

THE IMPACT OF LEADERSHIP STYLE ON  
FOLLOWER INNOVATION:  
MEDIATING EFFECT OF IDIOSYNCRATIC DEALS

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FOLLOWER INNOVATION:  
MEDIATING EFFECT OF IDIOSYNCRATIC DEALS

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## DECLARATION OF ORIGINALITY

I, Esra Ünlüaslan Durgun, certify that

- I am the sole author of this thesis and that I have fully acknowledged and documented in my thesis all sources of ideas and words, including digital resources, which have been produced or published by another person or institution;
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Date

April 11, 2022

## ABSTRACT

### The Impact of Leadership Style on Follower Innovation: Mediating Effect of Idiosyncratic Deals

This study aims to understand the leader-follower dynamics that lead to higher innovative work behavior. Drawing on social exchange theory, implicit leadership theory, conservation of resources theory and affective events theory, this study investigates the impact of leadership on innovative work behavior through three intertwined models: 1) Leading Innovation in Style: exploring impact of leadership style and cultural values; 2) Leading Innovation through Idiosyncratic Deals: exploring the impact of I-deals and LMXSC; 3) What is a Leader to Give and How Do you Make Me Feel?: exploring the impact of job resources and emotions.

Utilizing quantitative data collected from 250 leaders and 250 direct reports sampled from various private sector firms in Turkey, this study demonstrates evidence for the positive effect of both paternalistic and transactional leadership styles on innovative work behavior. The study finds support for a moderated mediation relationship, in which LMXSC positively moderates the relationship of leadership styles and I-deals, which in turn influence innovative work behavior. While mediation holds true for both types of leadership and all types of I-deals, LMXSC moderation is found to be limited to task and work specific I-deals. Lastly, job resources are found to be significant mediators between I-deals and innovative work behavior, and this relationship is moderated by the negative emotions of the follower. Implications of these findings are discussed, as well as the study's theoretical contributions and practical implications.

## ÖZET

### Liderlik Stillerinin Kişiyeye Özgü Müzakereler Aracılığıyla Çalışan İnovasyon Davranışına Etkisi

Bu çalışma, lider ve çalışanlar arasındaki inovasyonu arttırıcı dinamikleri incelemektedir. Sosyal etkileşim teorisi, örtük liderlik teorisi, kaynakların korunması teorisi ve duygusal olaylar teorisinden yararlanarak, liderliğin yenilikçi çalışma davranışı üzerindeki etkisini birbiyle bağlantılı üç model aracılığıyla araştırmaktadır. Model 1) Paternalist ve işlemci (etkileşimsel) liderlik stillerinin ve çalışanın kültürel değerlerinin inovasyon ile ilişkisini; Model 2) Liderlik ve inovasyon ilişkisinde kişiyeye özgü anlaşmalar ve lider-üye etkileşiminin sosyal karşılaştırılmasının etkisini; Model 3) Kişiyeye özgü anlaşmalar ve inovasyon ilişkisinde iş kaynaklarının ve duyguların inovasyona etkisini incelemektedir. Türkiye'deki çeşitli özel sektör firmalarından 250 lider ve 250 doğrudan çalışanından örneklemlenen verileri kullanan çalışma, paternalist ve işlemci stillerin yenilikçi çalışma davranışı ile olan pozitif ilişkisini göstermiştir. Çalışma, lider-üye etkileşiminin liderlik ve kişiyeye özgü anlaşmalar arasındaki ilişkiyi arttırıcı bir şekilde farklılaştırdığı ve yenilikçi çalışma davranışını pozitif yönlü etkilediği bir aracılık ilişkisine destek bulmaktadır. Kişiyeye özel anlaşmaların inovasyona olan aracılığı araştırılan tüm liderlik ve anlaşma türleri için geçerli iken, lider-üye etkileşiminin farklılaştırıcı etkisinin sadece işe ve göreve dair anlaşmalarla sınırlı olduğu, lokasyon ve finansal şartlara dair anlaşmaları kapsamadığı saptanmıştır. İş kaynakları, kişiyeye özgü anlaşmalar ile yenilikçi iş davranışları arasında önemli bir aracı olarak bulunmuş; bu ilişkiye çalışanın olumsuz duygular hissetmesinin farklılaştırıcı bir etkisi olduğu saptanmıştır. Bu bulguların kavramsal çıkarımları ve uygulamaya katkıları tartışılmıştır.

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## CHAPTER 1:

### INTRODUCTION

Innovation is hard to come by. Some picture it as a light bulb moment, in awe of the individual genius, some say it is cultural. However portrayed, innovation is among the most important buzzwords of our times. This thesis explores the people aspect of innovation, investigating the complex relationships leader and follower couples build with each other that lead to innovative behaviors. Leader- follower relationship as described in the literature, or supervisor- employee relationship as referred to in practice, is often an entangled one, and this thesis proposes that it is the cradle of innovation. Innovation needs to be guarded to grow, but also inspired to trespass. Innovation needs to be embedded in a fertile soil to flower, but the budding heads need to find a way to puncture through. This study aims to shed light on how a leader- follower duo can entrench innovation, infringing the existing status-quo.

According to McKinsey Global Innovation survey, which collected data from 1500+ executives around the globe, 84% of executives believe innovation is important for growth and 80% think their business model is at risk (2014). However, 94% of executives are not satisfied with their innovation performance.

The appeal of innovation comes from a very concrete rationale. More innovative organizations clearly boast higher revenues (+11% on average) and higher EBITDA (+22% on average) (Global Innovation Report, 2011). Given the exponential nature of technology improvement and the rapid changes in customer demands, organizations' ability to forecast the markets and position themselves

accordingly evolve to be more challenging everyday (Fontana et al., 2017). This continuously increases the risks of doing business globally. Limiting the attention to present performance of current products and services is the recipe to backsliding. Organizations therefore look for potential opportunities for improvements that strengthen and sustain their market position (Scheepers et al., 2019). Innovation is a must have to improve performance continuously and remain competitive in such harsh environments (Prasad et al., 2016). It is crucial for the long-term performance of any organization, but since innovation means a change in routine, it is especially make-or-break for large corporations. To put this in perspective, half of the S&P 500 is forecasted to be replaced in the next ten years (Viguerie et al., 2021). Between December 2018 and May 2020, the top quintile of companies grew their total market-implied annual economic profit by \$335 billion, while companies in the bottom quintile lost a staggering \$303 billion (McKinsey, 2020). The gap between winners and losers is growing.

The challenge is massive and leadership is often put forward as the main driver of organizational innovation. Leaders of organizations are often portrayed heroically as propellers of innovation. Supervisors often look up to the legendary status bestowed to names such as Steve Jobs, Jeff Bezos or Elon Musk. Leadership surely plays a vital role in determining the level of support dedicated to innovation in an organization. However, 94% of seasoned senior executives say people and corporate culture are the most important drivers of innovation (McKinsey, 2014). This study explores the delicate interplay between leaders and followers and influential factors in this relationship. The founder of Grameen Bank and winner of the Nobel Peace Prize, Mohammed Yunus, is quoted as saying:



All people are entrepreneurs. Each of us has much more hidden inside us than we have had a chance to explore. Unless we create an environment that enables us to discover the limits of our potential, we will never know what we have inside of us. (World Bank Institute, 2010)

Perhaps the job of leadership can be defined as such. Looking at innovation from a more grassroots perspective, there is value in researching the exchange-based dynamics that promote innovative behavior at individual level. Such an approach could be more replicable and scalable in practice.

Nature of the exchange can vary in a spectrum, from purely social to purely economic. Cultural landscape is expected to be an important factor impacting this dynamic. Some followers may look for more support and guardianship from the leader, some may want to be set free. Despite its inadequacy, most companies, especially large organizations, and most leaders assume psychological factors such as leadership support, benevolence or authority are sufficient to encourage innovative behavior in their employees. In the opposite end of the spectrum, some leaders see innovation as a transactional exchange. They propose that handing out rewards, issuing company shares, or sharing profits propel innovative work behavior. This study deep dives into specific tools and mechanisms that add to innovation beyond the effect of leadership style. A supportive leader, a father-like figure may provide some encouragement for employees to contribute to innovation; but it would be naive to disregard the importance of a systematic transactional approach, individualized work agreements and providing concrete resources to employees to boost innovation. While a paternalistic leader is concerned with the holistic approach, the wellbeing of the employee as well as his performance, transactional leader is more task oriented. Innovation is framed as a type of exchange between the leader and the follower, and this study explores the social, as well as more concrete, transactional, aspects of this exchange.

One of the main contributions of this study is to specifically demonstrate the positive impact of idiosyncratic deals (I-deals) on innovative behavior. I-deals are distinct terms of employment negotiated between employers and individual workers that respond to the needs of both parties (Rousseau et al., 2006). I-deals vary from employee to employee but are generally grouped under a few categories: flexible working hours, location flexibility, tailored training, or specific compensation methods (Rosen, Slater, Chang, & Johnson, 2013). I-deal issuance is intended to create value for both employee and the employer. Because I-deals meet the particular needs of an individual, they provide especially valued resources (Anand et al., 2010) and the grantor intends to receive benefits in return (Ashford & Black, 1996; Nicholson, 1984). Based on Social Exchange Theory, this study demonstrates that granting I-deals is an influential method that could be utilized to boost innovative work behavior, by building a win-win relationship as the employee receives a resource s/he wants and the organization receives innovation benefits in return.

I -deals have emerged as a growing trend while organizations become more flexible in designing employment conditions (Aratani, 2008, Rofcanin et al, 2020). The underlying reasons behind this have been explained as the demand for flexibility of younger workers (Belkin, 2007), increased education and resulting sense of entitlement (Ng & Feldman, 2010), evolving preferences for workplace cultures that prioritize adaptability and autonomy (Rousseau, 2005; Thornthwaite, 2004; Wrzesniewsk, Dutton, & Debebe, 2003), or even the advent of a society “hyper focused on me” (e.g., Generation Me; Twenge, Campbell, & Freeman, 2012). On top of these, one can propose that this trend will only accelerate given the learnings from a wide range of successful experiments with varying employment contracts during the ongoing Covid-19 pandemic.

I-deals are found to be related to many positive work outcomes, such as increased worker engagement, proactive approach to work (Hornung et al., 2010) or extra-role behaviors (Anand et al., 2010, Anand & Rofcanin, 2022). However, these outcomes are often found dependent on the context (Anand et al., 2010; Hornung, Rousseau, & Glaser, 2008; Ng & Feldman, 2008, 2010). The mutual value to the employee and the employer is not maximized simply by parties engaging in an I-deal. (Lemmon et al., 2016). This study analyzes how leaders can position I-deals to boost innovation outcomes, thus we look for mediators such as job resources and moderators such as emotions that maximize the value of the organization's investment in I-deals, enabling the organization to reap returns from I-deals in terms of increased innovation.

A few questions this study aims to respond to are:

How do leaders help achieve increased follower innovation? Is it a specific type of leadership style? In a largely global setting, are the results replicable on followers with different cultural values? Do leaders who lead people the way they implicitly want to be led propel more innovation?

Is the impact of leadership on innovation a relational one: followers implicitly accepting the leader, one that resonates with the leadership stereotypes they have in mind, abiding to his leadership style and performing innovation? Does playing a father figure work? Or is it more of a give and take, transactional relationship?

More and more, employees want location flexibility, customized schedules or personalized job definitions. Can such arrangements be instrumental to advance innovation? When the leader provides the follower with something extra, say a deal individualized for her needs, would the follower innovate more, aiming to conserve

her newly granted resource? If the employees have more say in how they can best function, do they add more innovative value? How does the quality of the relationship between the leader and the follower factor in on I-deals?

Some claim rationality is a myth and one should look for passion for innovation. How do feelings factor in? Is it optimism and happiness, or anger and remorse that whip out innovation?

Following this introduction, Chapter 2 of this thesis aims to provide a theoretical background to explore these questions and review the relevant literature accumulated to date. Based on theoretical underpinnings, Chapter 3 builds three intertwined models and maps out hypotheses investigating the impact of leadership on innovative behavior: 1) Leading Innovation in Style: Leadership, Cultural Values and Innovation; 2) Leading Innovation through Idiosyncratic Deals: Leadership, I-deals, LMXSC and Innovation; 3) What is a Leader to Give and How Do you Make Me Feel?: I-deals, Job Resources, Emotions and Innovation. Chapter 4 details the research design, explains the methodology used and introduces the scales used to measure variables. Chapter 5 presents the results of hypotheses testing, accompanied by the discussion of these results. Final part of this study, Chapter 6 summarizes findings and limitations and concludes with theoretical as well as practical implications.

## CHAPTER 2:

### THEORETICAL BACKGROUND AND LITERATURE REVIEW

#### 2.1 Leadership and leadership theories

##### 2.1.1 Leadership

Leadership refers to the ability of a person to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations that they are members of (House & Javidan, 2004, p. 15). In this study, I will focus on two specific styles of leadership: paternalistic leadership and transactional leadership.

##### 2.1.2 Paternalistic leadership

Research typically defines paternalistic leadership as a style combining strong discipline, authority and fatherly benevolence (Cheng, 2000, p. 91 and Pellegrini & Scandura, 2008, p. 567). In other words:

a hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent, and in exchange expects loyalty and deference. (Gelfand et al., 2004, p. 493)

Paternalistic leaders provide support and protection to their followers, act like father/mother figures and show concern for the employee's personal and family-related problems. In paternalistic relations, subordinates reciprocate the leader's benevolent care and protection by showing loyalty, deference, and compliance (Sinha, 1990). Followers are expected to be devoted to their leader in exchange for the resources and the care that the leader provides (Sinha, 1990).

While it constitutes an effective leadership style in many societies, paternalism is closely linked to cultural values and perceived rather negatively in

Western societies (Farh and Cheng, 2000). Some literature describes paternalism as “benevolent dictatorship” (Northouse, 1997, p.39) or even “a hidden and insidious form of discrimination” (Colella et al., 2005, p. 26, as in Farh and Cheng, 2000).

Studying paternalism through lenses of social exchange and culture is important. For example, collectivists place a premium on maintaining relationships and place more importance on obligation and loyalty (Sullivan, Mitchell, & Uhl-Bien, 2003). The emphasis of obligation and loyalty in personal exchange relationships fits well with the dynamics of paternalistic relationships.

Paternalistic leadership is rather prevalent in societies that are high in power distance and collectivism. Turkey, where the sample set in this study originates from, is one of these societies (Hofstede, 2001; House et al., 2004), making paternalistic leadership a viable management strategy in Turkish business context (Aycan, Kanungo, Mendonca, Kaicheng & Deller, 2000). According to previous research, even in R&D contexts, Turkish leaders are expected to act like parental figures, as R&D workers require leader’s protection and want to maintain harmonious relationships with the leader (Karakitapoglu Aygun & Gumusluoglu, 2013; Gumusluoglu, Karakitapoglu-Aygun & Scandura, 2017). Having established the prevalence of paternalism, this thesis explores whether paternalism is conducive to innovation.

### 2.1.3 Transactional leadership

Transactional leadership is defined as motivating followers to reach agreed task goals and objectives by communicating expectations and rewarding people when they have met those objectives (Bass, 1985). Focused on achievement-related exchanges, transactional leadership is found to be an effective leadership style. While

paternalistic leadership is relational, transactional leadership is based on give and take. In the exchange relationship between leader and the follower, paternalism can be envisioned as a relation heavy social exchange, while transactional leadership is a harder currency, almost resembling an economic exchange. While paternalistic leader is concerned with the holistic approach, the wellbeing of the employee as well as his performance, transactional leader is more task oriented. This thesis explores both to chart out different versions of the exchange spectrum between the leaders and the followers.

Transactional leaders achieve influence by clarifying goals, using rewards and incentives, and intervening only when necessary (Bass, 1985). They use contingent rewards, handing out incentives following successful performance. Similarly, they employ management by exception, taking corrective action after employee failures (Bass, 1985; Yukl, 1999).

In paternalistic relations, compared to the transactional ones, the outcome does not necessarily involve short- term economic transactions; it is more familial, based on personal commitment, obligation and loyalty that goes beyond work dynamics.

This thesis investigates the relationship between innovation and paternalistic leadership, as well as transactional leadership. Both have varying positive and negative associations in the literature, and I trust it will be a valuable contribution to compare the two and understand their subtleties.

## 2.2 Innovation and innovative work behavior

### 2.2.1 Innovative work behavior

Organizations need to rely on employee innovative behaviors to catch up with technological developments, deal with unstable markets and competing demands (Van de Ven et al. 2008; West and Farr 1990). Employees' contributions to innovation development are referred to as innovative work behavior (IWB). Innovative work behavior is defined as the exploration of opportunities for innovation as well as the generation, promotion, and realization of innovative ideas in organizational practice (De Jong, 2007; Janssen, 2000; Messmann and Mulder, 2012). Innovative behavior is different than individual creativity. Individual creativity focuses on coming up with new ideas or solutions, while innovative behavior further incorporates application-oriented components that are needed to convert creative ideas into contemporary innovations (Hammond et al. 2011; Shalley et al. 2004).

Some jobs can be deliberately centered on creative and innovative work, such as research and development jobs. And for some, innovative behavior expectation is ingrained into the role (Tuominen & Toivonen, 2011). However, despite the importance of innovation, in most work contexts, innovative work behavior is a proactive, extra-role effort that may be part of informal expectations, but not part of formal job description, tasks, responsibilities, and obligations (Messmann et. al., 2017). Innovative work behavior is defined as a discretionary behavior, which goes beyond prescribed role expectations, and is not directly or explicitly recognized by the formal reward system (Janssen, 2000). Previous research converges on the view that innovative work behavior is extra-role behavior where no formal rewards are



granted (Dorenbosch et al., 2005; Ramamoorthy, Flood, Slattery, & Sardesai, 2005; Reuvers et al., 2008; Sanders, Dorenbosch, & Reuver, 2008).

### 2.2.2 Literature on leadership and innovation

Leadership and innovation:

The existence of leadership is positively associated with innovation. Lee and associates (2020) completed a comprehensive meta-analytic examination of the relationship between leadership and followers' innovative performance. They examined 13 leadership variables (transformational, transactional, ethical, humble, leader-member exchange, benevolent, authoritarian, entrepreneurial, authentic, servant, empowering, supportive, and destructive) using data from 266 studies. Creativity and innovation were significantly associated with all the leadership variables. This thesis focuses on paternalistic leadership, which has not been studied with innovation before, and transactional leadership, which has been found to have rather varying associations in the literature.

Paternalistic leadership and innovation:

Paternalism helps build trust between managers and team members, motivating them for higher levels of cooperation, commitment, morale and loyalty (Pellegrini and Scandura, 2008). Paternalistic leadership is also positively associated with job satisfaction and goal setting. Although the role of different leadership styles such as transformational leadership on creative and innovative performance is well established (Gumusluoglu & Ilsev, 2009; Scott & Bruce, 1994; Tierney, Farmer & Graen, 1999), the link between paternalistic leadership and innovative performance has not been as deeply examined.

Paternalistic leadership is often defined as a combination of authoritarianism, benevolence and moral leadership (Alblooshi et. al., 2020). Paternalistic leaders are

characterized as having authority and discipline, expecting their followers to fully comply with their directions, which may limit creativity. They exhibit kindness, care, and compassion for their followers, and in return, their followers feel committed to show higher levels of motivation and job performance, which can drive innovation. Paternalistic leaders gain their followers' trust through benevolence, which can create an environment in which followers are encouraged to put forward new ideas, and learn from each other, which again drives innovation. Paternalistic leaders are moral, understanding followers' needs and not abusing their authority. They act as role models who influence their followers' actions and behaviors. (Hou et al., 2019).

Splitting paternalistic leadership into separate sub-dimensions, previous studies reported positive effects of benevolence on creativity (Wang & Cheng, 2010), and negative effects of authoritarianism (Chan, Huang, Snape & Lam, 2013; Chan & Mak, 2012; Wu, Huang, Li & Liu, 2011). In another study, Gumusluoglu and associates (2017) found that benevolent leaders facilitate both within-team and cross-team innovative behaviors in R&D contexts by creating strong identifications with the team and the R&D department. These studies support the link between paternalistic leadership and innovation, yet there is a need to understand the underlying processes that explain how paternalistic leaders influence innovative behaviors of their followers.

While the mediating mechanisms between paternalistic leadership and innovation have not been studied before, past research examined different mediating mechanisms between paternalistic leadership and task performance relationship. For example, Chan et al. (2013) found that paternalistic leadership helps shape subordinate's organization-based self-esteem and evaluations, which in turn, improve employee performance. Chen, Eberly, Chiang, Farh and Cheng (2014) demonstrated

that affective trust mediates the relationship between benevolent paternalistic leadership and employee performance. In another study, Wu et al. (2011) found that benevolence positively influences interactional justice perceptions and trust-in-supervisor, which in turn, facilitate work performance; while authoritarianism negatively impacts trust-in-supervisor, which in turn, impair work performance. All in all, although previous research covered a few relational and psychological processes, there is room to contribute to the literature by studying mechanisms through which paternalistic leaders influence innovation performance.

#### Transactional leadership and innovation:

Transactional leaders achieve influence by clarifying goals, the use of rewards and incentives, and intervening only when necessary (Bass, 1985). Transactional leadership is focused on achievement-related exchanges, often described under two dimensions: Through contingent rewards, transactional leader provides incentives following successful performance. Through management by exception, transactional leader takes corrective action, facing errors made by followers (Bass, 1985; Yukl, 1999). Management by exception may be perceived as controlling, dampening innovation (Deci & Ryan, 1987). Despite this, the contingent reward approach is described to be effective in promoting creativity and innovation, as the rewards are dependent on employee performance (Rickards, Chen, & Moger, 2001). In addition, the literature argues that transactional leadership supports organizational learning, reinforcing and refining knowledge, which is a significant contribution to innovation (Vargas, 2015).

In Lee and associates' meta-analytic review (2020), among the studies examining transactional leadership and creativity, five studies analyzed contingent reward as a separate dimension, while three studies focused on management by

exception dimension. The studies found that contingent reward was positively and significantly associated with creativity, whereas management by exception had a non-significant association with creativity.

Overall, transactional leadership is benefit-oriented, focuses on the individual interests of the leader and the followers, aims to ensure performance by setting objectives, monitoring progress and providing correction when necessary (Liao et al., 2017). Such mechanisms associated with transactional leadership help to ensure effective implementation of new business practices so that they are beneficial and operational (Chen et al., 2018), which should be a major propeller of innovation.

## 2.3 Social exchange theory

### 2.3.1. Social exchange theory

Gratitude is like mercantile credit. The latter is the mainstay of business; and we pay our debts, not because it is right that we should discharge them, but in order more easily to borrow again. (La Rochefoucauld, *The Maxims*, 1665)

The roots of Social Exchange Theory (SET) can be traced back to the 1920s (e.g., Malinowski, 1922; Mauss, 1925), bridging disciplines such as anthropology (e.g., Firth, 1967; Sahlins, 1972), social psychology (e.g., Gouldner, 1960; Homans, 1958; Thibault & Kelley, 1959), and sociology (e.g., Blau, 1964). One of the most influential theories to describe workplace behavior, theorists agree that social exchange means series of interactions that generate obligations (Emerson, 1976). Social exchange theory asserts that these interactions are usually interdependent and contingent on the actions of another person, carried through cost – benefit analyses

(Blau, 1964). In other words, social exchange refers to voluntary actions that are motivated by the expectations of returns they are to bring from others (Rosen, 2013). Social exchange takes its inspiration from economic exchange, but differs from it significantly. The most important distinction is that social exchange involves unspecified obligations. As Blau puts it:

People's positive sentiments toward and evaluations of others, such as affection, approval, and respect, are rewards worth a price that enter into exchange transactions, but they must not be explicitly bartered in exchange lest their value as genuine feelings or judgments be compromised. (1964, p.78)

While purely economic exchange does not give rise to feelings of personal obligation, gratitude, and trust; social exchange does. The growing exchange of various benefits between individuals makes them more and more interdependent, establishing trust, and strengthening their social bond. Providing benefits lead to stronger relationships and fellowship, but at times puts the benefactor in a position of superiority over the beneficiary. The reciprocity of the benefits tries to equalize the relationship.

In work context, employers pay employees to perform a specific task, which is essentially an economic exchange. But employees may contribute effort and loyalty to their organizations, provide organizational citizenship behaviors or non-obligatory innovative behaviors, while employers may provide extra compensation, recognition, customized deals or career advancement opportunities. That is a social exchange relationship. What the employer provides goes beyond short-term monetary rewards and includes a concern for employee's well-being as well as his/her career within the firm (Tsui, Pearce, Porter, and Tripoli, 1997). In return, in contrast to economic exchanges, social exchanges entail unspecified obligations that

are long term and open ended. While the initial act of contribution in social exchanges is voluntary, reciprocation is expected, but it is not prespecified or enforceable. Rather, these exchanges are based on what each party has to offer to the other (Cropanzano & Mitchell, 2005).

Quoting the German sociologist George Simmel (*The Sociology of Georg Simmel*, 1950), Blau explains the reciprocity principle underlying Social Exchange Theory:

All contacts among men rest on the schema of giving and returning the equivalence. The equivalence of innumerable gifts and performances can be enforced. In all economic exchanges in legal form, in all fixed agreements concerning a given service, in all obligations of legalized relations, the legal constitution enforces and guarantees the reciprocity of service and return service—social equilibrium and cohesion do not exist without it. But there are also innumerable other relations to which the legal form does not apply, and in which the enforcement of the equivalence is out of the question. Here gratitude appears as a supplement. It establishes the bond of interaction, of the reciprocity of service and return service, even when they are not guaranteed by external coercion. If every grateful action, which lingers on from good turns received in the past, were suddenly eliminated, society, at least as we know it, would break apart. (Blau, 1964, p.1)

### 2.3.2. Social exchange theory, leadership and innovation

Innovative work behavior could be theorized under social exchange, rather than economic exchange, because results of innovative behavior is not immediately available for actors to see and reward.

