar, K. M., & Valle, M. (2017). The mechanisms of regulatory focus: mindfulness, leader-member exchange, and motivational outcomes. *Career Development International, 22*(1). doi:10.1108/CDI-07-2016-0120

Appendix A: Author Approvals

9/15/2017

Gmail - Re: Formal Request to Expand your work on mediation of leadership and employee behavior



Andrew Sherman [REDACTED]

Re: Formal Request to Expand your work on mediation of leadership and employee behavior

1 message

Saad Hassan [REDACTED]

Tue, Sep 5, 2017 at 2:54 PM

To: Andrew Sherman [REDACTED]

Cc: masoodul hassan dr [REDACTED]

Dear Andrew,
Yes, you can expand this study.

On Sep 1, 2017 8:47 PM, "Andrew Sherman" [REDACTED] wrote:
Drs. Hassan and ul Hassan,

My name is Andrew Sherman. I am a PhD student at Walden University in America. I am in the process of writing my formal proposal for my dissertation, and I would like to formally request your permission to use the concept and survey you presented in your previously published work titled: Testing the Mediating Role of Perceived Organizational Support between Leadership Styles, Organizational Justice and Employees' Behavioral Outcomes.

In my research project I am proposing to replicate your study using *income level* as the mediation variable to be tested on a US based firm. I believe that the results of my project could further expand the understand of the leadership and employee behavior relationship that you have started.

If you approve of me using your survey and concept please respond to this email with approval, and I will draft a letter for your to sign. My Institutional Review Board (IRB) will require a signed letter prior to allowing me to use your survey as the foundation for my survey.

I look forward to your response soon.

Very Respectfully,

Andrew Sherman,
PhD Student, Walden University

9/1/2017

Gmail - Re: Formal Request to Expand your work on mediation of leadership and employee behavior



Andrew Sherman [REDACTED]

Re: Formal Request to Expand your work on mediation of leadership and employee behavior

masoodul hassan dr [REDACTED]

Fri, Sep 1, 2017 at 11:50 AM

To: Andrew Sherman <[REDACTED]>

Cc: Saad Hassan [REDACTED]

Yes, I approve.

On Sep 1, 2017 8:47 PM, "Andrew Sherman" [REDACTED] wrote:

Drs. Hassan and ul Hassan,

My name is Andrew Sherman. I am a PhD student at Walden University in America. I am in the process of writing my formal proposal for my dissertation, and I would like to formally request your permission to use the concept and survey you presented in your previously published work titled: Testing the Mediating Role of Perceived Organizational Support between Leadership Styles, Organizational Justice and Employees' Behavioral Outcomes.

In my research project I am proposing to replicate your study using *income level* as the mediation variable to be tested on a US based firm. I believe that the results of my project could further expand the understand of the leadership and employee behavior relationship that you have started.

If you approve of me using your survey and concept please respond to this email with approval, and I will draft a letter for your to sign. My Institutional Review Board (IRB) will require a signed letter prior to allowing me to use your survey as the foundation for my survey.

I look forward to your response soon.

Very Respectfully,

Andrew Sherman,
PhD Student, Walden University

Appendix B: Survey

Management Research Survey

Please respond to the following statements by using the following 1-5 scale:

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree or Disagree; 4 = Agree; 5 = Strongly Agree.

1. I am rewarded fairly for my responsibilities.	
2. I am rewarded fairly for my experience.	
3. I am rewarded fairly for my efforts.	
4. I am rewarded fairly for my work.	
5. I am rewarded fairly for my stress from the job.	
6. My supervisor considers my viewpoint.	
7. My supervisor considers situations objectively.	
8. My supervisor provides me timely feedback.	
9. My supervisor treats me with kindness.	
10. My supervisor shows concern for employee's rights.	
11. My employer collects information about any decision regarding complaints.	
12. My employer gives employees the opportunity to appeal decisions regarding complaints.	
13. My employer follows standards and policies for decision-making regarding complaints.	
14. My employer listens to the concerns of all parties involved with a complaint.	
15. My supervisor encourages me to find solutions.	
16. My supervisor urges to assume responsibilities.	
17. My supervisor asks for advice in the problem-solving process.	
18. My supervisor urges me to see problems as opportunities.	
19. My supervisor advises me to look for opportunities.	
20. My supervisor encourages me to see failure as a chance for learning.	

Management Research Survey

21. My supervisor urges me to work in a team.	
22. My supervisor encourages me to work with other employees within the organization.	
23. My supervisor personally helps me solve problems.	
24. My relationship with my supervisor is effective.	
25. My supervisor defends my decisions.	
26. My supervisor considers my suggestions.	
27. My supervisor and I are suited to each other.	
28. My supervisor understands my problems.	
29. My supervisor recognizes my potential.	
30. I exceed my job responsibilities.	
31. I meet standards.	
32. I give satisfactory performance.	
33. I am effective at my job.	
34. I produce high-quality work.	
35. I help others with their workload.	
36. I help when someone is absent.	
37. I help solve work-related problems.	
38. I help new people.	
39. I am always ready to help.	
40. I prevent problems	
41. I affect others positively.	
42. I avoid creating problems.	

Management Research Survey

43. I have a positive impact on others.	
44. I attend all meetings.	
45. I attend optional functions.	
46. I keep abreast of change.	
47. I read organizational memos.	
48. I am punctual.	
49. I always begin my work on time.	
50. My work attendance is above the norm.	
51. I always give advance notice when I will miss work.	

52. What is your total household annual income? _____