In economic exchange, the contribution made by each party (providing goods or services) is a means to an end on the basis of a mutual agreement, a contract. In contrast to the cold character of economic exchange, social exchange has more of a warm undertone. According to Widegren, the reason is explained as the interdependent other-oriented behaviors, which are expressions of underlying mutually dependent attitudes (1997). If one person's positive attitude is expressed in

other-oriented behavior, this is likely to bring about a positive attitude in the recipient, who in turn is likely to express other-oriented behavior towards the first party. However, after the first other-oriented behavior, if a positive response does not get reciprocated, the first party is likely to get discouraged and make his/her initial positive attitude, thus other-oriented behavior, fade away. To continue this cycle, the other-oriented behaviors need to be interdependent via interdependent attitudes (Widegren, 1997).

While complete independence or complete dependence do not imply a social exchange, interdependence (where outcomes are based on a combination of parties' efforts) do. This is because an exchange requires reciprocation, a bidirectional transaction, where something has to be given and something is returned. Interdependence, which contains corresponding arrangements, is considered a defining characteristic of social exchange (Molm, 1994).

Explicit bargaining is not a part of reciprocal exchange, as one party's actions are contingent on the other's behavior (Molm, 2003). In long term, trust-based relationships, this is a common evolution. Because of this, interdependence reduces risk and encourages cooperation (Molm, 1994). Innovation requires these exact capabilities: risk reduction, given high probability of failure, and cooperation, as most innovative processes rely on efforts and support of other teams. The social exchange process begins when one participant makes a move, and if the other reciprocates, new rounds of exchange follows. Each step in an exchange relationship grows the self-reinforcing cycle put in place. This thesis proposes that the existence of leadership is that initial move. Leadership opens the door for an exchange relationship, and followers respond by reciprocity. One of these reciprocity behaviors

which is outside of most formal job descriptions or performance measures is innovative behavior.

Most organizations do not have very clear reward systems to award innovative behavior. As the results of innovative behavior are uncertain and often takes time and cooperation from others, it is hard to equate explicit monetary awards, economic exchange-oriented contracts to innovation. Rather the gratitude for innovation can be paid back through social exchange-based benefits. Interestingly, this may even benefit propelling innovation. Intrinsic motivation can be used to explain this cycle. According to Thorgersen, if an incentive is perceived as a token of approval, it strengthens; if it is perceived as payment, it weakens the intrinsic motivation (Thorgersen, 1996; Frey, 1993; Deci, 1972). The practical importance is that incentives perceived as payments have to be substantially larger than those perceived as tokens of acknowledgement (Thorgersen, 1996). Despite the size, the effect of payments disappears as soon as the incentive scheme ends, while intrinsic motivation allows for longer lasting creativity and is not directly dependent on the explicit incentive scheme. (Thorgersen, 1996). This is why the backbone of this study is social exchange theory, linking leadership to innovation.

## 2.4 Implicit leadership theory and culture

### 2.4.1 Implicit leadership theory

Many leadership architypes found in diverse cultural contexts originate from the implicit leadership beliefs held in these cultures. Implicit leadership theory (ILT) proposes that individuals have certain type of beliefs about the type of attributes,



skills and behaviors that facilitate or impede outstanding leadership (Lord & Maher, 1991).

An individual accepts or rejects another as a leader, depending on the existing belief systems, which appear as stereotypes, prototypes, cognitive categories, mental models and schemas (Javidan et al, 2006).

Since the leadership that matches the national culture is more acceptable to individuals living in such a culture (Irawanto, 2011; Oc, 2018), we explore the literature in nation level to shed light on our research on individual level.

#### 2.4.2 Culture

Culture is defined as shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across generations. (House, Javidan, Hanges & Dorfman, 2004). Hofstede in his milestone study defined cultural syndromes as:

...cognitive structures that help one organize and interpret the world by focusing attention on certain patterns or themes in the subjective elements of the environment, such as values, norms, beliefs, and assumptions. (Triandis, 1994, p. 407)

A considerable amount of research has been guided on these dimensions, or cultural syndromes. Hofstede originally identified four cultural dimensions which differentiate one culture from another: power distance, individuality versus collectivism, masculinity versus femininity, and uncertainty avoidance (Hofstede, 1980). The research developed over the years and later a fifth, long-term versus short-term orientation (in other words, pragmatism versus normativeness), and sixth, indulgence versus restraint dimensions (Hofstede & Minkow, 2010; Hofstede, 2014).

Cultural syndromes are studied at various levels. Through most research has been cross-cultural, the defining attributes of the cultural dimensions have been proposed to exist within cultures in the form of individual differences (Triandis, Chan, Bhawuk, Iwao & Sinha, 1995; Wagner, 1995). For example, at individual level, individualism is called idiocentrism and collectivism is referred to as allocentrism (Triandis, Leung, Villareal & Clack, 1985). Idiocentrism is characterized by “adherence to notions such as independence, uniqueness, and self-reliance”; while allocentrism is “suggestive of interdependence, belongingness to ingroups, and subservience to the wishes of the ingroup” (Triandis, 1995, p. 410). At the individual level, respectively individualism versus collectivism are evident in the degree to which individuals embody values, attitudes or norms consistent with notions such as independence and supremacy of personal needs and rights versus those suggestive of interdependence and the primacy of norms and obligations towards the group. Thus, individualistic societies can be defined as cultures where the modal profile is idiocentric, likewise in collectivistic societies the modal profile is allocentric (Triandis et al., 1985) (Wasti, 2002) Among the cultural syndromes identified, individualism/collectivism and power distance have received substantial research interest (Triandis, 1995) and these are the two cultural syndromes this study focuses on. However, it is beneficial to review other cultural dimensions briefly.

On the masculinity vs. femininity dimension, a society is called masculine when emotional gender roles are clearly distinct and feminine when emotional gender roles intersect: i.e. both genders are supposed to be modest, caring and concerned with the quality of life (Hofstede & Minkov, 2010). Uncertainty avoidance is the extent to which one feels threatened by ambiguous situations (Hofstede & Minkov, 2010, p. 191). Pragmatism versus normativeness dimension is

where normative refers to societies who prefer time-honored traditions and norms while viewing societal change with suspicion and pragmatic societies encourage thrift and effort in modern education as a way to prepare for the future (Hofstede, 2014). Indulgence versus restraint, is where indulgence stands for a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. In contrast, restraint reflects a conviction that such gratification needs to be curbed and regulated by strict social norms (Hofstede & Minkov, 2010, p. 281).

The first of cultural dimensions I will focus on this study is power distance, which is the extent to which the less powerful members of institutions and organizations within a culture expect and accept that power is distributed unequally (Hofstede & Minkov, 2010). In high power distance societies, decisions are often made at a higher level, without the involvement of subordinates. Individuals accept power inequalities and do not expect additional explanation. Conversely, in low power distance societies, superiors and subordinates are perceived as partners. Employees think that they have the right to participate in making decisions that affect them. People strive to equalize the distribution of power and to justify their inequalities. As mentioned above, the national or organizational level cultural dimensions also work on individual level, translated into individual values. High power distance employees have a fear of punishment in cases of conflict with management's decision. This fear is weaker in low power distance individuals (Mead, 2003). Previous literature found positive associations between paternalism and work results in societies with high power distance cultures, such as China (Farh, Cheng, 2000). Utilizing implicit leadership theory, one may expect that high-power

distance individuals may accept more authoritarian leadership styles such as paternalistic leadership, more easily.

The second cultural construct studied in this thesis is collectivism, or at individual level allocentrism. In Hofstede's seminal work, individualism and collectivism was classified as opposite ends of a unidimensional continuum (Hofstede, 1980). Triandis explains individualism and collectivism as follows: Individualism is the tendency to treat the self as the most meaningful social unit. Individualistic societies stress the development and differentiation of a unique personality and identity, autonomy, and the primacy of personal goals and needs. In contrast, the most meaningful social units in collectivist societies are the groups to which people belong, such as the family, neighborhood, or workplace, and one's identity is defined by membership in these groups. In collectivistic societies, the impact of group membership on self-definition results in a desire to maintain in-group harmony, and a tendency to subordinate personal preferences and priorities to those of the group (Triandis, 1995). Individualism prevails in societies where the ties between individuals are not as strong, everyone is expected to look after themselves and their immediate family. Collectivism on the other hand, refers to societies in which people are integrated into solid, unified, loyal in-groups, which protect them though out their lifetime (Hofstede & Minkov, 2010, p. 92). Similar to power distance, paternalistic leadership is found more commonly in collectivist societies (Ayman, 2006). Utilizing implicit leadership theory, one may expect that individuals high in allocentric values may accept benevolence, morality and authority-oriented leadership styles such as paternalistic leadership, more easily.

### 2.4.3 Literature on leadership, culture and innovation

From an implicit leadership theory perspective, if the leader fits the follower's beliefs about the type of attributes, skills and behaviours that facilitate or impede leadership, he will be evaluated positively, if not, then he may be seen as despotic; which in turn will impact follower work behaviours. A cultural contextualization is in the very core of leadership, thus further investigation on leadership's interaction with cultural values are valuable. The intersection of culture and leadership, as well as culture and innovation are widely studied topics. For example, a short-term orientation is found to encourage risk-taking, while a long-term perspective is shown to promote proactivity and innovativeness (Lumpkin et al., 2010). A short-term focus increases urgency to perform entrepreneurial activities, but a long-term orientation helps implement and maintain such efforts as the financial rewards associated with entrepreneurial activities can take years to be realised (Zahra & Covin, 1995).

#### Collectivism and innovation:

Studies on allocentrism and innovation on an individual level are rare. However, national and organizational level studies demonstrate the importance of collectivism as well as individualism on innovation. Taylor and associates analyze independent datasets of culture and innovation from 62 countries spanning over two decades (2010). They uncover that most measures of individualism have significant, and positive effect on innovation, even when controlling for major policy variables across countries. Interestingly, the same study also finds evidence that a certain type of collectivism (patriotism and nationalism) can also foster innovation at the national level. Meanwhile, other types of collectivism (familism and localism) generally hurt innovation. The nuanced differences in collectivism between Asia and Middle East lead to opposing results on innovation. Another approach was Tiessen's, who asserts

that an individualistic culture tends to foster short-term goals while collectivism often facilitates a long-term orientation, which help innovation (1997).

Literature has also found interesting results in organization level. Lee and associates found that the strength of an organization's collectivistic culture, as well as its individualistic culture, is positively associated with its entrepreneurial orientation (2019). Entrepreneurial success is likely to be boosted by the joint presence of individual creativity, which have been associated with individualism, as well as organizational commitment and self-sacrifice, which have been associated with collectivism (Gelfand et al., 2004).

#### Power distance and innovation:

Individuals with a high-power distance orientation are more receptive to top-down direction from their leaders, but are also more eager to please the leaders (Javidan, House, Dorfman, Hanges, & De Luque, 2006). However, studies on power distance and innovation are rather limited. A meta-analysis of 266 studies (Lee, 2020) found servant leadership's positive relationship with innovation is moderated by power distance, the higher the power distance, the stronger the relationship. Similarly, supportive leadership's positive relationship with innovation is also found to be moderated by power distance, the higher the power distance, the stronger the relationship. However, the opposite was found true for empowering leadership, as higher power distance followers' innovation results found to be less positively affected by empowering leadership. This makes sense, since high power distance individuals often feel uncomfortable with delegation, and look for clear directions from the leader. The moderation effect of power distance was not found significant for other leadership types including transactional leadership. However, this study

considers followers from high power distance national cultures as high-power distance individuals, which leaves an opportunity to contribute to literature by using individual level measures of power distance.

#### Leadership styles and culture:

There are not many studies combining paternalistic leadership, cultural values and innovation. But, a cultural lens is especially crucial to understand the concept of paternalistic leadership (Aycan, 2006). Aycan asserts that authoritarian relationships are built on control and exploitation, where subordinates conform to the leader in order to avoid punishment (Aycan, 2006). In comparison, a paternalistic leader is different, he/she is involved in the lives of subordinates. While this involvement would be interpreted as a violation of privacy in an individualistic society, it would be interpreted as part of the leader's care and protection in a collectivist society (Aycan, 2006). Similarly, high power distance societies accept the authority of the leader and the unequal power relationship. But such an authority could be interpreted negatively in a lower power distance culture (Aycan, 2006).

Transactional leadership too is expected to interact with cultural values. Interestingly, Jung and Avolio (1999) propose that leaders are more likely to adopt a transactional style in individualistic cultures. Hofstede asserts that in an individualistic society, the relationship between the employer and employee is primarily considered as a business transaction, but in collectivist, it resembles a family relationship with mutual obligations towards each other (Hofstede, 1980 p. 45-48). But when transactional leadership is applied in collectivist cultures, or with allocentric followers, the leaders may tend to emphasize mutual obligations and utilize social exchange dynamics more. This in turn may balance out the negative

impact of management by exception aspect of transactional leadership on innovation. Social exchange theory assumes reciprocity principle is universal, but this is not to say that all individuals value reciprocity to the same degree. Indeed, there is strong evidence supporting the existence of cultural and individual differences (Parker, 1998; Rousseau & Schalk, 2000; Shore & Coyle-Shapiro, 2003). In this thesis, we propose more allocentric individuals may be more inclined to reciprocate and contribute to a common good such as innovation, as they may have a higher sense that all exchanges in a society in the end will reach a fair equilibrium. Transactional leaders often provide the confidence and mechanisms necessary to ensure that follower's positive contributions to performance will be rewarded properly.

## 2.5 Idiosyncratic deals

### 2.5.1 Idiosyncratic Deals (I-deals), social exchange theory and leadership

Referred to as personalized work arrangements negotiated between employees and their managers, idiosyncratic deals include flexible work schedules that avoid potential conflicts, special task assignments that match employee strengths and interests, unique career development opportunities that aim at bringing out employees' best potential, and customized compensation packages that fulfill employees' needs (Rofcanin & Anand, 2022; Rosen, Slater, Chang, & Johnson, 2013; Rousseau, 2005; Rousseau, Ho, & Greenberg, 2006).

I-deals are aimed to benefit the recipient, as well as the recipient's organization, thus they differ from favoritism (Hornung, Rousseau, & Glaser, 2008; Rousseau & Kim, 2006). Flexible schedules allow employees to balance their work and family roles, improving retention as well as performance (Baltes, Briggs, Huff,



& Wright, 1999; Kossek & Ozeki, 1998). I-deals offering to professional development such as challenging assignments or training help recruit and retain high performers. Individualized compensation schemes allow organizations keep a fair and comparable compensation structure, while granting certain employees customized resources and benefits that they value. Although I-deals can be negotiated during recruitment (*ex ante* I-deals), this thesis focuses on I-deals that occur in existing employment relationships (*ex post* I-deals).

I-deals literature is largely built on social exchange theory, as social exchange refers to voluntary actions that are motivated by the returns they are expected to bring from others (Blau, 1964). Employees contribute effort and loyalty to their organizations, while employers grant them I-deals on compensation, recognition, and career advancement opportunities (Greenberg et al., 2004; Rousseau, 2001a). Social exchange theory posits that employees who make distinctive voluntary contributions may not be guaranteed any explicit reciprocation but may be motivated to contribute by expected future returns (Blau, 1964). This is especially true for *ex post* I-deals, as they are not guaranteed prior to employment and are not made explicit until after employees have demonstrated their worth to their organizations. Social exchange relationships develop between interdependent parties, with each party helping the other achieve goals (Cropanzano & Mitchell, 2005), same is true for I-deals. Previous works show that employees' perceptions of the quality of their social exchange relationships are related to work attitudes and behaviors (Shore et al., 2004). Similarly, existence of I-deals indicate that the organization/leader is committed to maintain a high-quality relationship with the follower, and influence employee attitudes and behavior positively (Rousseau, 2001a; Rousseau et al., 2006).

Driven by labor market pressures and increasing diversity of employee expectations, I-deals are becoming ever more widespread in present-day (Rousseau, 2005). While I-deals may have been considered exceptions for star performers (Frank, 1985; Rosen, 1981) or and in-group members (Graen & Scandura, 1987), their emerging role suggests the need to modify existing theories on employment relationships (Rousseau, 2005).

As antecedents of I-deals, previous literature has found that group size, job constraints, tenure and political skills of the employee, unfulfilled obligations in relation to work on the part of an employee and work structures that promote idiosyncrasy in employment conditions can impact I-deals formation (Hornung, Rousseau, & Glaser, 2008, 2011; Rosen, Slater, Chang, & Johnson, 2011). Studies exploring leadership as an antecedent to I-deals are quite rare. However, the rise of I-deals in practice as well as in research is in line with the development of pragmatic leadership (Mumford, 2006; Mumford & Van Doorn, 2001; Yammarino & Mumford, 2012). Pragmatic leadership suggests that outstanding leadership is evident in a functional, problem-centered approach (i.e. rather than charisma). With this mindset, effectively working with followers in the negotiation, creation, and maintenance of I-deals to fulfill their needs is a pragmatic approach to leadership. Overall, investigating I-deals opens an important research area for us to understand the functioning of leadership (Liao et. al., 2016). Interestingly, since leaders are the principal partners in the negotiation and execution of I-deals, followers often identify them as the primary representatives of organization (Liden, Bauer, & Erdogan, 2004). In other words, employees tend to attribute most of the support gained from the organization to their leaders (Eisenberger, Stinglhamber, Vandenberghe,

Sucharski & Rhoades, 2002), which amplifies their reciprocation efforts towards the leader.

Hornung et. al. (2011) found evidence that under considerate leadership, employees are more likely to negotiate I-deals on development opportunities and schedule flexibility. To our best knowledge, the few studies examining the effects of leadership on employees' I-deals are concentrated in healthcare sector in Asian contexts (Hornung et al., 2011; Luu et al., 2017). This study aims to extend the literature on I-deals research by investigating paternalistic and transactional leadership as antecedents of I-deals.

Paternalistic leaders may grant I-deals driven from their knowledge of the personal circumstances of the follower and their willingness to support their followers. Transactional leaders, on the other hand, may use I-deals as an exchange tool, a gambit provided to achieve desired results, in line with social exchange theory. Although underlying mechanisms may differ, this study proposes that modern leaders of various styles use I-deals to drive employee behavior.

#### 2.5.2 Literature on idiosyncratic deals, outcomes and innovation

I-deals research has been increasing in popularity, given the benefits I-deals are presumed to offer to the parties involved. In line with the norm of reciprocity (Blau, 1964; Gouldner, 1960), employees negotiate I-deals to satisfy personal needs and leaders provide I-deals in exchange of high performance or to motivate or retain a valued employee (Rousseau, 2005; Rousseau, Ho, & Greenberg, 2006). The benefits of I-deals the organizations include enhanced attraction, motivation, and retention of talent (Liao, Wayne, & Rousseau, 2016; Rousseau, Ho, & Greenberg, 2006). In exchange, empirically verified benefits of I-dealers to recipients include enhanced

job satisfaction, voice, proactive behavior, better person–job fit, in-role performance, helping behavior and increased organizational commitment; as well as decreased work–family conflict (Anand, Vidyarthi, Liden, & Rousseau, 2010; Hornung, Rousseau, & Glaser, 2008; Liu, Lee, Hui, Kwan, & Wu, 2013; Ng & Feldman, 2010).

To be more specific, task specific I-deals and flexibility I-deals were found to increase employee job satisfaction (Rosen et al., 2011); while task I-deals also boost work engagement and personal initiative of employees at work (Hornung et al., 2010). As expected, developmental and flexibility I-deals help maintain a balance between work and family (Hornung et al., 2008). Last but not the least, contract idiosyncrasy (employment arrangements that are crafted to meet the needs of employees) has been found to increase employees' level of affective organizational commitment (Ng & Feldman, 2010). Despite the documentation of these important outcomes of I-deals; some of the crucial outcomes that are relevant to organizations such as employee performance, turnover or innovation related outcomes are not studied (Liu et al., 2013). The literature is also in need of improvement on the process linking I-deals to outcomes relationships (Liu, Lee, Hui, Kwan, & Wu, 2013). On top of social exchange motives, a few mechanisms suggested in the literature include extending extra effort to mitigate coworker jealousy (Huo et al., 2014) and impression management motives to avoid coworkers' perceptions of differential treatment (Ferris et al., 1994; Rioux & Penner 2001, Ellis et al., 2002).

While there are no direct studies that research the relationship of I-deals to innovation, a few explore the concepts of proactivity and creativity. Previous works show that supervisors are more likely to authorize I-deals when they assess their employees display high levels of initiative on the job (Griffin et al., 2007; Frese &

Fay, 2001; Crant, 2000). Similarly, proactivity has been suggested as a precondition for workers to take initiative and seek out special terms (Parker and Collins, 2010; Ashford and Black, 1996). To conserve the resources the follower was granted through I-deals, one can assume that same proactivity would also lead to innovative work behavior, as a way of reciprocation. Another study by Liu and Zhou (2020) finds evidence that psychological entitlement mediates the indirect relationship between I-deals and employee creative deviance. Using social exchange theory, this study hopes to contribute to the literature by placing I-deals as a mediator between leadership and innovative work behavior, and further analyzes the functioning of this mediation through job resources I-deals provide.

## 2.6 Leader member exchange

### 2.6.1 Leader member exchange and social comparison (LMXSC)

Leader-Member Exchange theory asserts that “effective leadership occurs when leaders and followers maintain a high-quality relationship characterized by mutual trust, respect, and obligation” (Graen & Uhl-Bien, 1995). The theory focuses on the relationships between managers and individual subordinates and how these develop over time through differing levels of trust (Cashman, Dansereau, Graen, & Haga, 1976; Graen & Cashman, 1975; Rousseau et al., 2006). Leader member exchange have been found to be related to numerous positive outcomes, including employee’s satisfaction with work, satisfaction with supervision, performance, and organizational commitment (Gerstner & Day, 1997).

High-LMX relationships are established on emotional support, trust, and respect and are mutually beneficial for both parties (Gerstner & Day, 1997).

Followers in high-quality LMX relationships benefit from greater access to resources, increased communication, responsibility, and negotiating latitude (Gerstner & Day, 1997; Graen & Scandura, 1987). In exchange for these resources, they feel a reciprocal obligation to the supervisor, often increasing their commitment and performance. The opposite is also true, lower quality LMX relationships tend to be economically-based and more closely abide by the employment contract (Gerstner & Day, 1997). Such followers operate strictly within their formally prescribed role; thus feelings of reciprocal obligation are not obvious (Wayne, Shore, & Liden, 1997) and they are provided fewer opportunities for role negotiation (Duchon, Green, & Taber, 1986).

A more recent variable in leader member exchange space is LMXSC, which stands for LMX Social Comparison, essentially how one individual views his LMX with the leader versus that of other followers. To incorporate leader member exchange perspective, I study LMXSC of the follower as moderator in this thesis. If the follower sees his LMX to be higher than his peers (high LMXSC), he is likely to give more to the leader and expect more reciprocative behavior from him, at times in the form of increased I-deals. He could also be more comfortable asking for I-deals. Plus, how the leader member exchange of the follower compares to others, could be an influential factor for the leader as he decides to provide I-deals to a follower.

## 2.6.2 Literature on leadership, LMX, i-deals and innovation

Leader member exchange related variables are used as leadership-based predictor, modelled as having either a direct (e.g., Lee, 2008) or indirect effect (e.g., Liao et al., 2010) on creativity or innovation, but they are also often used mediators (Gu et al., 2015) and moderators (Van Dyne, Jehn, & Cummings, 2002). The literature thus

presents an interesting plurality regarding the theoretical status of leader member exchange (Lee, Willis, & Tian, 2017; Huang, 2018).

Linking the concept with I-deals, high-LMX workers enjoy more opportunities for idiosyncratic behavior and, presumably, they should be able to receive more I-deals than their low LMX peers. In line with social exchange theory, differentiated resource exchanges between a leader and follower determine the extent of relationship quality. I-deals is a popular form of resource exchange in contemporary organizations and many studies find that I-deals enhance LMX (Dienesch & Liden, 1986; Graen, 1976), while vice versa is also true. LMX is found to be positively related to negotiation of I-deals on preferred task activities (Hornung, Rousseau et. al., 2010; Rosen, 2013), career development and schedule and location flexibility (Hornung et. al., 2014; Rosen et. al; 2013). In another study, the relationship between I-deals and job satisfaction were stronger in groups with greater LMX differentiation than in contexts where managers maintained similar relationships with followers (Chenwei, Wayne, Liden, Meuseri 2016). Other studies also find LMX as a significant mediator between I-deals and work results; and LMXSC as a mediator leading to in role performance and citizenship behaviors, job satisfaction, in-role performance, and helping behavior (Anand, 2018; Singh, 2014). However, I was unable to find literature on how LMXSC effects the relationship between leadership and I-deals. I-deals have a giver and a receiver. While the latter's perspective is often studied, there is an opportunity to contribute to the literature regarding the former.

Liao and associates' study is particularly interesting as they find a moderated mediation relationship. Their study shows that LMX quality partially mediates the positive relationship between I-deals and individual effectiveness and job

effectiveness, and LMX differentiation (essentially LMXSC) moderates this mediation relationship, such that the mediation effect becomes stronger when LMX differentiation within the group is greater (Liao et. al., 2016).

The mediating role of LMX is well studied in literature, but I am curious about the moderating role of LMXSC with paternalistic and transactional leadership. One of the main antecedents in this thesis, paternalistic leadership, is relational and personal, as the leader exhibits paternalistic attitudes and behavior towards subordinates. Pellegrini and Scandura propose that high quality LMX relationships may also augment the protection and care provided in paternalistic leadership (2008). The researchers also assert that within a collectivist society, a paternalistic relationship may exist between in-group members, while out-group can be excluded, or treated in a rather authoritative, non-benevolent way (Pellegrini and Scandura, 2008). The literature linking these constructs are rather limited for transactional leadership. However, transactional leadership resembles an economic exchange. Inspired by economics, this study hypothesizes that higher LMXSC relationship boosts the positive association between transactional leadership and I-deals, because the higher the LMXSC, the lower the information asymmetries between the leader and the follower would be. Followers who feel closer to the leader versus their peers (high LMXSC followers), may disclose more information about their private life, their personal and professional aspirations and unique circumstances. The visibility of this information allows the leader to grant more I-deals to cater to the follower's specific needs. Therefore, for both types of leadership, I expect higher the LMXSC, the stronger the leadership and I-deals relationship. Leaders should be more likely to give I-deals to higher LMXSC employees, similarly higher LMXSC employees are potentially more likely to ask for them at the first stage.



Metareview of Lee and Hughes show that since followers with a high-quality LMX relationship feel obliged to reciprocate (Blau, 1964; Gouldner, 1960), they are more likely to engage in discretionary processes such creative (Meng, Tan, & Li, 2017) and/or innovative behavior (Pan, Sun, & Chow, 2012; Turunc, Celik, Tabak, & Kabak, 2010). According to the social exchange theory, followers will put more effort, undertake creative challenges and demonstrate high creativity in exchange for support, trust and other resources they receive from the leaders (Xu, Huang, Lam, & Miao, 2012). Graen & Uhl-Bien also argue that followers in high-quality LMX relationships have more decision-making autonomy (Graen & Uhl-Bien, 1995), which is positively associated with creativity and innovation. In line with above, I expect LMXSC to form a moderated mediation on the relationship between leadership and innovative work behavior.

## 2.7 Conservation of resources theory and job resources

### 2.7.1 Conservation of resources theory

Conservation of Resources Theory proposes that individuals strive to protect and accumulate valued resources (Hobfoll, 1989, 2001). Built as a theory of motivation, the basic tenet of conservation of resources (COR) theory is that people are motivated to protect existing resources and acquire new ones. The definition of resources is objects, states, conditions, and other things that people value; such as time, money, health or relationships (Hobfoll, 1988). The value of each resource depends on the individual, as it is tied to his/her personal context and experiences.

Hobfoll views people's relationship with resources as an investment, where they invest in in order to gain resources, to protect against resource loss, and to recover

from losses (Hobfoll, 2001). The idea of resource loss is central in COR theory. The theory asserts that people cope, investing resources to stem future resource losses (Ito & Brotheridge, 2003; Vinokur & Schul, 2002). Hobfoll states that a) individuals with resources are in a better position to invest those resources, and b) as individuals gain resources, they can invest more and gain additional resources, which creates a resource gain spiral (Hobfoll, 2001).

Focusing on our context, employees accumulate resources at work. Named job resources, these refer to physical, psychological, social, or organizational aspects of the job. Job resources serve a few functions: they reduce job demands and the associated physiological & psychological costs; or they are functional in achieving work goals; or they stimulate personal growth, learning and development (Bakker et al., 2007). In sum, job resources are essential to manage demanding work situations and tasks (Bakker and Demerouti, 2007; Messmann et al., 2017). Janssen proposes that, to cope with the socio-environmental dynamics of innovation development, social job resources may be particularly crucial (2005).

Conservation of resources perspective has been studied with innovative work behavior previously, but not with I-deals. Indeed, only very few scholars have explored the mechanisms underlying the relationship between I-deals and employee behaviors (Hornung, Rousseau, Weigl, Müller, & Glaser, 2014; Liu et al., 2013; Ng & Feldman, 2015). I propose that I-deals provide specific resources to employees, such as flexibility of location, valued financial agreements, desired tasks or capabilities. In turn, followers will invest these resources, aiming to protect them and acquire more. Not to lose their I-deals, followers will assert visibly positive behaviors. Therefore, there is value in investigating a COR based mediation mechanism through job resources between I-deals and innovative work behavior.

### 2.7.2 Literature on job resources, i-deals and innovation

While I-deals have been found to be related to proactive work behavior (Liu et al., 2013) and employee creativity (Wang et. al., 2018), their relation to innovation or innovative work behavior has not been studied in depth.

I-deals are most often studied under Social Exchange Theory. The nature of reciprocity in the definition of the construct makes social exchange the leading theoretical background in the literature. However, in previous works, there are cases where I-deals are shown not to always generate reciprocity. For example, Rousseau et. al. (2009) found that I-deals on employee workload are negatively related with social exchange, and positively related with economic exchange. Or Hornung et. al. (2009) found that flexibility I-deals did not lead to increases in employee motivation. These suggest that social exchange lens may be insufficient to explain I-deals, or not functional for different types of I-deals and varying outcomes. Depending on employee's goals and resources to achieve these goals, employee responses to I-deals may differ. For this reason, I see value in combining social exchange theory with conservation of resources perspective and explore mediation of job resources in this thesis.

I-deals present valuable resources that fulfill an individual employee's requirements which are not met by the organization's standard policies. We argue that to the extent I-deals are valuable re-sources that are not available otherwise, they create obligations in employees that are discharged through positive work behaviors (Blau, 1964; Gouldner, 1960). Supervisory resource allocations show employees that the organization values their contributions and is willing to invest in them. (Anand et al, 2010) In response, the employee would want to conserve these resources and strive to invest into the organization, exhibiting more innovative behaviors, at times

taking the risk of failure. Innovation requires risk taking, repeated effort, creativity and at times serendipity. An individual's drive to continuously invest in innovation despite these challenges can be explained by the motivation to protect and accumulate resources. Interpreting I-deals as a way to provide desired resources to employees, the motivation to conserve these resources can increase innovative work behavior and accelerate innovation.

## 2.8 Affective events theory and emotions

### 2.8.1 Affective events theory and emotions

Emotions are defined as “discrete, innate, functional, biosocial action and expression systems that result due to one's assessment of events as either advancing or hindering one's goals” (Fischer, Shaver, & Carnochan, 1990, p. 84).

While a mood is a diffuse affective state that lacks a clear referent or cause, an emotion is a discrete affective state that is perceived by the individual to have an identifiable cause and/or referent (Forgas, 1995). We integrate emotions to this research, as we expect I-deals discussions and the exchange between the leader and the follower to result into specific emotions on the follower.

An important theoretical development related to emotions in the workplace is Affective Events Theory (AET) (Weiss & Cropanzano, 1996). In essence, the theory explains the structure, causes, and consequences of employees' affective experiences at work. According to Affective Events Theory, the occurrence of certain work events (i.e. supervisor incivility) are the proximal causes of employee's emotional reactions. AET also looks into stable features of work environment (i.e. a permissive organizational culture) that leads to the occurrence of these affective events.

Affective events are defined as something that occurs in a work setting during a specific time period, which introduces a change in how one is experiencing and feeling (Weiss & Cropanzano, 1996). Affective events can cause direct or indirect effects. Direct effects refer to the emotion eliciting affect-driven behavior, such as spontaneous helping and harming from the employee. In comparison, indirect effects slowly alter attitudes (e.g., job satisfaction), which then elicit behavior, such as quitting one's job. The literature supports the propositions of Affective Events Theory, by documenting associations of work events with both positive and negative emotions (Grandey, Tam, & Brauburger, 2002; Wegge, Dick, Fisher, West, & Dawson, 2006) and demonstrating that these affective states in turn shape work attitudes (Niklas & Dormann, 2005) and behaviors (Ilies et al., 2006).

Naturally, individuals have endogenous patterns of affect such as personality-based predispositions towards certain emotions. For example, neuroticism is associated with the tendency to experience negative affect (Larsen & Ketelaar, 1991). While these endogenous patterns of affect exist, affective events theory focuses on the events that life is punctuated by that interfere with them, and insert exogenous influences on affect. The individual has to appraise these events by a cognitive process, by deciding on the relevance of the event to personal well-being and its importance. Next, the individual assesses his coping mechanisms and consequences of the event. With these appraisals, individual experience discrete emotions (i.e. joy, anger, remorse). In conclusion, the theory analyzes how these emotions (affect), influence attitudes and behavior. I incorporated AET into this study, as I-deal negotiation is a discrete event that does result in specific emotions, and these emotions themselves are expected to have an impact on innovative behavior as well.

### 2.8.2 Literature on emotions, i-deals and innovation

Existing research details emotions and innovation relationship, however body of works that link this relationship to leadership is rather limited. Most researchers who analyzed the effects of positive affective states on innovation outcomes agree that positive affect leads to higher creativity (Davis, 2009) and innovativeness (Madrid et al., 2018). For example, Madrid and associates developed a model in which leaders' behaviors that improve or worsen affective states of team members shape team affective tone and influence team innovation (Madrid et. al., 2019). The research so far on positive affect has usually been on team level and this study aims to contribute to literature by focusing on individual level. Although research has documented the benefits of positive affects to creative and innovative behaviors (Amabile et al. 2005; Madrid et al. 2014; Rego et al. 2012, 2014); for negative effects, empirical evidence is less clear.

Some studies report either a negative relationship or the absence of a direct relationship between negative affect and creativity (e.g. Baas et al. 2008), and others demonstrate that, under certain conditions, negative affect fosters individual creativity (Binnewies and Wörnlein, 2011; George and Zhou 2002, 2007; Kaufmann 2003; Kaufmann and Vosburg 1997).

The controversy of empirical results is coupled with a debate on the relationship between negative affect and employee innovation-related outcomes. Some researchers argue that negative affective experiences decrease the attentional focus, which hinders creativity (Baumann & Kuhl 2002). Others argue that negative affects detract attention from goal achievement (Carver, 2006; Higgins, 1997), results in an avoidant approach that decreases investment in innovative efforts

(Rietzschel 2011). On the other hand, a separate body of literature suggests that negative affect signals to the individual that the current situation is problematic and s/he needs to insert more effort to solve it (George & Zhou, 2002; Martin et al., 1993; Binnewies & Wörnlein, 2011; George & Zhou, 2002, 2007; Kaufmann, 2003; Kaufmann & Vosburg, 1997).

## CHAPTER 3:

### RESEARCH MODELS AND HYPOTHESES

#### 3.1 Theoretical underpinning and conceptual model

Above chapter discusses the theories and literature related to our research questions on the relationship between leadership and innovation. In line with these learnings, this chapter builds and explains a conceptual framework of the relations this thesis aims to investigate. The proposed conceptual model (based on Social Exchange Theory as its backbone) is illustrated in Figure 1.

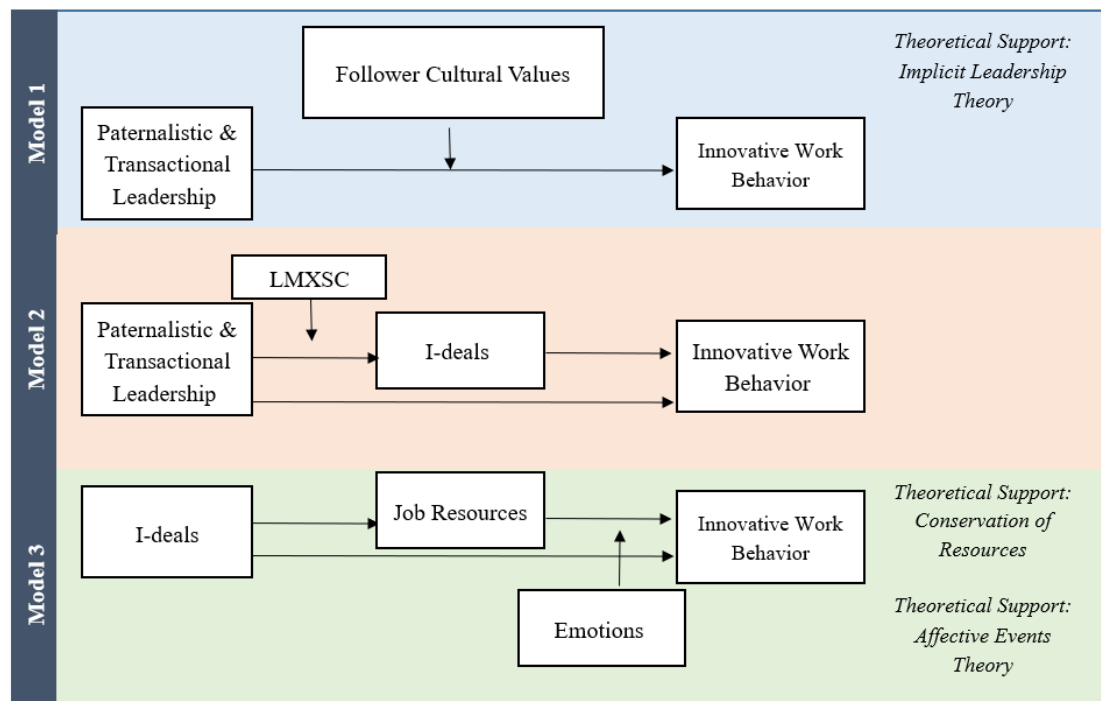


Figure 1. Proposed conceptual model

Leadership means “creating a process of social influence in which a person can enlist the aid and support of others to accomplish of a common task” (Chemers, 1997, p.1).

Creating innovative work behaviors on followers to achieve common innovation



goals of the organization is one of the main tasks of leaders. The backbone of this thesis is Social Exchange Theory, as incentivizing innovative work behavior does not simply fit into an economic exchange-based contractual agreement. Innovative behavior involves risk of failure while it requires creativity, intrinsic motivation and repeated cooperation with others over time. As successful results are not immediately available for actors to see and reward, an economic exchange, a purely transactional mechanism is often not the most effective method to boost innovative work behavior. Leaders however can reciprocate their gratitude for innovative work behavior, paying back innovative followers through social exchange-based benefits such as more leadership support, I-deals or job resources. In exchange, followers would respond with even more innovative behavior.

Using Social Exchange Theory as its backbone, this study utilizes supporting theories such as Implicit Leadership Theory, Conservation of Resources Theory and Affective Events Theory to investigate the ways leaders ignite innovative behavior in followers through three separate models.

The first of these models investigates the impact of leadership styles and culture on innovation. Not every social exchange is created equal or as effective, as the perception of parties on the value of goods being exchanged depends on the individual's own preconceptions and his/her value system. Individuals create cognitive representations of the world, and use these preconceived notions to interpret their surroundings, which in turn control their behaviors (Schyns and Meindl, 2005). This principle applied to organizational behavior leads to implicit leadership theory, which suggests that group members have inherent expectations and preconceptions about the characteristics, traits, and qualities that are innate in a leader. (Den Hartog et al., 1999) An individual's perceptions of a leader, thus his

responses to a leader is governed by these assumptions, which are essentially leader prototypes. These assumptions are formed by the generalization of past experiences to new experiences, and they are not outwardly stated, they are implicit. A leader is found to be more effective if he identifies with the follower's implicit leader prototypes and is aided more as he generates conducive responses from the follower (Schyns and Meindl, 2005).

The leader – follower relationship is therefore affected by the comparison of leadership prototypes to actual leaders (Phillips et al., 1986). Regardless of his competence, if a leader does not match with the follower's expected prototype, she may be received with more resistance. Inversely, she may be more influential if she does match the followers' expectations. Previous work finds evidence that a congruence between the followers' leader prototype with the actual leader style results in higher commitment, higher job satisfaction, and even increased well-being for the followers (Epitropaki et al, 2005).

Using implicit leadership theory, first model proposes that the type of leadership the leader exhibits is more impactful on innovation, if it matches with the follower's expectations, given his/her cultural values. Since leadership prototypes are heavily determined by previous experience, the culture the follower is born in impacts his cultural values and his expectations. Studies on culture originated in nation level, but the defining attributes of individualism and collectivism or power distance do exist within cultures in the form of individual difference (Triandis, Chan, Bhawuk, Iwao & Sinha, 1995) For example, at the individual level, individualism and collectivism are demonstrated as the extent of individuals endorse values, attitudes or norms consistent with the notions such as independence and the primacy of personal needs and rights; versus those that are consistent with interdependence

and primacy of norms and obligations to the group. Triandis summarizes the transitive property of cultural constructs between nation and individual level as: “Individualistic societies can be defined as cultures where the modal profile is idiocentric, likewise, in collectivistic societies the modal profile is allocentric (1985).” Similarly, high power distance societies can be defined as cultures where the modal profile scores high in power distance; accepting that power is distributed unequally and show a propensity to follow hierarchy. Low power distance societies can be defined as cultures where the modal profile scores low in power distance; an individual who aims to distribute power equally and look for further justification to show more respect to people who have more power than him/herself.

Among various leadership styles, perhaps the one most impacted from the cultural lens is the concept of paternalistic leadership (Aycan, 2006). Paternalistic leader is involved in the lives of subordinates. While this involvement would be interpreted as a violation of privacy in an individualistic society, it would be interpreted as part of the leader’s care and protection in a collectivist society (Aycan, 2006). Similarly, high power distance societies accept the authority of the leader and the unequal power relationship. But such an authority could be interpreted negatively in a lower power distance culture (Aycan, 2006). Due to its contextual nature, studies in country level show that paternalistic leadership is most often used in Middle Eastern and Asian cultures, which are more collectivist and higher power distance. In contrast, paternalism is not a popular leadership style in Western cultures, which are more individualistic and score lower in power distance (Pellegrini, 2010).

In contrast, transactional leadership is among the most task-based leadership styles, and it is much less so relationship based. Transactional leadership closely resembles an economic exchange, is built on achievement-related exchanges:

transactional leaders achieve influence by clarifying goals, the use of rewards and incentives, and intervening only when necessary (Bass, 1985). Such a leadership type works more efficiently in western cultures, driving task performance in cultures high in individualism. (Yukl, 1999) However, the studies on its effects on innovation have reached varying results.

Compared to paternalistic leadership, in transactional leadership, the nature of the social exchange between the leader and the follower is more quantifiable and task focused. Social exchange theory involves unspecified obligations. Paternalistic leadership is also based on trust and obedience, a set of unspecified obligations. In contrast, transactional leadership aims to clarify goals, puts rewards and punishments; makes such obligations clearer; which resembles an economic exchange between two social creatures, the leader and the follower. Different followers should react differently to these two different styles. Therefore, as described in Figure 1, Model 1 of this study proposes a relationship between leadership and innovative work behavior, that is impacted by the cultural values of the follower.

Built on social exchange theory, Model 2 of this study proposes that leaders use idiosyncratic deals as a method of increasing influence over followers, in order to achieve more innovative behaviors, a common goal for the organization. I-deals are “voluntary, personalized agreements of a non-standard nature negotiated between individual employees and their employers regarding terms that benefit each party” (Rousseau et al., 2006, p. 978). Given the fact that I-deals are negotiated between employees and their employers, they are intended to benefit them both. The successful results of I-deals include recruitment, motivation and retention of valued employees, and in turn, these employees receive desired resources from that

organization. (Yang, 2020) This study proposes that innovative work behavior is among these positive outcomes of I-deals.

I-deals theory itself is grounded in social exchange theory (Rousseau et al., 2006), through the norm reciprocity (Gouldner, 1960); individuals tend to reciprocate contributions and favors given in a relationship, even when not it is not otherwise required to do so (Blau, 1964). Employees who have successfully negotiated idiosyncratic deals would feel obligated to repay through positive attitudes and behaviors. In response, leaders would be willing to provide more to the followers, and this circular exchange relationship will continue benefiting both parties. An additional mechanism that sheds light on the positive results of I-deals is the impression management motives (Bolino et al., 2006). When employees consider that their coworkers know about the idiosyncratic deals they have negotiated, they try to manage their impression in the eye of their peers to mitigate the perceptions of differential treatment. Therefore, I-deal receiver demonstrates extra effort and exerts special energy to be a good soldier (Ferris et al., 1994; Rioux & Penner 2001). Similar to organization citizenship behavior, which has been found positively associated with I-deals (Anand et al., 2010), innovative work behavior is an exhibition of effort on top of the typical job description. This study therefore proposes that I-deals is an effective tool of leadership to advance innovation.

Model-3 details this relationship and investigates the mechanics between I-deals and innovative work behavior relationship, explaining the pathway through conservation of resources theory and affective events theory. Conservation of resources theory proposes that individuals strive to protect and accumulate valued resources (e.g., time, money, health, capabilities, relationships) (Hobfoll, 1989, 2001). Humans are motivated to acquire new resources, and to protect their current

resources. The value of resources differ across individuals, depending on the individual's personal experiences and circumstances. I-deals provide employees with special agreements that provide them flexibility in their task, work, finances, location and schedule. These resources give way to develop capabilities and relationships that are crucial when it comes to managing demanding work situations and tasks (Bakker and Demerouti, 2007; Messmann et al., 2017). Therefore, Model 3 proposes that to protect the resources I-deals provide to an employee, followers will invest in positive behaviors such as innovative work behavior. While previous literature mostly analyzes I-deals through social exchange framework, this study aims to shed light on the resource perspective, as it focuses on innovation as the dependent variable. Resource lens is particularly important for innovation, because relationship related social job resources are particularly crucial for coping with the socio-environmental dynamics of innovation development (Jannsen, 2011).

In affective events theory, Weiss and Cropanzano (1996) defines work events as things that occur in a work setting during a particular period, which brings with it a change in what one is experiencing and feeling. They argue that affective events, in turn, have direct and indirect effects on employee behavior. An I-deal negotiation is such an event that produce emotional reactions. Existing research supports many tenets of AET, demonstrating associations of work events with positive and negative emotions (Grandey, Tam, & Brauburger, 2002; Wegge, Dick, Fisher, West, & Dawson, 2006) and showing that these affective states in turn shape work attitudes (Niklas & Dormann, 2005) and behaviors (Ilies et al., 2006). Therefore, Model 3 posits that emotions emerging from an I-deal negotiation influence the magnitude of the innovative work behavior that I-deal helps generate.

Thus, this study integrates leadership theory, implicit leadership theory, conservation of resources theory and affective events theory to propose a framework on how leaders can impact innovative work behavior of their followers, through leadership style and mechanisms such as I-deals.

### 3.2 Hypotheses development

In line with the above theoretical underpinning, this chapter lists the hypotheses this study tests and provides the underlying reasoning of the expected relationships.

APPENDIX A: HYPOTHESES provides a list of all the hypotheses in a table format.

#### 3.2.1 Model 1. Leading innovation in style: leadership, cultural values and innovation

The definition of leadership is creating results with the support of followers. Leaders, regardless of their specific leadership style, initiate a social exchange relationship that leads to positive reciprocity from the followers in the form of innovative work behavior. Paternalistic leadership involves authority, benevolence and morality (Farh et al., 2006; Zhang et al., 2015). Benevolence and support paternalistic leaders provide are expected to enable the trial and error component of innovation, by increasing trust and encouraging risk taking for the benefit of common good.

Therefore, hypothesis 1 proposes that:

There is a positive relationship between paternalistic leadership and innovative work behavior.

Transactional leadership is focused on achievement-related exchanges, and has two components: contingent reward and management by exception. The first one

describes the provision of incentives following successful performance, whereas the second refers to the degree to which leaders take corrective action either in an active or passive manner (Bass, 1985; Yukl, 1999). Although close monitoring and corrective action taking components of transactional leadership may suppress creativity, innovation needs more than creativity, so to speak: setting objectives, contingent reward systems, monitoring processes for effective implementation. These are all within the strong suits of transactional leadership. Therefore, similar to paternalistic leadership, this study posits transactional leadership to be positively associated with innovative work behavior. Hypothesis 2 asserts that:

There is a positive relationship between transactional leadership and innovative work behavior.

Hypothesis 3 explores the moderation of cultural values under the guidance of implicit leadership theory. When the leader fits the leader stereotype the follower has in mind, he is able to exhibit a more effective leadership. Previous studies show that paternalism is most welcome in collectivist and high-power distance countries (Ayman, 2006; Pellegrini, 2008). Paternalism's various positive associations with power distance and collectivism have been documented across different studies (Farh, Cheng, 2000). In the most Darwinian way, followers model their implicit leader stereotypes after their fathers and mothers and expect benevolence, support and authority from the leader. Paternalism plays into this expectation of high-power distance and high allocentrism followers, creating a family-like relationship between the leader and the follower. Paternalism's relationship with innovative work behavior at an individual level has not been studied before. This study expects the effect to be more positive, when followers are high in power distance and allocentrism, as these followers would be more receptive to a paternalist leader's directions and provide



loyalty, performance and extra role behavior in return. The social exchange paternalistic leaders provide becomes more valuable for the follower when the currency of exchange (benevolence, support, interest in well-being) is in line with his/ her values. Hypothesis 3a:

The relationship between paternalistic leadership and innovative work behavior is moderated by allocentrism; the more allocentric the follower, the stronger the relationship.

Hypothesis 3b:

The relationship between paternalistic leadership and innovative work behavior is moderated by power distance; the higher the power distance of the follower, the stronger the relationship.

Regarding the interaction of cultural values and transactional leadership, previous literature accumulated results with a wider variance. Societies with a high-power distance orientation are more receptive to top-down direction from their leaders (Javidan, House, Dorfman, Hanges, & De Luque, 2006). Thus, power distance may help the effectiveness of leadership, as in the case hypothesized for paternalistic leadership. However, this study hypothesizes that in absence of paternalistic leadership, for transactional leaders, power distance has a weakening impact on the positive effect of leadership on innovation. When the transactional leader's social exchange is also more task based, somewhat resembles economic exchange and lacks the affection, benevolence and support paternalistic leaders provide, an additional level of power distance may dampen the positive impact of leadership on innovation. In low power distance societies, superiors and subordinates are perceived as partners. Employees think that they have the right to participate in making decisions. People

strive to equalize the distribution of power and have the hope to achieve more power as a result of their individual contributions, they try to justify power inequalities. In high power distance cultures, employees have a fear of punishment in cases of conflict or error. (Mead, 2003). Innovation process itself is prone to exploration and error, with a majority of trials resulting in failure (Christensen, 2011) Transactional leaders by definition rely on executing management by exception procedures, providing rewards for accomplishments, but more applicably punishment for mistakes. This study therefore expects that as power distance increases, such punishments for unsuccessful innovation attempts become more discouraging; weakening the transactional leaders' positive impact on innovation. Innovation under paternalistic leaders are accomplished as the follower is loyal to the leader, respects him and tries to pay back for his support and benevolence through extra role behaviors. However, under transactional leaders, innovation results are expected to be a part of the give and take relationship. The follower needs to achieve concrete results, so innovation efforts need to be able to bear fruits for the transaction to count. Thus, Hypothesis 3d:

The relationship between transactional leadership and innovative work behavior is moderated by power distance, the higher the power distance of the follower, the weaker the relationship.

The association between allocentrism and innovation is a complicated one. Previous works show that at country and at organization/group level, individualism is more positively associated with creativity and innovation than collectivism. However, there are varying results. In an analysis of 62 countries, collectivist values of patriotism and nationalism are found to help innovation, despite the negative effects of collectivist values such as localism and familyism (Taylor, 2010). A good

example of this is highly innovative Asian countries, such as Korea, which are highly collective. Another example is the study of Lee et al. (2019), which finds that the strength of an organization's collectivistic culture, as well as its individualistic culture, is positively associated with its entrepreneurial orientation. A detailed literature review by Xie and Paik on allocentrism- innovation relationship indicates that individual-level studies have produced inconsistent results (Xie and Paik, 2018). One example is the study of Saad, Cleveland, and Ho (2015), which finds that in both private and group brainstorming situations, collectivist Taiwanese sample produced more original ideas, though fewer in number, than individualist Canadian sample.

For innovation to be fostered, one needs the joint presence of individual creativity with organizational commitment and self-sacrifice. While the first is associated with individualism, the latter is associated with allocentrism (Gelfand et al., 2004). The individualist is motivated by making a personal impact (and creating individual return), while the allocentrist is motivated by creating a greater good for his community through innovating a new product or service, at times despite the personal risks and sacrifices required. Combining both seems to be a challenge. Moreover, Tiessen (1997) asserts that individualists tend to follow short-term goals while collectivists facilitate a long-term orientation. A short-term perspective encourages risk-taking, but a long-term orientation is shown to promote proactivity and innovativeness (Lumpkin et al., 2010). While there is a need for urgency to act entrepreneurially, a collectivist's long-term approach is beneficial for the implementation and maintenance of innovative behavior across the organization. The financial benefits of an individual's innovative behavior can take years to be realized and the materialization depends on a successful implementation relying on separate

processes accomplished by different players throughout the organization (Zahra and Covin, 1995). While individualists often compete for resources and limit cooperative innovation across the organization, collectivists help maintain common core values and enable the necessary implementation phase for the innovation to bear fruits (Gelfand et al., 2004) If the leader does not guarantee individual accountability and merit-based opportunities for advancement, this would be associated with suboptimal effort allocations, free riding so to speak (Albanese and Van Fleet, 1985). However, a transactional leader would design and implement mechanisms to reward allocentric followers' longer-term contributions in the process of innovation. A paternalist leader may fail to notice and account for this contribution in detail, but transactional leaders may help better design detail processes to account for a long-term transaction and balance this dynamic. In a collectivist country such as Turkey, transactional leaders may actually help counter balance the free riding aspect of collectivism.

Analyzing the relationship with the lens of social exchange theory, Gouldner (1960) asserts that the norm of reciprocity is a universal. But, reciprocity has also been considered a cultural mandate, a norm, a standard that describes how one should behave. Those who follow these norms are obligated to behave reciprocally (Tsui & Wang, 2002; Wang, Tsui, Zhang, & Ma, 2003). The norm of reciprocity is universal, however individuals value reciprocity in differing degrees. Previous research shows evidence for the existence of cultural and individual differences (Parker, 1998; Rousseau & Schalk, 2000; Shore & Coyle-Shapiro, 2003).

Reciprocity as a folk belief involves the cultural expectation that people get what they deserve; some believe in Karma more than others (Gouldner, 1960). We hypothesize that allocentric individuals would be feel more pressure to contribute to the common good, respond reciprocally in a social exchange relationship. When the

benefits of innovative behavior can only be observed in long-term, this belief in Karma, or reciprocity as a folk belief, becomes an important reason to contribute to innovation. In short, this study thus expects allocentrism to positively moderate the effect of transactional leadership on innovation. Hypothesis 3c:

The relationship between transactional leadership and innovative work behavior is moderated by allocentrism; the more allocentric the follower, the stronger the relationship.

### 3.2.2 Model 2. Leading innovation through idiosyncratic deals: leadership, i-deals, LMXSC and innovation

Model 2 utilizes social exchange theory and the definitions of leadership styles as to why leadership is associated with negotiating and granting I-deals. Regardless of the leadership style, I-deals are one of the customized benefits that could be granted to followers in an exchange relationship, expecting a positive return (innovative work behavior) as a reciprocation. The motivations to grant I-deals may be quite different among leaders of different styles, or they may prefer to grant different types of I-deals, but this study proposes that both paternalistic and transactional leaders do use I-deals as an exchange tool to foster innovative work behavior. Paternalistic leadership is “a hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent, and in exchange expects loyalty and deference” (Gelfand et al., 2004, p. 493). In paternalistic relations, subordinates reciprocate the leader’s benevolent care and protection by showing loyalty, deference, and compliance (Sinha, 1990). Followers are expected to be devoted to their leader in exchange for the resources and the care that the leader provides (Sinha, 1990). I-deals are a part of these resources and care. Thus, Hypothesis 4:

There is a positive relationship between paternalistic leadership and I-deals.

I-deals are in turn expected to have positive effects on follower behavior. They are defined as agreements between employees and their employers regarding terms that benefit both parties (Rousseau et al., 2006). Given the fact that I-deals are negotiated between employees and their employers, they are intended to benefit them both. This study proposes that innovative work behavior is among these positive outcomes of I-deals, which are granted by the leaders to facilitate such outcomes. Among the propositions that make up I-deals, Rousseau proposes: I-deals resulting in benefits for coworkers are more likely to be accepted as fair than those that result in no such benefits (2006). Innovation behavior is beneficial to create a more successful and higher income company, thus also beneficial to coworkers. When I-deals result in innovative behavior, they should be more acceptable. Hypothesis 5:

I-deals are positively related with innovative work behavior.

Hypothesis 6:

I-deals mediate the positive relationship between paternalistic leadership and innovative work behavior.

Transactional leaders are defined as leaders who act to achieve desired results. I propose that I-deals may be among these actions, at times as a corrective mechanism, at times as a reward mechanism; and act as a mediator to achieve innovation outcomes. Some examples of such deals could be work from home arrangements that encourage creativity, or flexible hours that enable the contribution of night owls, or even different compensation agreements that reward innovative behavior distinctively. The motivations as to why and how transactional leaders grant I-deals may differ from those of paternalistic leaders, but the direction is expected to be

similar. While paternalistic leaders may grant I-deals because they are interested in the follower holistically, including his wellbeing, transactional leaders could grant I-deals to target specific tasks and goals. This study posits hypothesis 8:

There is a positive relationship between transactional leadership and I-deals.

Hypothesis 9:

I-deals mediate the positive relationship between transactional leadership and innovative work behavior.

LMX is based on social exchange theory, thus it shares a common backbone with I-deals. Similarly, one of the important facets of LMX relationship is trust, a common theme in paternalistic leadership. LMX has been found to be related to numerous positive outcomes, including employee's satisfaction with work, satisfaction with supervision, performance, and organizational commitment (Gerstner & Day, 1997). This study tests for the impact of LMXSC in I-deals mediated relationship between leadership and innovation. LMXSC, is the LMX social comparison among members. It shows how a follower compares his/her LMX to that of his/her peers. How the leader member exchange of the follower compares to others, could be an influential factor for the leader as he decides to provide I-deals to a follower. If the follower sees his LMX to be higher than his peers (high LMXSC), he can be likely to ask for I-deals in the first place, and/or give more to the leader and expect more reciprocative behavior from him in return, at times in the form of increased I-deals. Exchange relations grow into vicious cycles, so a high LMXSC is expected to contribute to a higher quality social exchange relationship with more give and take. Previous studies demonstrate how LMX mediates the relationship between I-deals and employee outcomes such as organizational citizenship behavior (Anand et al.,

2010) however, the literature does not yet cover how LMX or LMXSC affects the relationship between leadership and I-deals. I-deals have a giver and a receiver. While the latter's perspective is often studied, there is an opportunity to contribute to the literature regarding the former's. Anand et al. tested LMX as an antecedent to I-deals, but they were unable to find a significant relationship (Anand et al., 2010). This study aims to contribute to the literature by placing LMXSC as a moderator between leadership styles and I-deals.

Existing literature is very limited in LMXSC, innovation and leadership relationship. This thesis studies LMXSC rather than LMX, as the comparison itself is expected to increase the impact of LMX in the vicious cycle of a social exchange relationship. The follower's high rating of his/her own LMX in comparison to peers may give him more confidence in the social exchange relationship to ask for I-deals from the leader, and get them in return. In addition, I-deals is a social construct and how peers view leader's decision to grant I-deals to a specific follower, whether they support this or not, could be influential in leader's decision to grant or not grant certain type of I-deals.

According to LMX definition, employees in high-quality LMX relationships benefit from greater access to organizational resources, including "increased communication, support, responsibility, and negotiating latitude" (Gerstner & Day, 1997, and Graen & Scandura, 1987). In exchange for these resources, Gerstner and Day assert that, a high-LMX subordinate feels a reciprocity obligation to his leader, which often leads to increased performance and commitment (Gartner & Day, 1997). I would assume this commitment and obligation would be even higher when LMX Social Comparison is high. In contrast, lower quality LMX relationships tend to be economically-based and more closely abide by the existing employment contract



(Gerstner & Day, 1997). Low-LMX subordinates stick to operating under the formally prescribed role definition, thus a reciprocal obligation is not relevant (Wayne, Shore, & Liden, 1997). It should be much less relevant for low LMXSC relationships. Long before the emergence of I-deals in the literature, previous field work showed that although they are treated fairly according to the employment contract, low-LMX subordinates are provided fewer opportunities for role negotiation (Duchon, Green & Taber, 1986). In line with these, for both types of leadership, this study expects the higher the LMXSC, the stronger leadership and I-deals relationship. Leaders should be more likely to give I-deals to higher LMXSC employees, similarly higher LMXSC employees are potentially more likely to ask for them at the first stage. Moreover, according to Pellegrini and Scandura, high quality LMX relationships may augment the protection and care provided in paternalistic leadership (Pellegrini and Scandura, 2008). This assertion also supports more I-deals negotiated and granted to high LMXSC employees under paternalistic leadership.

#### Hypothesis 7:

LMXSC will moderate the relationship between paternalistic leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).

On top of the factors outlined above, when the LMXSC of the follower is high, the leader would have more knowledge about the follower's unique circumstances, his/her personal aspirations, needs, requests. As transactional relationship resembles an exchange, inspired by economics theory, this study asserts that lower information asymmetry emerging from a closer relationship will ease the transaction between the

leader and the follower. This will result in leaders granting more I-deals to followers who are higher in LMXSC. Hypothesis 10:

LMXSC will moderate the relationship between transactional leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).

3.2.3 Model 3. What is a leader to give and how do you make me feel? I-deals, job resources, emotions and innovation

In Model 3, this study aims to explore the workings of the effect I-deals are expected to have on innovative work behavior. I-deals provide valuable resources catered to individual follower needs. Hypothesis 11:

There is a positive relationship between I-deals and job resources. These include agreements on tasks, schedule, location or financials.

There is value in understanding the specific types of resources that are provided and their respective effects. According to conservation of resources theory, followers are expected to exert extra effort not to lose the resources they accumulate (Hobfoll, 1989, 2001). Since I-deals provide valuable resources given to specific followers, the need to conserve them, in front of the scrutinizing eyes of peers who did not receive I-deals, should be even more pronounced. This study expects increased innovative work behavior as one of these efforts that I-deal receivers put in, in order to justify and keep their newly acquired resources: Hypothesis 12:

There is a positive relationship between job resources and innovative work behavior.

### Hypothesis 13:

Job resources mediate the positive relationship between I-deals and innovative work behavior.

Not only what is given, but also how it is given should matter. This is a large area of improvement in the literature. This study's final two hypotheses are on the emotions emerging from an I-deal negotiation and how they impact innovative work behavior results I-deal helps generate. After all, I-deal negotiation is a pivotal event for the employee, at times even making or breaking the supervisor- employee relationship. Even if the I-deal is not granted, leaving the discussion with positive feedbacks from the leader can be helpful. Or negative comments leading to negative emotions (anger, remorse etc.) may limit the willingness of the employee to contribute with innovative work behavior. Utilizing affective events theory (Weiss and Cropanzano, 1996), previous literature finds evidence for the supporting effect of positive emotions such as happiness, content, optimism on various job attitudes and behaviors. The literature converges on the view that positive affect leads to higher creativity and innovativeness (Amabile et al.; 2005; Davis, 2009; Rego et al. 2012; Madrid et al., 2014). Hypothesis 14 proposes:

Positive emotions emerging from I-deal negotiations will moderate the relationship between job resources and innovative work behavior such that the relationship is more strongly positive when positive emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect).

This study expects the opposite to be true for negative emotions. In previous literature, the empirical evidence on the effect of negative emotions on innovation is

mixed. While some researchers argue that negative emotions can be a driver of ambition for problem solving (Martin et al. 1994; George & Zhou, 2002); others suggest that negative affect narrows attentional focus, obstructing creativity (Baumann & Kuhl, 2002), detracting from goal accomplishment (Carver, 2006; Higgins, 1997) and creating avoidant approaches decreasing investment in innovation. Hypothesis 15 posits that:

Negative emotions emerging from I-deal negotiations will moderate the relationship between job resources and innovative work behavior such that the relationship is less strongly positive when negative emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect).

### 3.3 Significance of the study

This study aims to explore the relationships between leaders and followers that lead to innovative work behavior. Innovation does not happen in a bubble and leader's role in facilitating follower innovation is paramount. Although leadership and innovation have been studied in depth in the literature, there is room to contribute to the existing body of knowledge by looking at the story from two different lenses: one lens analyzing the impact of the leaders personifying leadership styles that are in sync with followers' cultural values, thus gaining influence boosting innovation; and the other lens analyzing more concrete mediating mechanisms such as resource gains, and the motivation to preserve such resources leading to innovation.

Specific significance and contributions to literature this study hopes to achieve are summarized as:

1. Different leadership styles are found to have positive relationships with innovation, but paternalistic leadership in particular is significantly understudied. Similarly, transactional leadership is found to have varying results. Paternalistic leadership have aspects such as benevolence and support that could positively impact innovation, but the authority aspect could hinder this positive affect. Similarly, transactional leadership's contingent reward aspect may boost innovative work behavior, while the management by exception aspect may hamper risk taking. This study aims to analyze these leadership styles as a whole and analyze their impact on innovation, and the tools of exchange they use to accomplish that.
2. The body of research on leadership and innovation mostly focused on country and organization level. Studying this relationship in individual level, using innovative work behavior construct, is likely to shed light on different interactions than previous aggregate studies.
3. Culture has been a topic of massive interest over the last decades. Especially in country and organization level, constructs such as power distance and collectivism have been studied in great depths, with various scales. However, there is very limited body of knowledge at individual level studying leadership, culture and innovation. The interactions between leadership, power distance, allocentrism and innovation have been diverse, and there is value in an empirical work analyzing these through a moderation mechanism. While individuals in high power distance can be more receptive to leadership, they can also expect more direction and be hesitant in taking initiative, thus showing innovative work behavior. Similarly, idiocentric individuals may be more willing to excel to reach individual goals, thus show higher innovative work behavior; they may also be less collaborative and less motivated by innovation's positive impact on the collective, thus exhibit less innovative work

behavior. This study aims to contribute to the existing body of literature, by amalgamating social exchange theory with implicit leadership theory to understand the moderation of cultural values on the relationship between leadership and innovation.

4. I-deals is an up and coming area of study, whose increasing significance will only amplify given our recent learnings and practical trials on idiosyncratic work agreements after the Covid-19 pandemic. However, studies exploring leadership as an antecedent of I-deals are very rare. Previous work is rather limited to LMX and considerate leadership as antecedents; studying paternalistic and transactional leadership specifically contribute to the existing literature.
5. Similarly, I-deals are found to lead to many positive attitudes and behaviors. Although I-deals' association with personal initiative taking, deviant creative behavior and helping behavior have been studied, the previous works have not yet investigated I-deals' impact on innovative work behavior.
6. LMX has been studied in depth with various constructs, including paternalistic leadership, but LMXSC lens is being applied only recently and body of research on LMXSC is still in development stage. In a web of gift social relationships, how an individual's LMX compares to others can be more influential than LMX itself. If the LMX and I-deals both emerge from social exchange theory, and LMX is often studied as a mediator between I-deals and outcomes such as in-role performance and OCB. Although this covers LMX's impact on follower attitudes and actions, literature is on the leaders' is rather insufficient. Positioning LMXSC as a moderator between leadership and I-deals helps uncover under which LMXSC conditions leadership is more strongly associated with I-deals.

7. To explore the effects of I-deals on results, this study merges social exchange theory with conservation of resources (COR) theory, a recent lens in the existing literature. Innovative work behavior has been studied with COR perspective previously, but this study provides a fresh lens by exploring I-deals under COR theory.
8. Emotions are proven effective on innovation, performance and creativity outcomes, but studies on emotions and innovative work behavior have been limited. The interaction between I-deals and emotions is a large area for further development in the literature, especially by utilizing affective events theory. I-deal negotiations can be a very impactful event in an employee- employer relationship, and there is value in exploring not only the effect of I-deals on outcomes, but the effect of emotions emerging from I-deal negotiation on outcomes.
9. While mediation and moderation on these subjects have been studied for decades, moderated mediation models paint a more concrete picture showing how and when different constructs relate to each other, and are still limited in the literature. I hope to emphasize how certain interactions insert their significance through three different models and two moderated mediation hypotheses in this study. Using Hayes and Preacher's methods and PROCESS macro enables us to deep-dive into results and explore boundary conditions, if any (2004, 2008).
10. Last but not the least, this study utilizes a quantitative research design, aiming to make an empirical exploration on the aforementioned constructs, using face to face surveys of 250 leader-250 follower pairs sampled from a variety of sectors in Turkey. While this study contributes to the existing work on leadership, I-deals and innovation across the globe, the results also exhibit the Turkish context in place, with practical implications.

## CHAPTER 4:

### RESEARCH DESIGN AND METHODOLOGY

#### 4.1 Level of analysis

Leadership and performance have been studied at individual, team and organization levels across many studies (Unluaslan Durgun, E. & Ererdi, C., 2020). In this research, I am interested in how specific leadership styles relate to individual level innovation outcomes. Therefore, the level of analysis throughout this thesis is at individual level.

Similarly, this study explores how leadership styles interact with individual follower's cultural values. Culture has been studied at different levels, including at country level. Cultural syndromes provide reliable results at the individual analysis level as well as at the organization level (Schwartz, 1994). There is significant support to conceptualize and measure allocentrism and power distance as individual differences (Triandis, 1995; Wagner, 1995).

I-deals, job resources and emotions are most often studied in individual level, and it is most meaningful to do so for the purposes of this research.

Empirical research on LMXSC (Social Comparison) are often at the individual level. In this study, we are interested in how individuals view their relationship with the leader in comparison to others'. The follower's perspective on where s/he stands among colleagues should color how s/he internalizes leadership and how s/he reacts to it.



Although the comparison of individual level outcomes to group level outcomes may call for integrating individual level of analysis with group level analysis, this thesis aims to explore the effect of individual's own perceptions of leadership, or individual's own view of her/his LMX in comparison to others and on individual level employee outcomes. Therefore, both measurement of the constructs and their conceptualized relationships depicted in the models of the study reside at the individual level analysis.

#### 4.2 Objectives and methodology

The purpose of this study is to gain an understanding of the effects of leadership on follower innovation performance, and how I-deals are instrumental to mediate this relationship. Following the literature review on the subject, I summarized our research questions and built a conceptual model, listing out the hypotheses to test.

The measures to test the hypotheses are adopted from previous literature. Two questionnaires are formed, one for leaders, one for followers, with a total of 78 items across 9 scales. 10 questions on demographics were added. Since the study aims to understand the effect of leadership styles on employee outcomes, it was required to ask some of the questions to leaders and some to followers. Leaders were asked to rate a specific follower's innovation performance. They were also asked to rate I-deals discussed with the follower. In the literature, I-deals scale is usually administrated to followers, but in this study, I wanted to observe whether leaders have a different view of I-deals they discussed/ granted versus followers' view of I-deals they asked for/ received. All other variables (paternalistic leadership, transactional leadership, allocentrism, power distance, LMXSC, follower rated I-

deals, job resources, emotions) were quantified using scale items rated by the followers in the follower questionnaire.

After the items of the questionnaire were determined, the English versions of the original scale items were translated into Turkish by two independent translators who have good command of both English and Turkish. Then, the two versions of the Turkish translations were discussed with an independent reviewer to decide on the exact translation of each item of the questionnaire. Then, Turkish versions of the items were back translated into English by another independent translator. Finally, the resulting English version was compared against the original items and final version of the questionnaire was prepared. Exploratory factor analysis (detailed in Chapter 5.1) on the items in these scales provided the final items that were used in data analyses, as reported under APPENDIX B:

#### FACTOR STRUCTURE.

To execute this research, we employed face to face survey method. Although harder to execute and more expensive, face-to-face survey method was preferred to avoid drawbacks of self-administered or online surveys. Enabled by a generous PhD dissertation funding from Boğaziçi University Scientific Research Projects ((Boğaziçi University Research Fund Grant Number: 16703, 20C02D1), the data collection was performed by a trusted third- party data collection company called Artıbir Araştırma Şirketi, employing professional surveyors.

In order for the data to be reliable, the participants must trust that their answers will remain confidential and will be used for research purposes only. The problem of trust seems to escalate in digital surveys in Turkey, and we employed face to face method for the surveyor to answer any confidentiality and purpose of the

research related questions the respondents may have. The surveyors were also given the right to stop and cancel the survey if they spot any inconsistencies in the answers of a respondent. Before starting the survey, the surveyors read an opening letter with a letterhead with the researcher name and contact information, which clearly states that the study was conducted by Boğaziçi University Management Department for scientific purposes. We tried to limit the concern of supervisor oversight by including only one employee for each leader in the sample and enrolling a maximum of four respondents from each company. The surveys were not conducted simultaneously with leaders and employees in the same place. These measures were put in place to minimize possible concerns regarding an information leak, or concerns regarding potential use of results in performance evaluations. Survey answers were only shared with researchers in a confidential, coded form and it was clearly stated at the beginning of the questionnaires that responses will never be shared with employees, leaders, or other officials in the companies.

Before the distribution of the questionnaire to the actual sample, a pilot study was conducted in order to assess whether all the questions and directions in the questionnaire are understood properly. The data for this pilot study were collected from 50 employees and their 50 immediate supervisors in different companies. Based on the feedback received and initial data screening, the surveyors were briefed one more time and the survey was finalized. Then the questionnaire was conducted to the main sample of the study, 250 leaders and 250 followers who report to them. The data collection started on March 10, 2020 and was completed on April 3, 2020, just before first Covid-19 restrictions were implemented in Turkey.

#### 4.3 Sampling and data collection

In this research, we used convenience sampling method, which refers to a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach (Saunders et al., 2012). The method is often preferred for studies with budgetary constraints. The disadvantage of this method arises when the researcher limits the variety for easy accessibility. For example, if the sample is selected from a company where one of the researchers works, this would impair generalization from the data and damage the reliability and validity of the study. To ensure generalizability, our research aims to cast a wide web as much as possible, as we do not focus on a critical group or on divisive or outlier groups. In order to achieve this, I employed a research company. To control the participants included in the sample, I gave specific directions to the research company in the form of a written brief. I asked them to select a sample from 80 different companies across different industries from three provinces in Turkey, Istanbul, İzmir and Ankara. Choosing a microcosm from the largest three cities in Turkey should allow us to generalize on overall business and leader- follower dynamics across Turkey. No specific sector selection was made in the selection of the participants, but we took care to choose the sample from a wide cast of sectors. Choosing a sector-specific participant pool will lead to a sector-specific result, so this route was preferred. We limited the research to 250 white-collar executive (leader) - employee (follower) couples who have direct reporting relationship and who have been working together for at least one year. The surveyors were allowed to survey only one employee for one leader to avoid comparisons among various followers. A maximum of 4 samples could be taken from each company. Given these boundaries, the research company was allowed to choose samples that are easily accessible to them. In this way, we

ensured the generalizability of the results without deviating the sample in a certain way, while keeping the research economical.

The resulting data for this study was obtained from 250 followers and their 250 leaders (immediate supervisor with direct report relationship) working in Turkey. Each questionnaire was coded with an identification number matching each employee's response with his/her immediate supervisor's.

While selection procedures were based on convenience, to ensure participants selected reflect various dimensions within the society, I asked 10 demographics questions: the sector and the size of the company they work for, their age, gender, highest educational degree attained, department, title, job, tenure in the company, tenure with current leader. In analyses, I used four of these (follower age, gender, education, tenure with current leader) as control variables to explore their interactions with study variables. Out of 500 respondents (250 leader- follower pairs) to our questionnaire, 300 live and work in İstanbul, 100 in İzmir and 100 in Ankara. 38.8% of the sample work in companies in service sector, 26.8% in commerce, 30.4% in manufacturing and 4.0% work in other sectors. The distribution of the sample across different company sizes are summarized in Table 1.

Table 1. Descriptives for the Sample Set: Company Size

Company Size (# Full time employees)	Share in sample set (% of respondents)
30-49	42.4
50-99	25.6
100-199	4.8
200+	27.2

The average leader age was 40.4 (standard deviation 7.5, min = 24, max = 59). The average follower age was 31.5 (standard deviation = 6.6, min = 21, max = 55).

Out of leaders, 185 were male, 65 were female. Out of followers, 150 were male, 100 were female. We tried to make gender sample as symmetric as possible, but given low female participation into workforce in Turkey (35% for women, 72% for men), we believe this is a representative sample (TUIK, 2019). The highest education degree obtained by the respondents are summarized in Table 2:

Table 2. Descriptives for the Sample Set: Highest Educational Degree Obtained

Highest Degree Obtained	# of Leaders	# of Followers
High School	21	40
University	168	193
Master's	61	17
Total	250	250

The average tenure of the leader in their current company is 11.6 years (standard deviation = 6.1, min = 1, max = 31 years). The average tenure of the followers in their current company is 6.0 years (standard deviation = 4.3, min = 1, max = 30 years). The average tenure of the followers with their current leader is 5.5 years (standard deviation = 3.5, min = 1, max = 22 years).

We plotted our data on histogram graphs and concluded that the distribution seems plausible and representative of the society in large.

#### 4.4 Measurement of the variables: scales

To measure the variables in the proposed model of this study, I used existing scales from the literature. The details of the scales used are summarized in Table 3. The English translations of the items in questionnaires and Turkish originals of the questionnaires can be found in APPENDIX C:

EMPLOYEE QUESTIONNAIRE, APPENDIX D:

EMPLOYEE QUESTIONNAIRE (TURKISH), APPENDIX E:

LEADER QUESTIONNAIRE and APPENDIX F:

LEADER QUESTIONNAIRE (TURKISH). These scales have proven valid in various previous studies, and in the following chapter I conducted reliability tests in SPSS to make sure that our measures have consistency.

Table 3. Scales Used

Scale	Rater	Source	No of Items
Paternalistic leadership	Follower	Aycan (2013, 2019)	10
Transactional leadership	Follower	Bass Avolio adaptation (Zhen, Ismail, Mohammed 2010)	5
I-deals	Follower & Leader	Rosen et al. (2013)	16
Power distance	Follower	Dorfman, Howell (1988)	5
Allocentrism	Follower	Dorfman, Howell (1988)	6
LMXSC	Follower	Vidyarti, Erdogan (2010)	6
Emotions	Follower	Watson, Clark, and Tellegen (1988)	10
Job resources	Follower	Tims et al. (2012)	10
Innovative work behavior	Leader	Jorg den Hartog (2010)	10

#### Paternalistic leadership:

Paternalistic leadership was measured with 10 items adapted from the Paternalistic leadership scale from Aycan (2013, 2019). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

#### Transactional leadership:

Transactional leadership was measured with 5 items adapted from the transactional leadership scale from Bass & Avolio adaptation (Zhen, Ismail, Mohammed, 2010). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

#### Idiosyncratic deals:

I-deals was measured with 16 items adapted from the I-deals scale from Rosen and associates. (2013). Responses to survey questions were measured on a 7-pointscale (1- not at all, 7- very much so).

#### Power distance:

Power Distance was measured with 5 items adapted from the cultural dimensions scale from Dorfman and Howell (1988). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

#### Allocentrism:

Allocentrism was measured with 6 items adapted from the cultural dimensions scale from Dorfman and Howell (1988). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).



#### Leader-member exchange social comparison (LMXSC):

LMXSC was measured with 6 items adapted from the LMXSC scale from Vidyarti and Erdogan (2010). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

#### Positive and negative emotions:

Positive and negative emotions were measured with 10 items adapted from the positive and negative affect scale from Watson, Clark, and Tellegen (1988).

Responses to survey questions were measured on a 7-pointscale (1- not at all, 7- very much).

#### Job resources:

Job resources was measured with 10 items adapted from the job resources sub-dimension of the job crafting measure from Tims and associates (2012). This scale shows convergent validity with proactive behavior constructs, thus used in previous similar research (Petrou et al., 2017, Rofcanin et al., 2020). Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

#### Innovative work behavior:

Innovation was measured with 10 items adapted from the innovative work behavior scale from Jorg den Hartog (2010). The scale measures opportunity exploration, idea generation, idea championing and idea application. As innovation takes time, measuring innovative behavior rather than innovation results within one year of the I-deal makes more sense for the purposes of this research. Responses to survey questions were measured on a 7-pointscale (1- strongly disagree, 7- strongly agree).

## CHAPTER 5:

### DATA ANALYSIS AND HYPOTHESES TESTING

#### 5.1 Exploratory factor analysis, construct validity, reliability

Before performing data analysis, I performed data screening, including identification and handling of missing values, outliers, and normality assessments. Since the questionnaires were executed face to face by a professional research firm, and any red flags raised in the pilot phase were corrected in the actual survey, data cleaning required was very minimal. Next, I started data analyses by performing exploratory factor analyses.

Exploratory factor analysis (EFA) is a statistical approach to determine the correlations among variables in a dataset so that by understanding the underlying structure (dimensionality/ unidimensionality) among variables, the original data set of the study can be reduced into smaller set of composite dimensions or factors (Hair, Black, Babin, & Anderson, 2010). There are two factor extraction methods that can be selected to be used in EFA analysis, namely common factor analyses and principal component analyses. While common factor analysis is more appropriate for data summarization purposes, principal component analysis is more useful when the purpose is data reduction through summarizing most of the original information (variance) in a minimum number of factors for prediction purposes (Hair et al., 2010).

In order to validate the appropriateness of data for EFA analysis, it is necessary to check Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) as well as the significance level of Bartlett's Test of Sphericity. While the specific

purpose of Bartlett's test is for assessing the overall significance of the correlation matrix so that variables of the study are related to each other, on the other hand, KMO measure basically informs about the patterns and intercorrelations between the variables of the study by indicating their factorability. As a general principal, a KMO above 0.50, as well as a significant Bartlett test together justify the use of EFA (Hair et al., 2010).

In order to use the results of the EFA in further analysis, researchers have options of either using one surrogate variable per factor, creating new composite variables for each variable, or reflecting the size of each variable's factor loading to factor scores. After the construction of the summated scales, the scales have to be evaluated for reliability and validity (Hair et al., 2010). Reliability is simply the extent to which scales give consistent results on repeated trials, so that replicability of research findings is ensured. The most commonly used reliability test is Cronbach's alpha measure which reflects level of internal consistency. Internal consistency requires that individual items or indicators of the scale should all be measuring the same construct and therefore need to be highly intercorrelated. Cronbach's alpha estimates internal consistency of factors by correlating each item in a scale with all the other items and with the summated scale scores; consequently, it reveals a reliability coefficient by using average correlations among items (Hair et al., 2010). For high internal consistency, Cronbach's alpha is expected to be 0.70, but it may decrease to 0.60 in exploratory research (Hair et al., 2010). On the other hand, validity is the extent to which a scale or set of measures accurately represents the concept of interest, which is mostly evaluated through the separate assessments of convergence validity, discriminant validity, face validity and nomological validity (Hair et al., 2010).

In line with above rules, by using SPSS 22.0 software, I first checked the appropriateness of the data via KMO and Bartlett's test which is documented in Table 4. KMO and Bartlett's Test The result of KMO test gives a value of 0.927 that is above the required threshold of 0.50, and Bartlett's test shows a significant result, therefore, the data is shown to be appropriate for conducting EFA.

Table 4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.927
Bartlett's Test of Sphericity	Approx. Chi-Square	24670.828
	df	5778
	Sig.	.000

As a next step, EFA was conducted again by using SPSS 22.0 software to understand the underlying dimensionality of the study variables. In the EFA analysis, with the purpose of data reduction principal component method was selected, and varimax rotation was applied since it is the most frequently used type of orthogonal rotation (Hair et al., 2010). For measure purification purposes, items that have low factor loadings ( $< 0.7$ ) and high cross-loadings are excluded from the item groups before calculating summated scales (Nunnally, 1978). Singular items that do not have substantial loadings on any of the dimensions underlying the data have also been excluded from the analysis. The result of EFA and the Cronbach's alpha measures for each factor are reported in APPENDIX B:

FACTOR STRUCTURE. The Cronbach's alpha values are all above 0.7, therefore I am confident that our structure has sufficient reliability or internal consistency.

Two of our scales loaded into more than one dimension. I found that in previous literature items in these scales often loaded into similar factors (Rousseau et al., 2006; Hornung, Rousseau, Weigl, Müller, and Glaser, 2014).

#### I-deals:

Items in I-deals scale loaded into two separate factors, namely I-deals task & work responsibilities and I-deals location flexibility & financial incentives. First one refers to whether the follower has negotiated role and task specific deals, and the second one is on deals such as where to work and how (i.e. monthly, weekly) to get compensated. Schedule based I-deals did not have high factor loadings in this study, therefore discarded.

#### Job resources:

Items in job resources scale loaded into two separate factors, I redefined these new variables as job resources personal capabilities and job resources supervisor relationship. First one indicates the resources the follower gains to add to his abilities, specific capabilities and learnings. Items include: “I developed myself professionally”, “I developed my capabilities”, “I made sure that I used my capabilities to the fullest”. The second one refers to improved relationship between the follower and his leader as a resource. The supervisor relationship is an important dimension: a better relationship can be seen as a key to unlock other work related outcomes. Items include: “I looked to my supervisor of inspiration”, “I asked whether my supervisor is satisfied with my work”, “I asked my supervisor to coach me”.

In summary, according to exploratory factor analysis, all the constructs yielded similar dimensions to what is conceptually expected. In Table 5, I included

the descriptive statistics and Pearson correlation for the variables. Pearson's  $r$  is a measure of linear correlation, giving information about the direction and magnitude of association between two sets of data.

There are strong correlations between the variables in line with our hypotheses. Our dependent variable, innovative work behavior, has a positive correlation with both paternalistic ( $r = .611^{**}$ ) and transactional ( $r = .693^{**}$ ) leadership, as well as allocentrism ( $r = .726^{**}$ ) and power distance ( $r = .393^{**}$ ). It is also positively correlated with I-deals ( $r = .600^{**}$  and  $.562^{**}$ ), job resources ( $r = .645^{**}$ ,  $.637^{**}$ ) and positive emotions ( $r = .681^{**}$ ). Innovation performance is also correlated with negative emotions ( $r = .298^{**}$ ). All these correlations are significant at the 0.05 level (2-tailed). I-deals factors, as well as job resources factors are positively correlated with each other.

## 5.2 Hypotheses testing

In this study, I employed a regression approach, which is considered more appropriate than structural equation modeling (SEM) due to our limited sample size. The method is similar to path analyses in SEM, but we regress observed variables, rather than hypothetical latent variables. The analyses were executed by using IBM SPSS 22.

Throughout all analyses, I used follower's age, gender, education level and tenure with his/her leader as control variables. While these four are found impactful and used as covariates in previous literature, throughout this study, follower's tenure with the leader seems to be the most significant one. Table 5 and 6 describes these variables.

Table 5. Descriptive Statistics and Pearson Correlation for Study Variables

N=250	Alloentrism	Power Distance	LMXSC	Paternalistic Leadership	Transactional Leadership	Innovative Work Behavior	Ideals Location Financial	Ideals Task Work	Job Resources SR	Job Resources C	Positive Emotions	Negative Emotions
Variable #	1	2	3	4	5	6	7	8	9	10	11	12
Mean	4.611	4.185	4.119	4.618	4.834	4.899	4.418	4.598	4.985	4.929	4.861	3.910
Std. Deviation	1.277	1.440	1.515	1.268	1.119	1.010	1.405	1.223	1.159	1.102	1.185	1.524
1	1	.561**	.559**	.638**	.686**	.726**	.677**	.608**	.520**	.463**	.665**	.354**
2		1	.718**	.629**	.412**	.393**	.602**	.400**	.358**	.184**	.472**	.637**
3			1	.623**	.422**	.474**	.758**	.669**	.448**	.274**	.506**	.611**
4				1	.634**	.611**	.632**	.494**	.561**	.418**	.652**	.371**
5					1	.693**	.480**	.482**	.529**	.643**	.639**	.239**
6						1	.600**	.562**	.645**	.637**	.681**	.298**
7							1	.676**	.495**	.297**	.607**	.532**
8								1	.508**	.395**	.562**	.378**
9									1	.521**	.635**	.307**
10										1	.587**	.147*
11											1	.209**
12												1

\*\*Correlation is significant at the 0.01 level. \* Correlation is significant at the 0.05 level (2-tailed). Job Resources SR stand for supervisor relationship, C stand for capabilities.

Table 6. Control Variables: Descriptive Statistics and Pearson Correlations

Variable	Follower Age	Follower Gender	Follower Education	Follower Leader Tenure
Description of Coding	Scale variable in years	1=Female 2= Male	Highest degree attained: 1=High School 2=University 3=Masters 4= PhD	Scale variable (number of years worked together)
Mean	31.516	1.604	1.908	5.448
Standard Deviation	6.616	.490	.469	3.534
Allocentrism	.104	.048	.131*	.321**
Power Distance	.121	-.066	.157*	.272**
LMXSC	.071	-.044	.177**	.268**
Paternalistic Leadership	.007	.005	.055	.253**
Transactional Leadership	-.009	.048	-.052	.184**
Innovative Work Behavior	.052	.019	-.021	.339**
Ideals Location Financial	.061	-.068	.188**	.299**
Ideals TaskWork	.090	-.012	.145*	.329**
Job Resources Supervisor Relat.	-.079	-.006	-.010	.218**
Job Resources Capabilities	-.010	.037	-.170**	.261**
Positive Emotions	-.024	.073	.030	.306**
Negative Emotions	.135*	.006	.189**	.330**
Follower Age	1	-.058	.085	.442**
Follower Gender	-.058	1	-.054	.098
Follower Education	.085	-.054	1	.088
Follower Leader Tenure	.442**	.098	.088	1
** Correlation is significant at the 0.01 level (2-tailed).				
* Correlation is significant at the 0.05 level (2-tailed).				



### 5.2.1 Model 1. Leading innovation in style: Leadership, cultural values and innovation

Direct hypotheses in Model 1 are tested running simple regressions, all controlling for follower age, gender, education and leader tenure. Supporting Hypothesis 1, there is a positive relationship between paternalistic leadership and innovative work behavior (IWB) ( $b = .445, p < .000$ ). Similarly supporting Hypothesis 2, there is a positive relationship between transactional leadership and innovative work behavior (IWB) ( $b = .585, p < .000$ ). As indicated by the regression coefficients in Table 7, the impact of transactional leadership on IWB is slightly higher than that of paternalistic leadership. Leaders often exhibit both styles together. Controlling for paternalistic leadership, the impact of transactional leadership falls slightly ( $b = .454, p < .000$ ). Controlling for transactional leadership, the impact of paternalistic leadership falls drastically ( $b = .194, p < .000$ ).

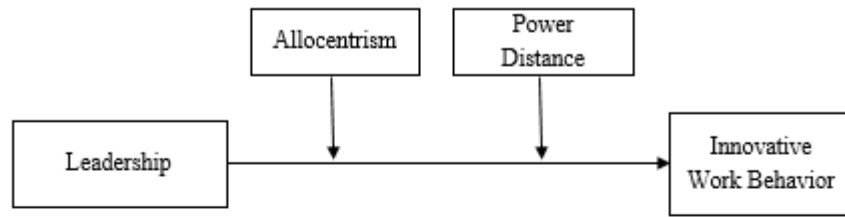
Table 7. Model 1 Direct Hypotheses: Regression Results

Hypothesis	Path	R <sup>2</sup>	SE	Unstandardized $\beta$	p-value
H1	Paternalistic Leadership -> IWB	0.417	0.041	0.445	0.000
H2	Transactional Leadership -> IWB	0.530	0.041	0.585	0.000

To test moderation hypotheses, controlling for all other variables in Model 1, I used an SPSS macro named PROCESS, developed by Preacher and Hayes (2004, 2008). This allows us to test moderation effect of cultural values on the relationship between leadership variables and innovative work behavior. Essentially, this is a regression-based path analysis, which involves estimating the partial coefficients in a path model like the one shown in Figure 2. Using model:2 in PROCESS macro allows us to place

both moderators (power distance and allocentrism) into the model at the same time, so we control for one's effect while testing the effect of the other, which is valuable as the two moderators are highly correlated with each other ( $0.561, p < .000$ ). As recommended by Aiken and West (1991), all variables were centered on the mean to improve ease of interpretation.

#### Conceptual Diagram



#### Statistical Diagram

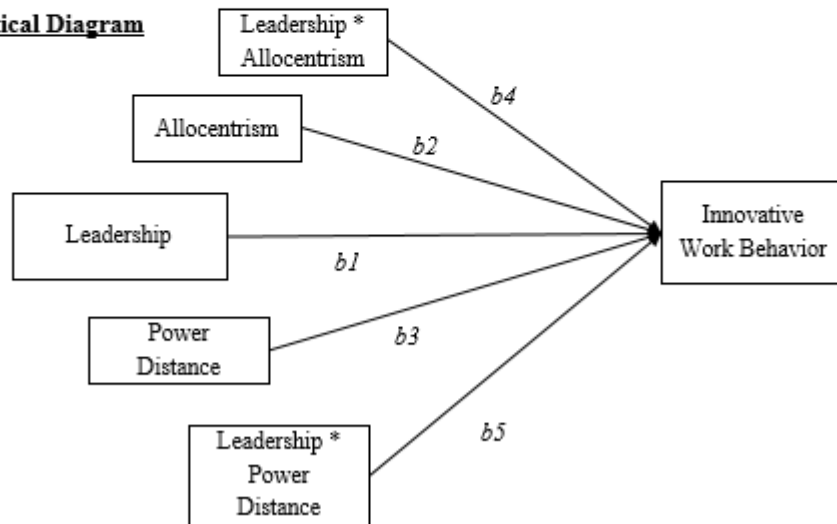


Figure 2. Conceptual and statistical diagrams for cultural values moderation between leadership and IWB

Table 8 shows the results of testing for cultural moderation hypothesis in Model 1. Moderation hypotheses H3a, H3b and H3d were not supported. The only moderation hypothesis that was supported is Hypothesis H3c, as the relationship between transactional leadership and IWB is moderated by allocentrism ( $b = 0.73, p = 0.010$ ). The higher the allocentrism, the stronger the positive relationship between

transactional leadership and IWB. While overall model predicts 64.9% of the variance, allocentrism's moderation effect size ( $R^2$  change) is 0.008. The 95% confidence interval does not include 0, indicating a significant effect for allocentrism's moderation on transactional leadership- IWB relationship. ( $t = 2.594$ ,  $LLCI = 0.018$ ,  $ULCI = 0.128$ ). The mechanism is pictured in Figure 3 shows that higher values of allocentrism results in a higher slope in transactional leadership-IWB relationship.

Table 8. Results of Hypotheses Testing: Cultural Values' Moderation between Leadership & IWB

	Y (IWB)				
	Path	Coeff.	SE	t	p
R <sup>2</sup> = .644, MSE=.387, F=58.092					
Constant		4.075	0.499	8.163	0.000
X (Paternalistic Leadership)	b1	0.176	0.077	2.287	0.023
W (Allocentrism)	b2	0.337	0.070	4.818	0.000
Z (PowerDistance)	b3	-0.090	0.048	-1.883	0.061
X*W	b4	-0.030	0.030	-0.995	0.321
X*Z	b5	0.040	0.034	1.169	0.244
R <sup>2</sup> = .649, MSE=.373, F=63.462					
Constant		4.596	0.445	10.324	0.000
X (Transactional Leadership)	b1	0.275	0.059	4.676	0.000
W (Allocentrism)	b2	0.347	0.059	5.909	0.000
Z (PowerDistance)	b3	-0.067	0.051	-1.333	0.184
X*W	b4	0.073	0.028	2.594	0.010
X*Z	b5	-0.027	0.032	-0.838	0.403

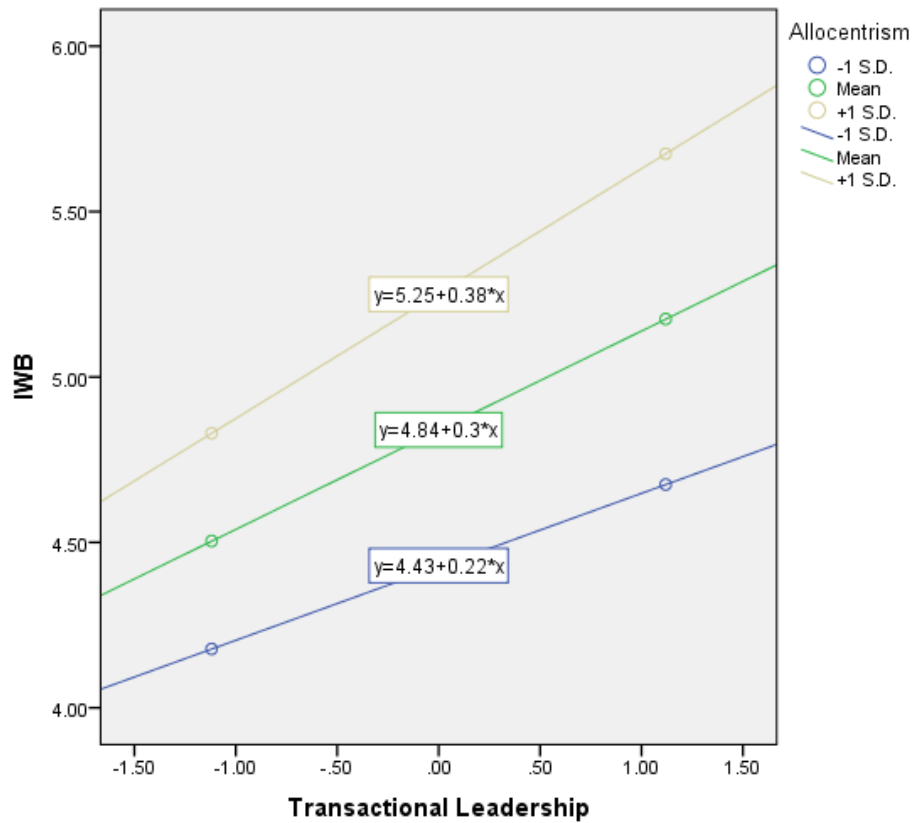


Figure 3. Allocentrism as moderator between transactional leadership and IWB, controlling for power distance

Hypothesis 3a proposed a moderation by allocentrism between paternalistic leadership and IWB, but this relationship was not found significant ( $b = -0.030$ ,  $t = -.995$ ,  $p = .321$ ). Although previous studies on organizational level and country level suggest that followers in highly collectivist cultures are expected to be more receptive to paternalistic leadership, at individual level in this study, such an implicit acceptance of the leader does not seem to lead to higher innovation results. While allocentrism has a positive effect, such a reinforcing moderation is found significant only for transactional leadership- IWB relationship. Allocentric followers may be motivated by the greater good innovation would bring to the organization and society at large, and their motivation may have been extra encouraged by a transactional leader who reward to the follower for his contributions, while ensuring the necessary

systems and mechanisms across the organization are put in place to ensure smooth implementation and operationalization of the follower's innovative efforts, achieving the results for the collective good. While there may be other variables that we were unable to measure that are in play in this relationship, or this finding may be a specific one for individual level analysis from a sample set collected in Turkey, from the coefficients, we may extrapolate that with allocentric followers (majority of Turkish sample), it would be more effective to follow a transactional leadership style than a paternalistic leadership style for innovation purposes. Paternalistic leadership is quite a common occurrence in Turkey. (Aycan, 2006) Perhaps the practical implication is such that Turkish allocentric followers are in need to see some contingent rewards and transactional mechanism to contribute more to innovation efforts.

Hypothesis 3b proposed a strengthening moderation effect of power distance on paternalistic leadership and IWB relationship, but this was not found significant ( $b = .040$ ,  $p = .244$ ). While power distance has a negative influence on IWB; leadership in general, paternalistic leadership, in particular has a positive effect on IWB. Higher power distance followers were expected to be more receptive to paternalistic leadership, as indicated by implicit leadership theory, and the positive impact of paternalism on IWB were expected to increase even more for them. A combined relationship, showed a positive effect, in line with our hypothesis, but it failed to prove significant.

Power distance, controlling for other factors, is found to be negatively related to IWB. Power distant individuals often expect more directions, and this expectation may hinder innovative behavior. In line with this, in Hypothesis 3d, I have proposed a weakening moderation effect of power distance on transactional leadership and

IWB relationship, but this was not found significant ( $b = -.027$ ,  $p = .403$ ). The sign of the relationship turned negative in this context, which is in line with our hypothesis, but this effect failed to prove significant.

#### 5.2.2 Model 2. Leading innovation through idiosyncratic deals: Leadership, i-deals, LMXSC and innovation

Model 2 places I-deals as a mediator between leadership styles and innovative work behavior, and explores whether such a mediation is moderated by LMXSC. Since follower rated I-deals construct were found to have two dimensions in EFA, I defined two new variables to test these hypotheses: Task and Work related I-deals and Location and Financial compensation related I-deals.

All the direct hypotheses in this model were supported, controlling for follower age, gender, education and leader tenure, as indicated in Table 9. In line with Hypothesis 4, regression analysis shows that there is a positive relationship between paternalistic leadership and I-deals. For task and work related I-deals, the effect is  $b = .417$ ,  $p < .000$ . For location and financial related I-deals, the effect is  $b = .648$ ,  $p < .000$ .

Supporting Hypothesis 5, I-deals is positively related with innovative work behavior. For task and work related I-deals, the effect is  $b = .212$ ,  $p < .000$ . For location and financial related I-deals, the effect is  $b = .293$ ,  $p < .000$ .

Hypothesis 8 is also supported. There is a positive relationship between transactional leadership and I-deals. For task and work related I-deals, the effect is  $b = .486$ ,  $p < .000$ . For location and financial related I-deals, the effect is  $b = .566$ ,  $p < .000$ . Our findings suggest that both types of leadership approaches have a higher

effect on location and financial I-deals, than task and work I-deals. Paternalistic leadership has the highest effect on location financial I-deals.

Table 9. Model 2 Direct Hypotheses: Regression Results

Hypothesis	Path	Type of I-deal	R <sup>2</sup>	SE	Unstandardized $\beta$	p- value
H4	Paternalistic Leadership -> I-deals	Task Work	0.548	0.054	0.417	0.000
		Location Financial	0.447	0.055	0.648	0.000
H5	I-deals -> IWB	Task Work	0.447	0.054	0.212	0.000
		Location Financial	0.447	0.047	0.293	0.000
H8	Transactional Leadership -> I-deals	Task Work	0.316	0.059	0.486	0.000
		Location Financial	0.327	0.068	0.566	0.000

For the set of hypotheses that evaluate mediation and moderation effects, I used a test pioneered by Judd and Kenny (1981) as well as Baron and Kenny (1986), and refined by MacKinnon, Lockwood, Hoffman, West, and Sheets (2002), and MacKinnon, Lockwood, and Williams (2004). I used macros developed by Preacher and Hayes (2008), the PROCESS tool, and conducted first a mediation, then, a moderated mediation test investigating the joint effects of mediation and moderation within the same model. This method provides an evaluation of whether a variable's indirect influence varies based on a moderator (Edwards and Lambert 2007; Preacher et al. 2007). The technique uses bootstrapping, a method that repeatedly samples from the data set and estimates the indirect effect through the proposed mediator in each resampled data set (Gully, Phillips, Castellano, Han, and Kim, 2013). The significance of the indirect path between dependent and independent variable through the mediator is estimated by constructing confidence intervals around the indirect effect through this repeated sampling. If a confidence interval contains 0,

there is no significant effect. The p value of the moderation gives further information on whether such a mediation is moderated by another variable.

As recommended by Aiken and West (1991), all variables were centered on the mean to improve ease of interpretation. Using model:4 in PROCESS macro allows us to test for simple mediation by I-deals, between leadership styles and IWB. Table 10 presents this mediation results. The 95% confidence intervals do not contain 0, therefore the indirect effect of I-deals mediation is significant for both leadership styles. I-deals mediate the positive relationship between paternalistic leadership and innovative work behavior, but only partially as the direct affect remains significant after the introduction of the mediator. Hypothesis 6 is supported for partial mediation. I-deals mediate the positive relationship between transactional leadership and innovative work behavior, but only partially as the direct affect remains significant after the introduction of the mediator. Hypothesis 9 is supported for partial mediation. Partial mediation makes sense, as I-deals is not the only method paternalistic leadership affects innovation, but it is found to be one of the significant ways. As shown in Model 1, the overall effect of transactional leadership on IWB (.585) is higher than that of paternalistic leadership (.445). An interesting finding is the indirect effect of leadership through I-deals is higher for paternalistic leadership, while direct effect is higher for transactional leadership.

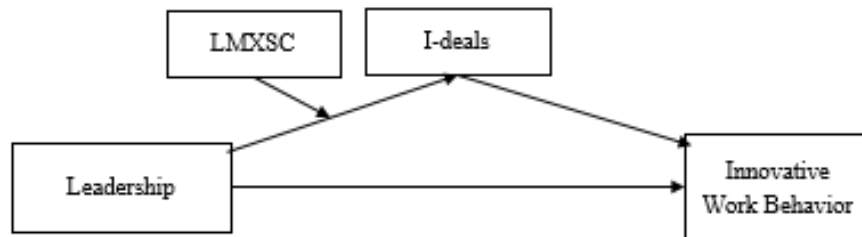


Table 10. Results of Hypotheses Testing: I-Deals Mediation between Leadership and IWB

	X1: Paternalistic Leadership					
Indirect Effects of I-deals on IWB	Effect	Boot SE	LLCI	ULCI		
Task-Work Ideals	0.111	0.032	0.056	0.184		
Location-Financial Ideals	0.164	0.041	0.089	0.250		
Direct Effect of leadership on IWB	Effect	se	t	p	LLCI	ULCI
Task-Work Ideals	0.334	0.058	5.741	0.000	0.219	0.448
Location-Financial Ideals	0.281	0.064	4.398	0.000	0.155	0.407
Total Effect of Leadership on IWB	Effect	se	t	p	LLCI	ULCI
	0.445	0.049	9.122	0.000	0.349	0.541
	X2: Transactional Leadership					
Indirect Effects of I-deals on IWB	Effect	Boot SE	LLCI	ULCI		
Task-Work Ideals	0.102	0.034	0.047	0.180		
Location-Financial Ideals	0.131	0.032	0.075	0.200		
Direct Effect of leadership on IWB	Effect	se	t	p	LLCI	ULCI
Task-Work Ideals	0.484	0.055	8.826	0.000	0.376	0.592
Location-Financial Ideals	0.455	0.049	9.233	0.000	0.358	0.552
Total Effect of Leadership on IWB	Effect	se	t	p	LLCI	ULCI
	0.585	0.046	12.663	0.000	0.494	0.676

Table 11 and Table 12 present the moderation analysis results for paternalistic leadership and transactional leadership respectively. Table 13 presents the direct and indirect effects of moderated mediation. Moderated mediation hypotheses hold true for task and work related I-deals for both paternalistic leadership and transactional leadership, but it is not supported for location and financial I- deals. Figure 4 below shows the conceptual and statistical diagrams for this moderated mediation.

### Conceptual Diagram



### Statistical Diagram

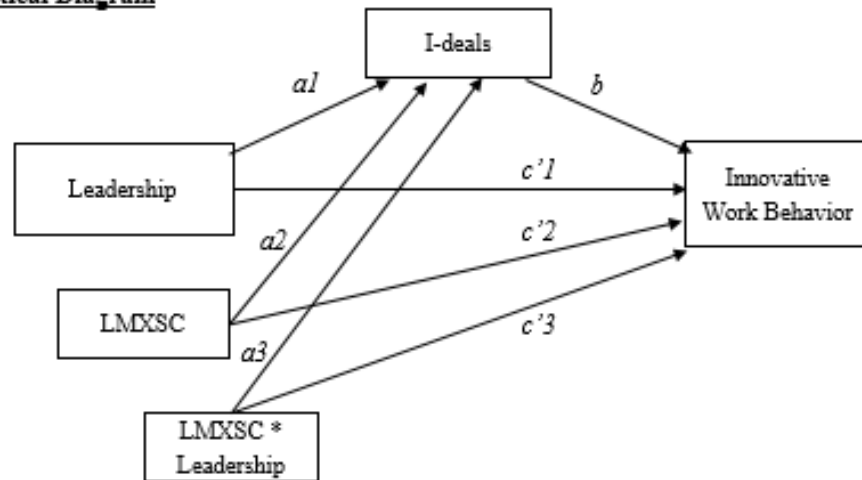


Figure 4. Conceptual and statistical diagrams for LMXSC moderated i-deals mediation between leadership and IWB

Table 11. Results of Hypotheses Testing: LMSXC Moderated I-Deals Mediation between Paternalistic Leadership and IWB

ANTECEDENT		CONSEQUENT									
		M1 (TaskWork Ideals)			M2 (Loc. Fin. Ideals)			Y (IWB)			
		Coeff.	SE	p	Coeff.	SE	p	Coeff.	SE	p	
X (Paternalistic L.)	a1	0.217	0.073	0.003	0.282	0.084	0.001	c'1	0.264	0.065	0.000
M1(TaskWork Ideals)								b1	0.182	0.074	0.014
M2(Loc. Fin. Ideals)								b2	0.162	0.069	0.02
W (LMXSC)	a2	0.394	0.071	0.000	0.521	0.076	0.000	c'2			
X*W	a3	0.107	0.034	0.002	0.000	0.029	0.999	c'3			
Constant		4.206	0.446	0.000	4.291	0.423	0.000		3.751	0.518	0.000
			<i>R<sup>2</sup>: .506</i>			<i>R<sup>2</sup>: .630</i>				<i>R<sup>2</sup>: .511</i>	
			<i>p= .001</i>			<i>p= .001</i>				<i>p= .001</i>	

Table 12. Results of Hypotheses Testing: LMSXC Moderated I-Deals Mediation between Transactional Leadership and IWB

ANTECEDENT		CONSEQUENT									
		M1 (TaskWork Ideals)			M2 (Loc. Fin. Ideals)			Y (IWB)			
		Coeff.	SE	p	Coeff.	SE	p	Coeff.	SE	p	
X (Transactional L.)	a1	.335	.062	.000	.214	.061	.001	c'1	.433	.053	.000
M1(TaskWork Ideals)								b1	.097	.059	.099
M2(Loc. Fin. Ideals)								b2	.186	.055	.001
W (LMXSC)	a2	.378	.057	.000	.606	.063	.000	c'2			
X*W	a3	.082	.036	.022	-.042	.054	.447	c'3			
Constant		4.419	.441	.000	4.307	.404	.000				
		<i>R</i> <sup>2</sup> : .529			<i>R</i> <sup>2</sup> : .626			<i>R</i> <sup>2</sup> : .607			
		<i>p</i> = .000			<i>p</i> = .000			<i>p</i> = .000			

Table 13. Results of Hypotheses Testing: Effects of LMXSC Moderated I-Deals Mediation between Leadership and IWB

	X1: Paternalistic Leadership					
Index of Moderated Mediation	Index	Boot SE	LLCI	ULCI		
TaskWork Ideals	.020	.011	.003	.046		
Location Financial Ideals	.000	.005	-.009	.013		
Direct Effect of leadership on IWB	Effect	se	t	p	LLCI	ULCI
	.264	.065	4.076	.000	.136	.391
	X2: Transactional Leadership					
Index of Moderated Mediation	Index	Boot SE	LLCI	ULCI		
TaskWork Ideals	.017	.0096	.001	.036		
Location Financial Ideals	-.008	.011	-.031	.011		
Direct Effect of leadership on IWB	Effect	se	t	p	LLCI	ULCI
	.443	.053	8.144	.000	.328	.537

As pictured in Figure 5 higher LMXSC relationships results in a stronger relationship between paternalistic leadership and Task Work I-deals. This may mean the followers are more comfortable in asking for Task Work related I-deals when they rate their relationship with their supervisor closer than their peers'; or it may mean that paternalistic leaders enter into closer social exchange relationships, and more Task Work I-deals negotiations and provide more Task Work I-deals to followers

with who they have a higher LMX relationship among their peers. For paternalistic leadership, LMXSC moderation is significant for Task Work I-deals ( $b = .107$ ,  $p = .002$ ), while it is not significant for Location Financial I-deals ( $b = .000$ ,  $p = .999$ ). The moderation in turn impacts Leadership  $\rightarrow$  I-deals  $\rightarrow$  IWB mediation, with 95% confidence intervals at (LLCI = .003, ULCI = .046) not including 0. Hypothesis 7 is supported for Task and Work I-deals only: Assessments of LMXSC moderate the relationship between paternalistic leadership and Task Work I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).

LMXSC is instrumental on Task Work I-deals, but not on Location Financial I-deals.

This result is in alignment with Rousseau's propositions in earlier works:

Concrete and universal I-deals tend to be more transactional and market driven and, relative to more abstract and particularistic I-deals, are less likely to signal the presence of a high-quality employment relationship. (Rousseau et al., 2009)

For paternalistic leadership, the effect size of LMXSC moderation (change in  $R^2$ ) is .026. For transactional leadership, the effect size of LMXSC moderation (change in  $R^2$ ) is .011. Which shows that LMXSC moderation on task work I-deals is more impactful under paternalistic leadership, which is more relationship oriented than transactional leadership.

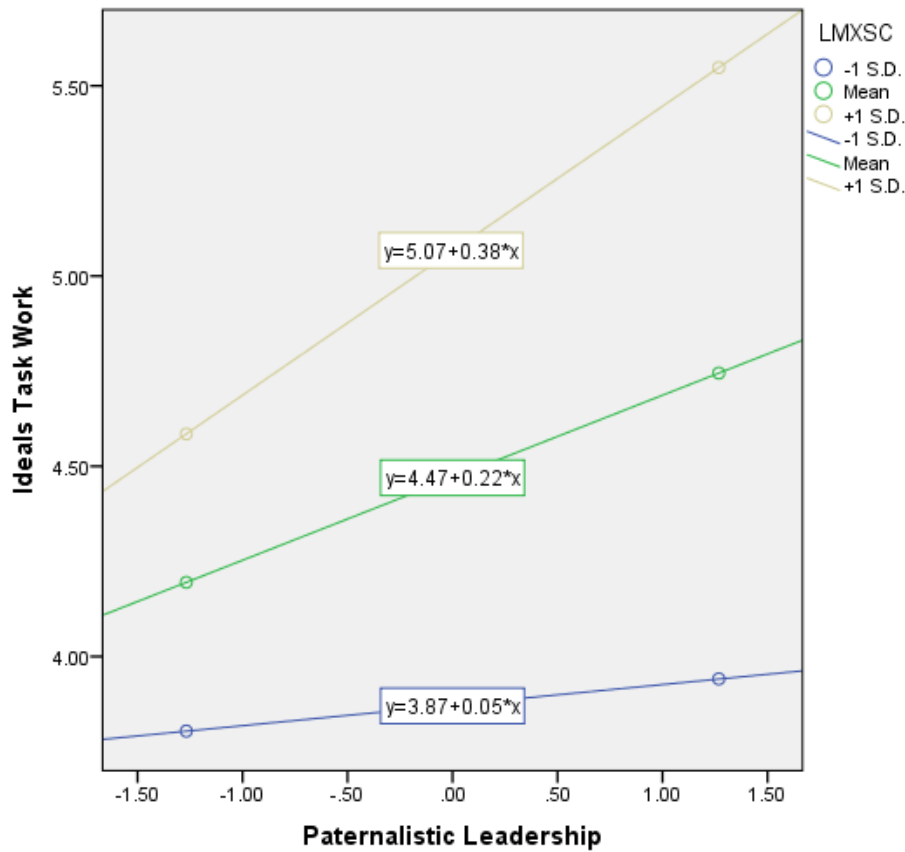


Figure 5. LMXSC moderation between paternalistic leadership and task work i-deals

As pictured in Figure 6 higher LMXSC relationships results in a stronger relationship between transactional leadership and Task Work I-deals. Similarly, this may mean the followers are more comfortable in asking for Task Work related I-deals when they rate their relationship with their supervisor closer than their peers'; or it may mean that transactional leaders enter into more Task Work I-deals negotiations and provide more Task Work I-deals to followers with who they have a higher LMX relationship among their peers. For transactional leadership, LMXSC moderation is significant for Task Work I-deals ( $b = .082$   $p = .022$ ), while it is not significant for Location Financial I-deals ( $b = -.042$ ,  $p = .447$ ). The moderation in turn impacts Leadership  $\rightarrow$  I-deals  $\rightarrow$  IWB mediation, with 95% confidence intervals at (LLCI = .001, ULCI = .036) not including 0. Hypothesis 10 is supported for Task and Work I-

deals only: Assessments of LMXSC moderate the relationship between transactional leadership and Task Work I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).

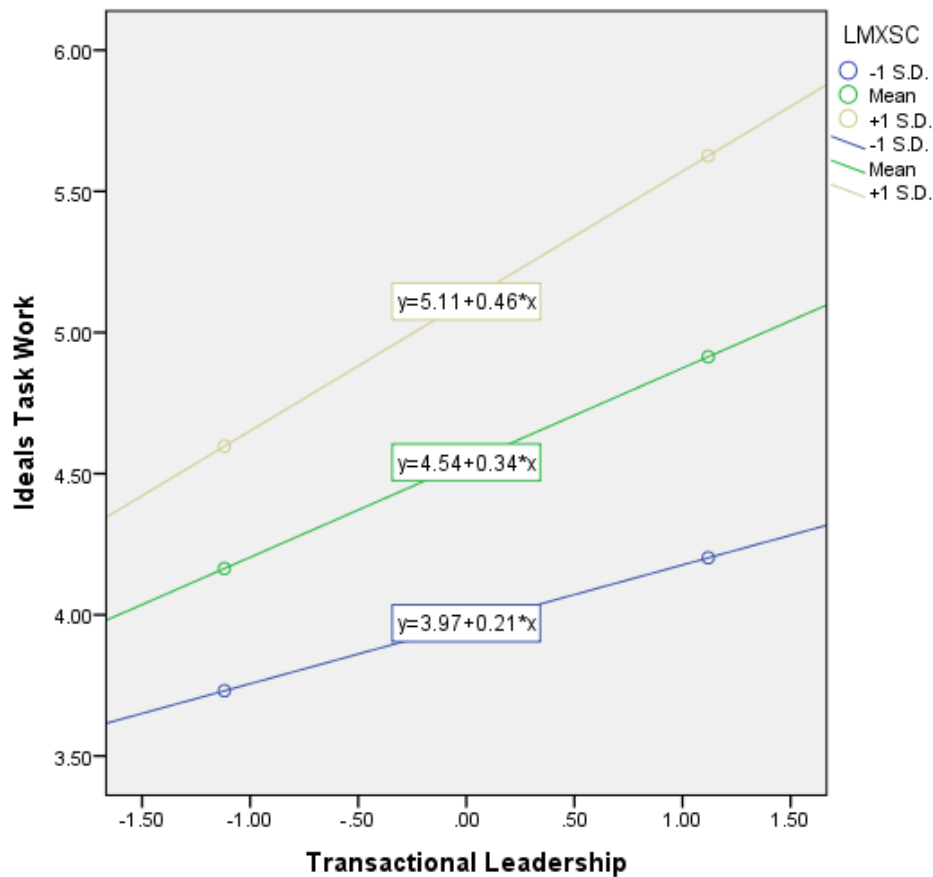


Figure 6. LMXSC moderation between transactional leadership and task work i-deals

The finding that LMXSC moderation does not hold true for location and financial I-deals may be due to single source error, as we asked followers to rate all three variables: leadership, LMXSC and I-deals. Although no specific directions were given, followers who rate their LMX compared to their peers may have been shy in admitting they have received location and financial I-deals from their leader. But it may also be the case that leaders shy away from entering into location financial I-deals negotiations and granting them to high LMXSC followers, to avoid an

impression of favoritism. While task and work related I-deals can be job specific and often easier to explain given varying tasks and jobs in an organization, location and financial I-deals are easier to spot and compare between peers, possibly creating more resentment and misunderstanding.

### 5.2.3 Model 3. What is a leader to give and how do you make me feel? I-deals, job resources, emotions and innovation

Model 3 aims to explore how I-deals lead to higher innovative work behavior, by placing job resources as a mediator, and exploring whether such a mediation is moderated by positive or negative emotions. Since follower rated job resources construct were found to have two dimensions in EFA, I defined two new variables to test these hypotheses: 1. job resources related to developing professional skills and capabilities; and 2. job resources related to improved relationships with supervisor.

All of the direct hypotheses in this model are supported. Controlling for age, gender, education and leader tenure, in line with Hypothesis 11, there is a positive relationship between I-deals and job resources. The relationship is detailed in Table 14. Supporting Hypothesis 12, there is a positive relationship between job resources and innovative work behavior. The effect of job resources regarding developing one's capabilities on IWB is  $b = .393$ ,  $p < .000$ ; while the effect of job resources regarding improved supervisor relationships on IWB is  $b = .415$ ,  $p < .000$ .

Table 14. Model 3. Direct Hypotheses: Regression Results

Hypot- hesis	Path	Type of I-deal	Type of Job Resource	R <sup>2</sup>	SE	Unstandardized $\beta$	p- value
H11	I-deals -> Job Resources	Task Work	Capabilities	0.242	0.054	0.333	0.000
		Task Work	Supervisor Rel.	0.296	0.055	0.461	0.000
		Location Financial	Capabilities	0.188	0.049	0.215	0.000
		Location Financial	Supervisor Rel.	0.285	0.048	0.392	0.000
Hypot- hesis	Path		Type of Job Resource	R <sup>2</sup>	SE	Unstandardized $\beta$	p- value
H12	Job Resources -> IWB		Capabilities	0.563	0.047	0.393	0.000
			Supervisor Rel.	0.563	0.044	0.415	0.000

To test mediation Hypothesis 13; whether job resources mediate the positive relationship between I-deals and innovative work behavior; I again utilized Hayes' PROCESS macro (2008) Model: 4. All variables are mean centered, as discussed in above models. Results of the hypotheses testing is presented in Table 15. The 95% confidence intervals do not contain 0, therefore the indirect effects of both types of Job Resources are significant for both Task & Work I-deals and Location & Financial I-deals. Job Resources mediate the positive relationship between I-deals and innovative work behavior, but only partially as the direct affect remains significant after the introduction of the mediator. Hypothesis 13 is supported for partial mediation. Supervisor relationship related job resources have a higher mediation effect than capability related job resources on IWB.

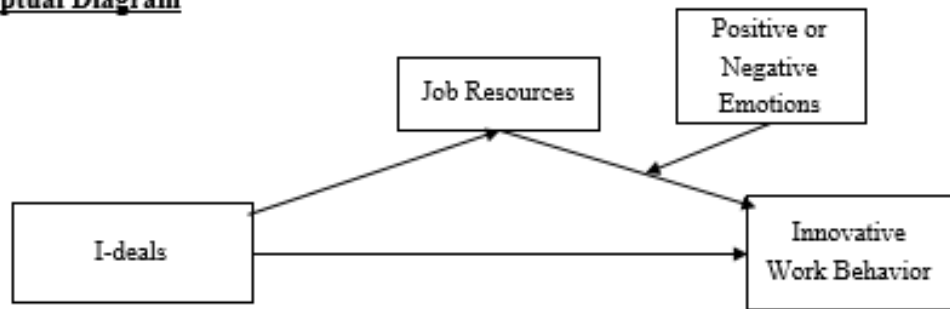
Table 15. Results of Hypotheses Testing: Job Resources Mediation between I-Deals and IWB

	X1: Task and Work I-deals					
Indirect Effects of Job Resources on IWB	Effect	Boot SE	LLCI	ULCI		
Capability Job Resources	.1080	.0268	.0596	.1646		
Supervisor Rel. as a Job Resource	.1327	.0312	.0782	.1982		
Direct Effect of I-deals on IWB	Effect	se	t	p	LLCI	ULCI
	.1833	.0418	4.3839	.000	.1009	.2656
	X2: Location and Financial I-deals					
Indirect Effects of Job Resources on IWB	Effect	Boot SE	LLCI	ULCI		
Capability Job Resources	.0733	.0209	.0353	.1173		
Supervisor Rel. as a Job Resource	.0926	.0227	.0508	.1407		
Direct Effect of I-deals on IWB	Effect	se	t	p	LLCI	ULCI
	.2442	.0336	7.2693	.000	.1780	.3140



Using model:14 in PROCESS macro allows us to test emotions' moderation on the I-deals-> Job Resources -> IWB relationship. Emotions were defined as two separate variables, positive and negative emotions; which is supported by previous literature search as well as our EFA results. Table 16 presents the moderation analysis results,  $p = .000$  for all the models in the table. Table 17 presents the direct and indirect effects of moderated mediation. Moderated mediation hypotheses partially hold true for negative emotions, but it is not supported for positive emotions.

**Conceptual Diagram**



**Statistical Diagram**

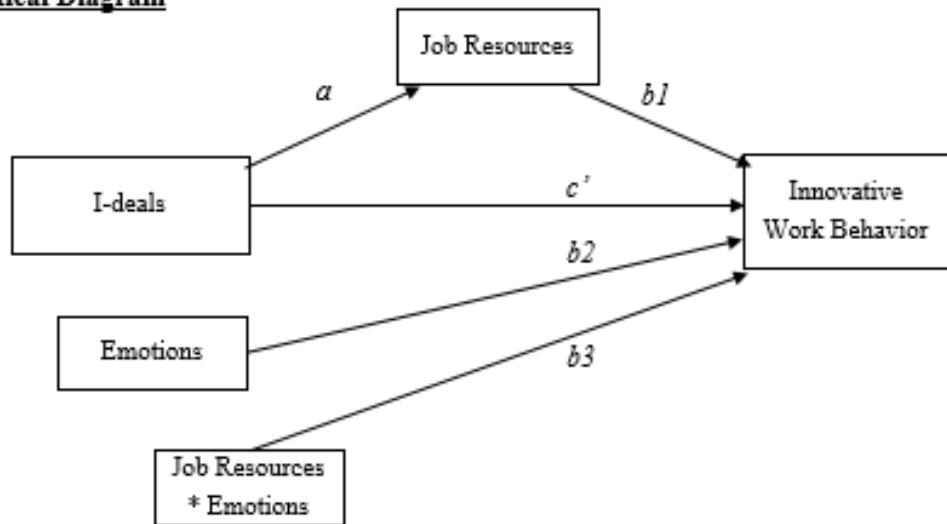


Figure 7. Conceptual and statistical diagrams for emotions moderated job resources mediation between i-deals and IWB

Table 16. Results of Hypotheses Testing: Emotions Moderated Job Resources Mediation between I-Deals and Innovative Work Behavior

NEGATIVE EMOTIONS ANTECEDENT	M1 (Capabilities Job Resources)				M2 (Supervisor Relationship As a Job Resource)				Y (Innovative Work Behavior)					
	Coeff.	SE	t	p	Coeff.	SE	t	p	Coeff.	SE	t	p		
X1 (Task/Work Ideals)	a	0.333	0.068	4.894	0.000	0.461	0.068	6.781	0.000	c'	0.154	0.063	2.438	0.015
M1 (Capabilities Job R.)										b1	0.288	0.050	5.735	0.000
M2 (Supervisor Rel. JR.)										b2	0.319	0.057	5.641	0.000
V1 (Negative Emotions)										b3	0.026	0.034	0.784	0.434
M1*V1 (Capabilities JR * Negative Emotions)										b4	-0.056	0.027	-2.045	0.042
M2*V1 (Supervisor Rel JR* Negative Emotions)										b5	0.050	0.025	1.984	0.048
Constant										-0.241	0.517	0.466	0.642	-0.886
$R^2 = .242$ $R^2 = .296$ $R^2 = .603$														
NEGATIVE EMOTIONS ANTECEDENT	M1 (Capabilities Job Resources)				M2 (Supervisor Relationship as a Job Resource)				Y (Innovative Work Behavior)					
	Coeff.	SE	t	p	Coeff.	SE	t	p	Coeff.	SE	t	p		
X1 (Location Fin. Ideals)	a	0.215	0.056	3.841	0.000	0.392	0.057	6.897	0.000	c'	0.254	0.051	5.011	0.000
M1 (Capabilities Job R.)										b1	0.292	0.047	6.141	0.000
M2 (Supervisor Rel. JR.)										b2	0.274	0.051	5.353	0.000
V1 (Negative Emotions)										b3	-0.034	0.037	-0.920	0.358
M1*V1 (Capabilities JR * Negative Emotions)										b4	-0.063	0.024	-2.620	0.009
M2*V1 (Supervisor Rel JR* Negative Emotions)										b5	0.047	0.020	2.424	0.016
Constant										0.242	0.498	0.486	0.627	-0.592
$R^2 = .188$ $R^2 = .285$ $R^2 = .652$														
POSITIVE EMOTIONS ANTECEDENT	M1 (Capabilities Job Resources)				M2 (Supervisor Relationship as a Job Resource)				Y (Innovative Work Behavior)					
	Coeff.	SE	t	p	Coeff.	SE	t	p	Coeff.	SE	t	p		
X1 (Task/Work Ideals)	a	0.333	0.068	4.894	0.000	0.461	0.068	6.781	0.000	c'	0.133	0.060	2.234	0.026
M1 (Capabilities Job R.)										b1	0.250	0.049	5.064	0.000
M2 (Supervisor Rel. JR.)										b2	0.213	0.049	4.333	0.000
V1 (Positive Emotions)										b3	0.236	0.060	3.929	0.000
M1*V1 (Capabilities JR * Positive Emotions)										b4	-0.008	0.030	-0.281	0.779
M2*V1 (Supervisor Rel JR* Positive Emotions)										b5	0.049	0.023	2.089	0.038
Constant										-0.241	0.517	0.466	0.642	-0.886
$R^2 = .242$ $R^2 = .296$ $R^2 = .629$														
POSITIVE EMOTIONS ANTECEDENT	M1 (Capabilities Job Resources)				M2 (Supervisor Relationship as a Job Resource)				Y (Innovative Work Behavior)					
	Coeff.	SE	t	p	Coeff.	SE	t	p	Coeff.	SE	t	p		
X2 (Location Fin. Ideals)	a	0.215	0.056	3.841	0.000	0.392	0.057	6.897	0.000	c'	0.196	0.044	4.443	0.000
M1 (Capabilities Job R.)										b1	0.299	0.047	6.384	0.000
M2 (Supervisor Rel. JR.)										b2	0.201	0.050	3.992	0.000
V1 Positive Emotions)										b3	0.149	0.055	2.702	0.007
M1*V1 (Capabilities JR * Positive Emotions)										b4	0.015	0.031	0.493	0.622
M2*V1 (Supervisor Rel JR* Positive Emotions)										b5	0.021	0.025	0.825	0.410
Constant										0.242	0.498	0.486	0.627	-0.592
$R^2 = .188$ $R^2 = .285$ $R^2 = .654$														

Table 17. Results of Hypotheses Testing: Effects of Emotions Moderated Job Resources Mediation between I-Deals and IWB

V1: Negative Emotions	X1: Task & Work I-deals						X2: Location & Financial I-deals					
Index of Moderated Mediation	Index	Boot SE	LLCI	ULCI			Index	Boot SE	LLCI	ULCI		
M1: Capabilities Job Resources	-0.019	0.010	-0.043	-0.001			-0.013	0.007	-0.031	-0.003		
M2: Supervisor Relations as a Job Resource	0.023	0.015	0.000	0.059			0.019	0.010	0.002	0.039		
Direct Effect of I-deals on IWB	Effect	se	t	p	LLCI	ULCI	Effect	se	t	p	LLCI	ULCI
	0.154	0.063	2.438	0.015	0.030	0.279	0.254	0.051	5.011	0.000	0.154	0.354
V2: Positive Emotions	X1: Task & Work I-deals						X2: Location & Financial I-deals					
Index of Moderated Mediation	Index	Boot SE	LLCI	ULCI			Index	Boot SE	LLCI	ULCI		
M1: Capabilities Job Resources	0.003	0.008	-0.012	0.019			-0.003	0.012	-0.027	0.020		
M2: Supervisor Relations as a Job Resource	0.008	0.012	-0.014	0.033			0.023	0.013	-0.005	0.049		
Direct Effect of I-deals on IWB	Effect	se	t	p	LLCI	ULCI	Effect	se	t	p	LLCI	ULCI
	0.196	0.044	4.443	0.000	0.109	0.283	0.133	0.060	2.234	0.026	0.016	0.251

Hypotheses 14 proposed positive emotions emerging from I-deal negotiations to moderate the relationship between job resources and innovative work behavior such that the relationship is more strongly positive when positive emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect). However, this study was unable to find a statistically significant moderation for Capabilities Job Resources and positive emotions. Although there is a significant moderation of positive emotions for supervisor relationship related Job Resources ( $b = .049$ ,  $p = .038$ ) and Task and Work related I-deals, there is no significant moderated mediation with the confidence interval between  $-.014$  and  $.033$  including zero. Moderation of positive emotions are not significant for all other dimensions ( $b = -.008$ ,  $p = .779$ ) for Task & Work I-deals and Capabilities Job Resources, ( $b = .015$ ,  $p = .622$ ) for Location & Financial I-deals and Capabilities Job Resources, ( $b = .021$ ,  $p = .410$ ) for Location & Financial I-deals and Supervisor Relations as a Job Resource; all mediated moderation confidence intervals for these include 0. Hypotheses 14 is not supported.

Hypothesis 15 proposed negative emotions emerging from I-deal negotiations to moderate the relationship between job resources and innovative work behavior such that the relationship is less strongly positive when negative emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect). Moderation effect is significant ( $b = -.056$ ,  $p = .042$ ) for Task & Work I-deals and Capabilities Job Resources; and ( $b = -.063$ ,  $p = .009$ ) for Location & Financial I-deals and Capabilities Job Resources. The sign turns positive ( $b = .047$ ,  $p = .016$ ) for Location & Financial I-deals and Supervisor Relations as a Job Resource and ( $b = .050$ ,  $p = .048$ ) for Task & Work I-deals and Supervisor Relationship as a Job Resource. The effect size of moderation for Task & Work I-deals is  $0.005 R^2$  change for Supervisor Relations Job Resource and Capabilities Job Resources both. The effect size of moderation for Location & Financial I-deals & Capabilities Job Resources  $0.006 R^2$  change, while for Location & Financial I-deals & Supervisor Relations Resources  $0.004 R^2$  change. The indirect effect through the mediator is significant as the confidence intervals do not include 0:  $(-.043, -.001)$  for Task & Work I-deals and Capabilities Job Resources;  $(.000, .059)$  for Task & Work I-deals and Supervisor Relations as a Job Resource;  $(-.031, -.003)$  for Location & Financial I-deals & Capabilities Job Resources;  $(.002, .039)$  for Location Financial I-deals & Supervisor Relations Job Resources. The direct effect remains significant despite the mediation ( $p = .015$  for Task & Work I-deals,  $p = .000$  for Location & Financial I-deals), so the hypothesis is supported for partial mediation for Capabilities Job Resources.

Figure 8, Figure 9, Figure 10 and Figure 11 visualize the moderated mediation relationships in Model 3. JoReSu indicates Supervisor Relationship Job Resources, JoReCa indicates Capabilities Job Resources. The slope of Capabilities

Job Resources and IWB relationship is less steep when negative emotions are one standard deviation above the mean. When the resulting emotion of the follower from the I-deal negotiation is more negative, this diminishes the positive impact of capability development, a resource gained as a result of this negotiation, on innovation. This is the case for both I-deals, I-deals related to issues on tasks and work, as well as I-deals related to location and financial arrangements. This result shows that to boost innovation, granting a job resource though the form of an I-deal to an employee is impactful, but if the leader grants it in such a way that makes the employee feel angry, betrayed, disappointed, remorseful or unhappy, the employee's newly developed capabilities do not translate into innovative behavior as much as they could.

The existing literature has presented mixed findings on negative affect and innovation relationship. Similarly, the results of this study show that the impact of negative emotions on supervisor relationship related job resources and innovative work behavior acts quite differently than it does with capability related job resources. The slope of IWB and Supervisor Relationship as a Job Resource interaction is steeper when negative emotions are one standard deviation above the mean. When the resulting emotion of the follower from the I-deal negotiation is more negative, this amplifies the positive impact of the improved supervisor relationship, a resource gained as a result of this negotiation, on innovation. This is the case for both I-deals, I-deals related to issues on tasks and work, as well as I-deals related to location and financial arrangements. I-deals create resources that the followers want to conserve, which increase innovative work behaviors. The more negative the follower feels after an I-deals negotiation, the more he may worry about keeping these newly acquired supervisor relationship as a resource, and the more innovative behavior he exerts.

When the follower feels more negatively after the negotiation, but he asks the supervisor to rate his performance, gets inspired by his supervisor and asks the supervisor to coach him; he may also exhibit more innovative behavior as an impact of this inspiration and coaching. The effect of the improved supervisor relationship on IWB is always positive, but the follower inserts even more effort on innovation, when he feels some unhappiness, disappointment or the like. These feelings probably emerge from the leader's comments on follower performance during the I-deal negotiation, in which the leader may have indicated a room for performance improvement and created some remorse on the follower, who then tried to show extra effort to prove himself to a leader he respects and conserve his resources. Since leaders are asked to rate innovative work behavior, while emotions and job resources are rated by the follower, one can posit that the drive of the negative emotions felt by the follower pays off, as the leader rates the follower's innovation performance higher. These results echo literature which suggest that negative affect signals to the individual that the current situation is problematic and s/he needs to insert more effort to solve it (Martin et al., 1993). Negative affect at times unearths the power to accelerate search for innovative ideas to improve the status-quo that is perceived as problematic (George & Zhou, 2002; Martin et al., 1993; Binnewies & Wörnlein, 2011; George & Zhou, 2002, 2007; Kaufmann, 2003; Kaufmann & Vosburg, 1997).

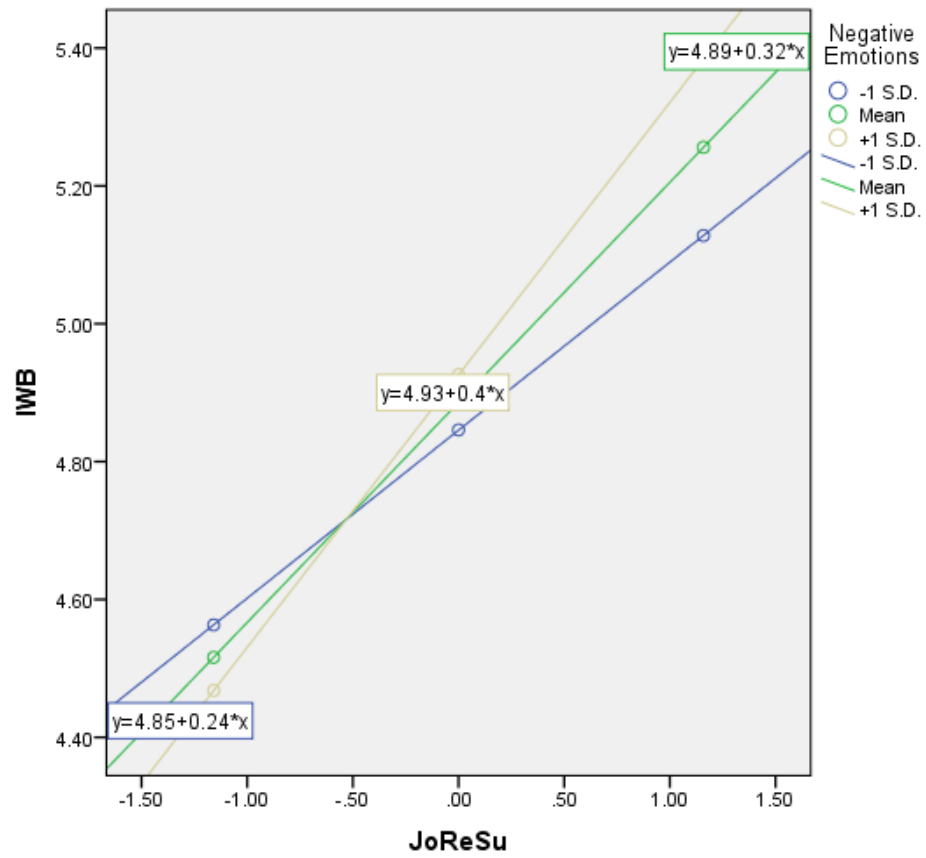


Figure 8. Emotions moderation on job resources (supervisor relationships) mediated I-deals (task work) and IWB relationship



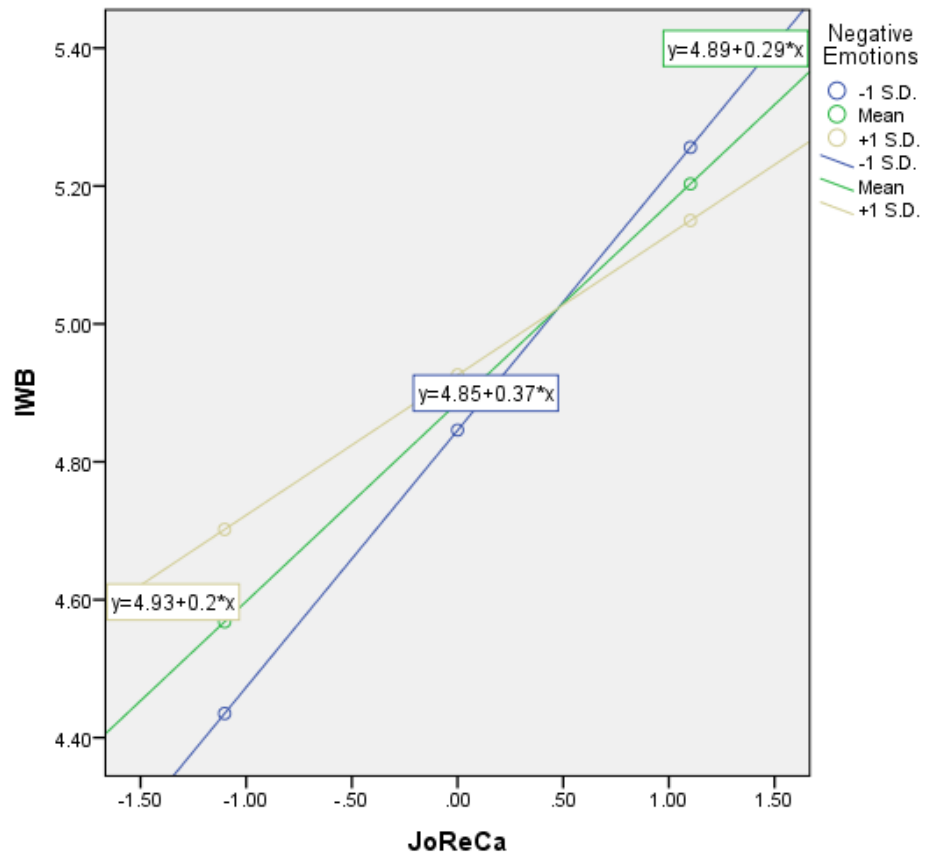


Figure 9. Emotions moderation on job resources (capabilities) mediated i-deals (task work) and IWB relationship

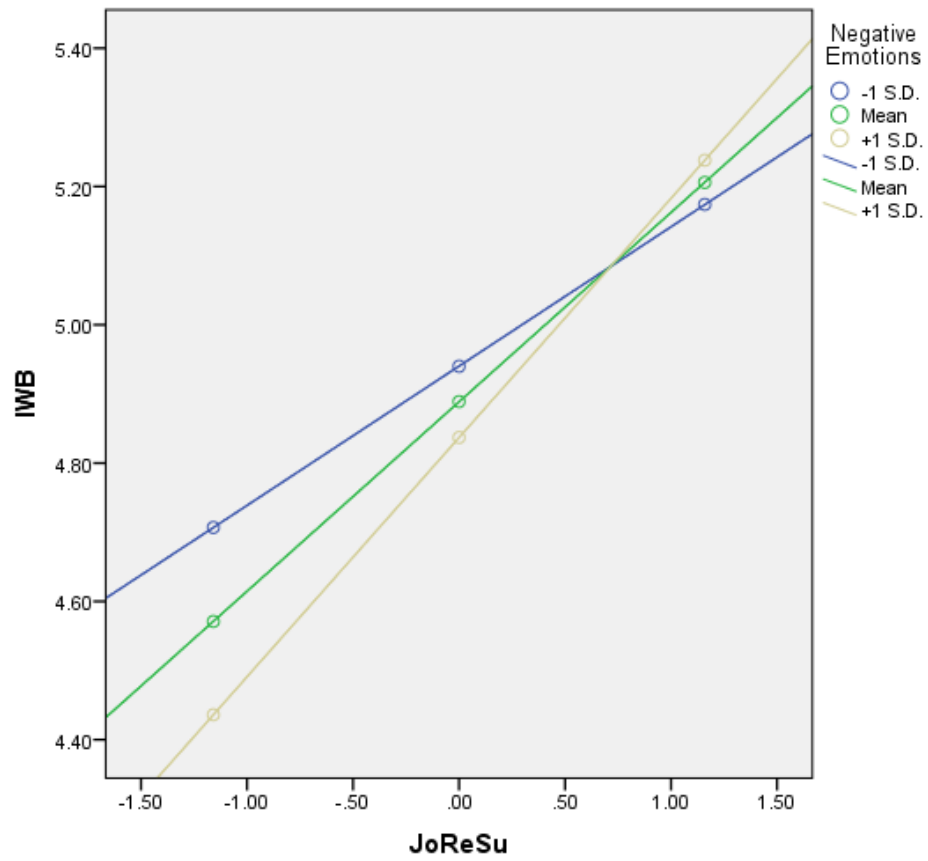


Figure 10. Emotions moderation on job resources (supervisor relationship) mediated i-deals (location financial) and IWB relationship

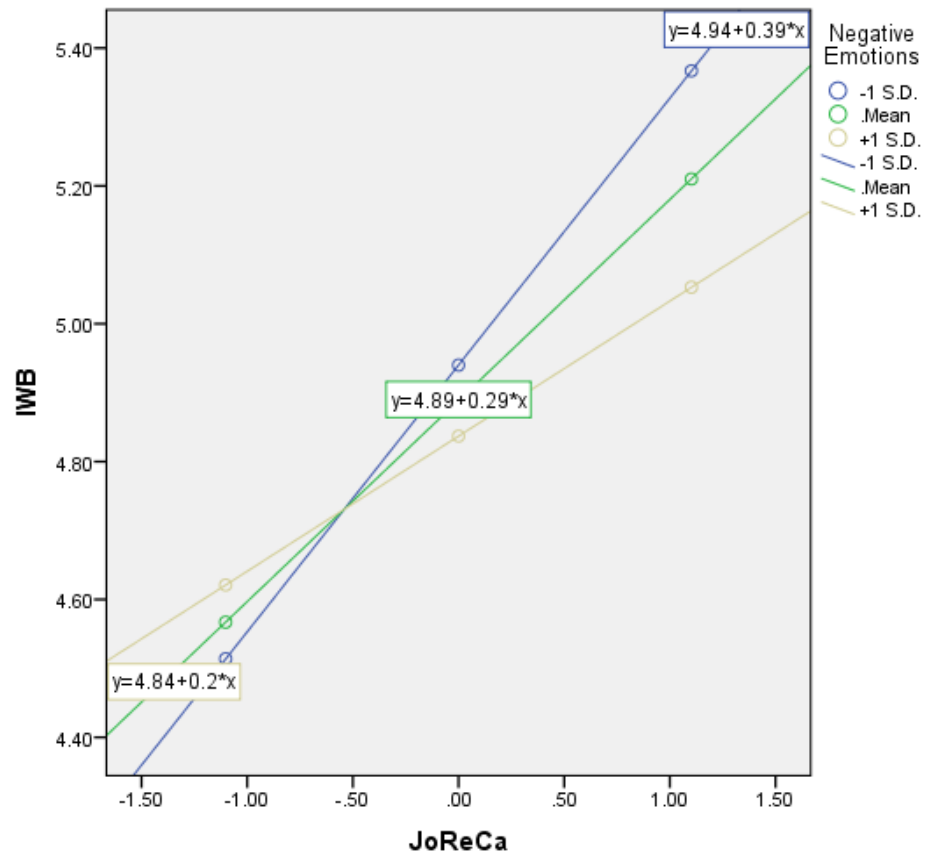


Figure 11. Emotions moderation on job resources (capabilities) mediated i-deals (location financial) and IWB relationship

## CHAPTER 6:

### DISCUSSION AND CONCLUSION

#### 6.1 Summary of findings

This study finds evidence for the positive impact of leadership (both paternalistic and transactional) on innovative work behavior, while the effect of transactional leadership was found to be slightly higher. Controlling for follower age, gender, education and leader tenure, the cultural values of the follower were not, at large, found significant in this interaction, allocentrism is found to moderate this relationship for transactional leaders, strengthening the innovative behaviors of an allocentric follower working under a transactional leader.

Both styles of leadership are positively associated with entering into I-deals discussions and granting I-deals to followers. I-deals are shown effective in increasing innovative work behavior and I-deals are found to mediate the relationship between leadership and innovative work behavior. The results indicate that compared to transactional leadership, paternalistic leadership shows higher indirect mediation effect to IWB through I-deals. This makes sense as the direct effect is higher for transactional leadership: Transactional leadership is task based, resembles a direct economic exchange more than paternalistic leadership, which is fully based on loyalty and social exchange, a set of unspecified obligations between the leader and the follower. I-deals share a similar essence, as they are based on reciprocity and expectation of mutual benefit. LMXSC is found to positively moderate this mediation, but only for task and work related I-deals, and not for location and financial I-deals. LMXSC moderation on task work I-deals is slightly more impactful

under paternalistic leadership, which is more relationship oriented than transactional leadership.

Lastly, this study was able to shed light on the mechanism of how I-deals influence innovative work behavior and found a significant mediation through job resources. I-deals create resources that the followers want to conserve, and they in turn, increase innovative work behaviors. In contrast with the existing literature, positive emotions were not found to moderate this relationship, but negative feelings had significant conclusions. Negative emotions were found to lessen the positive impact of the improved capabilities the follower gains as a result of the I-deal, on innovative of behavior. However, the more negative the follower feels after an I-deals negotiation, the more he wants to make sure he keeps the improved relationship he built with his supervisor and the more innovative behaviors he exerts. The full list of hypotheses that were supported in this study are summarized in Table 18.

Table 18. List of Findings

1. There is a positive relationship between paternalistic leadership and innovative work behavior.
2. There is a positive relationship between transactional leadership and innovative work behavior.
3. The relationship between transactional leadership and innovative work behavior is moderated by allocentrism; the more allocentric the follower, the stronger the relationship. This study did not find the same effect for paternalistic leadership. Similarly, power distance is not found to moderate the effect of either leadership style on innovative work behavior.
4. There is a positive relationship between paternalistic leadership and I-deals.

5. There is a positive relationship between transactional leadership and I-deals.
6. I-deals is positively related with innovative work behavior.
7. I-deals mediate the positive relationship between paternalistic leadership and innovative work behavior (partial mediation).
8. I-deals mediate the positive relationship between transactional leadership and innovative work behavior (partial mediation).
9. For task and work related I-deals, assessments of LMXSC moderates the relationship between paternalistic leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect influences innovative work behavior (moderated mediation effect).
10. For task and work related I-deals, assessments of LMXSC moderates the relationship between transactional leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect influences innovative work behavior (moderated mediation effect).
11. There is a positive relationship between I-deals and job resources.
12. There is a positive relationship between job resources and innovative work behavior.
13. Job resources mediate the positive relationship between I-deals and innovative work behavior. (partial mediation)
14. Negative emotions emerging from I-deal negotiations moderate the relationship between supervisor relationship related job resources and innovative work behavior such that the relationship is more strongly positive when negative emotions are high, and this interaction effect influences the

mediation between I-deals and innovative work behavior (moderated mediation effect). The sign of the moderation turns negative for capability development related job resources, for higher levels of negative emotions, the weaker the effect of developed capabilities on innovative work behavior.

## 6.2 Theoretical implications and contribution

The findings of Model 1 in this study support leadership's positive impact on innovative work behavior, in line with social exchange theory. While previous research debated the influence of paternalism on innovation, this study indicates that overall, paternalistic leadership has a positive effect on innovative work behavior.

Similarly, this study found transactional leadership to be positively related to innovative work behavior. Previous literature shows varying results. While a transactional leader who frequently takes corrective action when followers make mistakes may limit risk taking, the positive impact of process and results orientation of transactional leadership seems to override this hindrance. In total, this study found evidence for positive impact of transactional leadership on innovative work behavior.

Implicit leadership theory proposes individuals have certain type of beliefs about the type of attributes, skills and behaviors that facilitate or impede outstanding leadership (Lord & Maher, 1991). Most literature to date found positive correlations between paternalism and power distance, as well as paternalism and collectivism. Although relationship of leadership and cultural values are studied in depth across different levels in earlier works, a moderation of follower values between paternalism and innovation was not studied in individual level before. To contrast different styles, this study also incorporated transactional leadership. Contrary to

expectations, in this study, values of followers were not found to be significantly influential on paternalistic leadership's relationship with innovative work behavior. However, allocentrism of the follower were found as a significant moderator, strengthening transactional leadership's positive impact on innovative work behavior, making an important contribution to literature.

In Model 2, findings indicated a significant mediation by I-deals between innovative work behavior and paternalistic and transactional leadership. Consideration of the leader has been studied as an antecedent to I-deals in earlier works, however the current body of knowledge still has a significant gap regarding antecedents of I-deals, which this study contributes to by placing two different leadership styles as antecedents to I-deals. The motivations of why different leaders enter into I-deals negotiations and grant them would be a development area for further research.

LMX literature is very rich, and LMX has relations with many beneficial follower outputs such as job satisfaction, work performance or organizational citizenship behavior. However, LMXSC has not been studied as a moderator on leadership - I-deals relationship in earlier works. This study found a significant moderation effect by LMXSC for both paternalistic and leadership styles on I-deals, for task and work related I-deals, which in turn impacted above mediation. The impact of LMX is often theorized with a social exchange lens, LMX impacting follower outputs as a reciprocation to receiving I-deals and our findings showed that LMXSC is also influential in I-deals negotiation phase between the leader and the follower.



While many benefits of I-deals were studied in the literature before, its effect on innovative work behavior was not studied before. Placing I-deals as a mediator for leadership to improve innovation results have both theoretical contributions and practical implications.

Model 3 explored the dynamics on how I-deals contribute to results, which is a development area in literature that requires significant amount of further research. Most of I-deals research is based on social exchange theory. While I-deals are reciprocal by definition, this study also employs the conservation of resources lens and demonstrates it effective by unearthing the mediating relationship of job resources between I-deals and innovative work behavior. Moreover, it finds the effect of negative emotions significant, indicating that I-deals do not impact results only through a robotic exchange of resources. The relationship and emotions involved between the leader and the follower prove impactful. In contrast to the literature, this study was unable to find the impact of positive emotions significant, but in line with affective events theory, activating negative emotions such as anger are often found more impactful in the literature as well. Emotions' relationship with innovation, creativity and performance has been widely studied in earlier research, however employing affective events theory, and taking I-deal negotiation as a milestone event contributes to the literature, as well as demonstrating its impact on innovative work behavior.

### 6.3 Limitations and future research

Despite its contributions, this study has a number of limitations. First, this study analyzes relationships in an individual level as it is focused on the one on one

interactions between a leader and a follower. The reader must be careful not to extrapolate this study's findings to organization level, as improving innovation as an organization may involve conflicting dynamics that are not covered in this study. The benefits of I-deals to an individual employee's innovation behavior are demonstrated, but the effects to the organization are neither measured or nor analyzed. Possible costs of tailoring individual employment terms include decreased feeling of justice if peers perceive I-deals as undeserved (Greenberg, Roberge, Ho, & Rousseau, 2004; Lai, Rousseau, & Chang, 2009), or the cost of time spent crafting and negotiating I-deals (Rousseau, 2005). These costs are not accounted for in this study.

Often subordinates and peers are important stakeholders in I-deals as their cooperation matters and they can be influential in shaping the attitudes and results emerging from I-deals. Such interactions are beyond the scope of this study, but previous research highlight variables such as peer support, perceived organization support and perception of organizational justice as significant variables. A further development area would be integrating the role of different stakeholders in these research questions.

This study assumes that leaders (direct supervisors) are the only or the main actor responsible in giving I-deals. At times, such negotiations are executed with human resources professionals, or other managers with vested power. If an HR manager or an employer offers deals outside of a direct negotiation with the direct supervisor, such benefits are beyond the scope of this study.

Another limitation is that this study uses assessment of leadership variables by the followers and the assessment of innovation variable by the leaders, and the study does not have access to a record of actual behaviors. The perception of the

rater comes into play to influence the relations, and the results should be interpreted as such.

Having designed an empirical study, utilized a convenience sampling method and employed statistical tools enabling generalizability, this study aims to make robust claims about its hypotheses with theory-based arguments. However, the design of the study refrains one from claiming causal relationships. For example, this study proposes that innovative work behavior is initiated by employees to conserve the job resources they have gained from the I-deal. However, a counter argument would be that highly innovative followers are more likely to receive I-deals. Leaders may have selected to negotiate I-deals with employees they can expect a reasonable amount of innovation return in exchange. Experimental designs or longitudinal studies are needed to establish causality; which are quite challenging to execute in organizational behavior research. Although this study aims to measure behavior directly, it would also be helpful to include measurements of the attitudes explaining or leading up to innovative work behavior.

The sample size of this study was 500 individuals due to funding constraints, as we chose a face to face survey method to give confidence to the participants regarding confidentiality. Further studies with larger sample sizes may find more nuances in the relationships studied in this thesis. As discussed, the sample set used is from various private sector firms in Turkey. Although the results should be generalizable across sectors in Turkey, it would be an extrapolation to infer conclusions regarding more western or more eastern samples. A replication of similar research in different countries could enable the research community to make broader claims. Three out of four moderation hypotheses regarding cultural values were not supported in this study. The variance in our limited sample set may be too

small to show significant results on cultural differences, and further cross-country studies with larger sample sizes including macro cultural data sets would be useful. Including organizational level culture variables can also probe valuable insights.

Defining cultural values and developing scales of high validity have been a popular topic of debate in the academic community (Triandis and Gelfand, 1998; Schwartz, 1995). This study focuses on allocentrism, a common value found in the Turkish sample set. However further studies using multidimensional scales, or measures such as horizontal and vertical individualism and collectivism would be beneficial to compare and conclude on more granular effects of culture. Similarly, including other cultural dimensions such as long-term versus short-term orientation would help explain the direction of our findings more clearly.

Personality is factor that impacts many of the variables studied in this thesis, however we did not study variables relating to personality. For example, adding variables such as proactiveness or emotional expressiveness can provide important insights to further detail this study, especially Model 2 & 3. Asking for I-deals, as well as showing innovative work behavior are closely linked with proactivity; while the degree of emotional expressiveness varies a lot across individuals.

Social psychology asserts that the degree to which people endorse reciprocity also vary meaningfully (Clark & Mills, 1979; Murstein, Cerreto, & MacDonald, 1977). Individuals high in an exchange orientation methodically track obligations, keeping score, and those low in exchange orientation are less concerned about responding to obligations and are less likely to care if exchanges are not reciprocated. Future research integrating the degree of exchange orientation in leadership, I-deals and innovation research would help granularize the impact of each on results.

Despite limiting the time frame to “within the last year”, similar to many studies in the literature, this study does not distinguish between negotiated, formalized or received I-deals. New scales and further research would be beneficial to distinguish between these, even including past I-deals and promises of future I-deals.

Lastly, but perhaps most importantly, the data collection for this research was completed right before Covid-19 pandemic hit Turkey in April 2020. The cross-sectional design of the study is a limitation, as it is based on data collected from individuals at a certain point in time. In this research design, we observed variables without influencing them. However right after data collection, Covid introduced a major shock on our subjects, significantly influencing their perspectives and expectations regarding work. A few weeks after data collection was completed, official restrictions and curfews started being enforced in Turkey. Globally, this experience kicked off a transformational period for the future of work. During the time the data analysis and thesis writing took, we witnessed the emergence of various remote work styles, the rise of hybrid work and a whole new set of employee and employer expectations regarding post pandemic world, as indicated by the great resignation. As the virus mutates and vaccination rates increase, the pandemic at large has been getting controlled. While we prepare to publish this thesis, Covid restrictions in Turkey are now largely eased. A near term study on the same sample set, including the exact questions asked in these surveys and incorporating new variables would enable the researcher to unearth very unique insights, allowing comparisons before and after the pandemic. In a field like organizational behavior, where natural experiments are very hard to design, such a research would provide very exciting and impactful contributions.

#### 6.4 Practical implications

Our findings indicate that leadership matters and it is influential to boost innovation. However, leaders need to be careful in not overly relying on the cultural leanings of their employees and try to provide actual concrete benefits, rewards, feedback and support mechanisms, coaching and organizational systems to enable and implement innovation. Given majority of Turkish workforce is high on power distance and allocentrism, this finding matters even more in countries such as Turkey, where paternalistic leadership is often utilized and highly relied on as effective (Aycan, 2006). To improve innovation results with allocentric followers, it would be wise to try out different styles including transactional leadership. The practical implication is such that allocentric followers concerned with the common good could be in need to see systems thinking, some contingent rewards and transactional mechanisms to ensure their contributions to innovation are followed through in the organization and stay motivated to continue efforts by seeing successful results.

This study found that I-deals mediate the relationship between leadership and innovation results. This means leaders can use I-deals as an additional tool to boost followers' innovation efforts, on top of the positive impact their leadership style brings to the table. Granting task and work related I-deals, or location and financial related I-deals are shown to help improve innovation of employees.

This study finds evidence for LMXSC moderation between leadership and task and work related I-deals. While leaders may act more carefully not to exhibit favoritism through location and compensation related individual agreements, they may be less inclined to analyze the fairness of the distribution of the task and work related I-deals they grant. The practical implication is such that it would be wise for leaders to review the I-deals the employees who are not in their inner-circle receive.

Outer circle followers may not be able to ask for I-deals as easily as their peers who have closer relationships with their leader do, or at times inadvertently the leader may not be granting them as much I-deals.

I-deals operate through job resources, employees demonstrating more innovative behaviors to protect the idiosyncratic benefits they have received. Knowing this could motivate leaders to think in detail about rules around giving them and how to make them public information. While capability improving I-deals are impactful on improving innovation, the improved relationship with the supervisor, receiving his feedback, getting coaching from him are also impactful resources. In I-deals negotiation process, leaders should not shy away from giving concrete performance feedback, as long as it is supported by inspiration and coaching, as negative feelings felt by the employee in such discussions do translate into more innovative efforts. Having an I-deal negotiation that is open and supportive, one that inspires and coaches the follower is found to be an effective way to improve innovation performance.

In sum, leaders should not only rely on a persona, a fixed style or a charisma to influence their employees; but put in place tools like employee-based agreements to propel innovation.

## 6.5 Conclusion

This study investigates the leader-follower dynamics that lead to innovation. Innovation is enabled by the efforts of both parties, and requires a conducive environment as well as time to give fruits. I explored how much of the seeding in this process is accomplished by a certain style of leadership, one in line with cultural

values of the employee, or certain concrete mechanisms such as various types of idiosyncratic deals customized and handed out to individual employees.

While both paternalistic and transactional leadership styles were found to be positively related to innovative work behavior, cultural values of the follower did not prove instrumental in this relationship, except for positive moderation of allocentrism under transactional leaders.

I-deals provide the assurance of benefiting from future inducements, reduce perceptions of risks and uncertainties in the employment relationship, and counterbalance the power in the employee–organization relationship (Guerrera et al., 2013). In line with this, this study shows that I-deals are positively related to innovative work behavior. This study finds a mediation impact of I-deals, demonstrating that all types of I-deals analyzed (task, work, location, financial) contribute to innovation on top of the sole impact leadership style has on innovation. LMXSC is also found to be a significant moderator between leadership styles and task and work related I-deals, indicating the higher the LMXSC of the follower, the more he asks for and gets granted task and work-related idiosyncratic deals.

All types of I-deals analyzed (task, work, location, financial) were proved effective on innovation and they were shown to enable this impact by increasing job resources of the followers. Arranging and agreeing on the tasks and jobs the employee is expected to accomplish and where to accomplish these and how to get paid in exchange, help boost innovative behavior. Job resources were factored into two specific dimensions, improved supervisor relationship and developed capabilities, and both proved effective on increasing innovative work behavior. This study found evidence that negative feelings are instrumental as a moderator in this



relationship, strengthening the positive impact of supervisor relationship job resource on innovative work behavior. However, they weaken the positive impact of developed capabilities as a job resource contributing to innovation.

In conclusion, this study shows that leadership matters for innovation. But, it finds evidence that it is not just a presumed style, a stereotypical way of acting appropriated in line with the assumed implicit cultural values of an average employee. A custom-fit, exchange based approach agreeing on specific employment terms with an employee is a better, more tailored way to improve innovative behavior. However, one should not assume this interaction to be a robotic one, limited to a give and take relationship. Supervisor relationship; defined as a resource providing inspiration, feedback and coaching to the employee; as well as the capabilities the employee develops as a result of this idiosyncratic deal, matter. For a positive twist, invoking some negative feelings on the employee can even boost this relationship's impact on innovation.

At a time where innovation is sought after like a pot of gold at the end of the rainbow, this study hopes to demystify some of the relationship aspects, as well as more material mechanisms entrenched between the leader and the follower that contribute to this glow.

# APPENDIX A:

## HYPOTHESES

Model	Type	No	Hypotheses	Result
1	Direct	H1	There is a positive relationship between paternalistic leadership and innovative work behavior.	Supported
	Direct	H2	There is a positive relationship between transactional leadership and innovative work behavior.	Supported
	Moderation	H3a	The relationship between paternalistic leadership and innovative work behavior is moderated by allocentrism; the more allocentric the follower, the stronger the relationship.	Not supported
	Moderation	H3b	The relationship between paternalistic leadership and innovative work behavior is moderated by power distance; the higher the power distance of the follower, the stronger the relationship.	Not supported
	Moderation	H3c	The relationship between transactional leadership and innovative work behavior is moderated by allocentrism; the more allocentric the follower, the stronger the relationship.	Supported
	Moderation	H3d	The relationship between transactional leadership and innovative work behavior is moderated by power distance, the higher the power distance of the follower, the weaker the relationship.	Not supported
2	Direct	H4	There is a positive relationship between paternalistic leadership and I-deals.	Supported
	Direct	H5	I-deals is positively related with innovative work behavior.	Supported
	Mediation	H6	I-deals mediate the positive relationship between paternalistic leadership and innovative work behavior.	Supported (Partial mediation)
	Moderated Mediation	H7	LMXSC will moderate the relationship between paternalistic leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).	Supported only for task work I-deals
	Direct	H8	There is a positive relationship between transactional leadership and I-deals.	Supported

	Mediation	H9	I-deals mediate the positive relationship between transactional leadership and innovative work behavior.	Supported (Partial mediation)
	Moderated Mediation	H10	LMXSC will moderate the relationship between transactional leadership and I-deals such that the relationship is more strongly positive when LMXSC is high, and this interaction effect will influence innovative work behavior (moderated mediation effect).	Supported only for task work I-deals
3	Direct	H11	There is a positive relationship between I-deals and job resources.	Supported
	Direct	H12	There is a positive relationship between job resources and innovative work behavior.	Supported
	Mediation	H13	Job resources mediate the positive relationship between I-deals and innovative work behavior.	Supported (Partial mediation)
	Moderated Mediation	H14	Positive emotions emerging from I-deal negotiations will moderate the relationship between job resources and innovative work behavior such that the relationship is more strongly positive when positive emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect).	Not supported
	Moderated Mediation	H15	Negative emotions emerging from I-deal negotiations will moderate the relationship between job resources and innovative work behavior such that the relationship is less strongly positive when negative emotions are high, and this interaction effect will influence the mediation between I-deals and innovative work behavior (moderated mediation effect).	(Supported for Job Resources Capabilities, partial mediation) (Moderation has the opposite effect for Job Resources Supervisor Relationship)

APPENDIX B:  
FACTOR STRUCTURE

Factor 1: Power Distance	Factor Loadings	Cronbach's Alpha
Items		0.908
Managers should make most decisions without consulting subordinates.	.841	
It is frequently necessary for a manager to use authority and power when dealing with subordinates.	.862	
Managers should seldom ask for the opinions of employees.	.813	
Managers should avoid off-the-job social contacts with employees.	.846	
Employees should not disagree with management decisions.	.800	
Managers should not delegate important tasks to employees.	.812	
Factor 2: Collectivism	Factor Loadings	Cronbach's Alpha
Items		0.885
Group welfare is more important than individual rewards.	.798	
Group success is more important than individual success.	.804	
Being accepted by the members of your work group is very important.	.780	
Employees should only pursue their goals after considering the welfare of the group.	.804	
Managers should encourage group loyalty even if individual goals suffer.	.790	
Individuals may be expected to give up their goals in order to benefit group success.	.812	

Factor 3: Transactional Leadership	Factor Loadings	Cronbach's Alpha
Items		0.821
My supervisor makes clear expectations.	.848	
My supervisor will take action before problems are chronic.	.802	
My supervisor tells us standards to carry out work.	.793	
Factor 4: Paternalistic Leadership	Factor Loadings	Cronbach's Alpha
Items		0.934
My current leader behaves like a family member (father/mother or elder brother/sister) towards his / her employees.	.774	
My current leader provides advice to employees like a senior family member.	.797	
My current leader family environment in the workplace.	.833	
My current leader feels responsible from employees as if they are his or her own children.	.807	
My current leader is ready to help employees with their non-work problems (e.g., housing, education of their children, health problems) whenever they need.	.764	
My current leader attends special events of employees (e.g., wedding, funeral ceremonies, graduation of children.)	.829	
My current leader is prepared to act as a mediator whenever an employee has problems in his or her private life (e.g., marital problems).	.778	
My current leader places more importance to loyalty than performance in evaluating employees.	.801	
My current leader expects loyalty and deference in exchange for his or her care and nurturance.	.801	
My current leader believes that s/he knows what is best for his or her employees.	.752	
Factor 5: Leader Member Exchange Social Comparison	Factor Loadings	Cronbach's Alpha
Items		0.927

I have a better relationship with my manager than most others.	.853	
When my manager cannot make it to an important meeting, it is likely that s/he will ask me to fill in.	.829	
Relative to the others in my work group, I receive more support from my manager.	.861	
The working relationship I have with my manager is more effective than the relationships most members of my group have with my manager.	.852	
My manager is more loyal to me compared to my coworkers.	.875	
My manager enjoys my company more than he/she enjoys the company of other group members.	.872	
Factor 6: I-deals: Task and Work Responsibilities	Factor Loadings	Cronbach's Alpha
Items		0.867
I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job.	.765	
At my request, my supervisor has assigned me tasks that better develop my skills.	.784	
I have negotiated with my supervisor for tasks that better fit my personality, skills, and abilities.	.723	
My supervisor has offered me opportunities to take on desired responsibilities outside of my formal job requirements.	.721	
Following my initial appointment, my supervisor assigned me to a desirable position that makes use of my unique abilities.	.717	
Factor 7: I-deals: Location Flexibility and Financial Incentives	Factor Loadings	Cronbach's Alpha
Items		0.935
Because of my individual needs, I have negotiated a unique arrangement with my supervisor that allows me to complete a portion of my work outside of the office.	.735	
Because of my particular circumstances, my supervisor allows me to do work from somewhere other than the main office.	.739	

My supervisor has ensured that my compensation arrangement (e.g., hourly vs. salaried) meets my individual needs.	.755	
Because of my personal circumstances, my supervisor has created a compensation arrangement that is tailored to fit me.	.837	
Because of my unique skills and contributions, my supervisor has been willing to negotiate my compensation.	.822	
Beyond formal policies, my supervisor has raised my pay because of the exceptional contributions that I make to the organization.	.809	
After my initial appointment, I negotiated with my supervisor to develop a compensation plan that rewards my unique contributions.	.794	
Factor 8: Positive Emotions	Factor Loadings	Cronbach's Alpha
Items		0.882
Anger	.816	
Betrayed	.808	
Disappointed	.810	
Remorse	.826	
Unhappy	.840	
Factor 9: Negative Emotions	Factor Loadings	Cronbach's Alpha
Items		0.911
Happy	.859	
Satisfied	.886	
Optimistic	.896	
Relieved	.824	
Cheerful	.811	
Factor 10: Job Resources: Personal Capabilities	Factor Loadings	Cronbach's Alpha
Items		0.771
I developed myself professionally.	.840	
I developed my capabilities.	.761	

I made sure that I used my capacities to the fullest.	.727	
Factor 11: Job Resources: Supervisor Relationship	Factor Loadings	Cronbach's Alpha
Items		0.761
I looked to my supervisor for inspiration.	.703	
I asked whether my supervisor is satisfied with my work.	.770	
I asked my supervisor to coach me.	.776	
Factor 12: Innovative Work Behavior	Factor Loadings	Cronbach's Alpha
Items		0.879
How often does this employee pay attention to issues that are not part of his daily work?	.719	
How often does this employee search out new working methods, techniques or instruments?	.764	
How often does this employee generate original solutions for problems?	.783	
How often does this employee wonders how things can be improved?	.713	
How often does this employee make important organizational members enthusiastic for innovative ideas?	.771	
How often does this employee contribute to the implementation of new ideas?	.750	
How often does this employee systematically introduce innovative ideas into work practices?	.743	



APPENDIX C:

EMPLOYEE QUESTIONNAIRE

Please rate below statements in the following scale (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
Managers should make most decisions without consulting subordinates.							
It is frequently necessary for a manager to use authority and power when dealing with subordinates.							
Managers should seldom ask for the opinions of employees.							
Managers should avoid off-the-job social contacts with employees.							
Employees should not disagree with management decisions.							
Managers should not delegate important tasks to employees.							
Group welfare is more important than individual rewards.							
Group success is more important than individual success.							
Being accepted by the members of your work group is very important.							
Employees should only pursue their goals after considering the welfare of the group.							
Managers should encourage group loyalty even if individual goals suffer.							
Individuals may be expected to give up their goals in order to benefit group success.							
My supervisor makes clear expectations.							
My supervisor will take action before problems are chronic.							
My supervisor tells us standards to carry out work.							
My supervisor works out agreements with me.							
My supervisor monitors my performance and keeps track of mistakes.							
My current leader behaves like a family member (father/mother /elder brother/sister) towards employees.							

My current leader provides advice to employees like a senior family member.							
My current leader family environment in the workplace.							
My current leader feels responsible from employees as if they are his or her own children.							
Please rate below statements in the following scale (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
My current leader is ready to help employees with their non-work problems (e.g., housing, education of their children, health problems) whenever they need.							
My current leader attends special events of employees (e.g., wedding, funeral ceremonies, graduation of children.)							
My current leader is prepared to act as a mediator whenever an employee has problems in his or her private life (e.g., marital problems).							
My current leader places more importance to loyalty than performance in evaluating employees.							
My current leader expects loyalty and deference in exchange for his or her care and nurturance.							
My current leader believes that s/he knows what is best for his or her employees.							
I have a better relationship with my manager than most others.							
When my manager cannot make it to an important meeting, it is likely that s/he will ask me to fill in.							
Relative to the others in my work group, I receive more support from my manager.							
The working relationship I have with my manager is more effective than the relationships most members of my group have with my manager.							
My manager is more loyal to me compared to my coworkers.							
My manager enjoys my company more than he/she enjoys the company of other group members.							
I have successfully asked for extra responsibilities that take advantage of the skills that I bring to the job.							
At my request, my supervisor has assigned me tasks that better develop my skills.							
I have negotiated with my supervisor for tasks that better fit my personality, skills, and abilities.							
My supervisor has offered me opportunities to take on desired responsibilities outside of my formal job requirements.							
In response to my distinctive contributions, my supervisor has granted me more flexibility in how I complete my job.							

Following my initial appointment, my supervisor assigned me to a desirable position that makes use of my unique abilities.							
My supervisor considers my personal needs when making my work schedule.							
At my request, my supervisor has accommodated my off-the-job demands when assigning my work hours.							
Outside of formal leave and sick time, my supervisor has allowed me to take time off to attend to non-work-related issues.							
Please rate below statements in the following scale (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
Because of my individual needs, I have negotiated a unique arrangement with my supervisor that allows me to complete a portion of my work outside of the office.							
Because of my particular circumstances, my supervisor allows me to do work from somewhere other than the main office.							
My supervisor has ensured that my compensation arrangement (e.g., hourly vs. salaried) meets my individual needs.							
Because of my personal circumstances, my supervisor has created a compensation arrangement that is tailored to fit me.							
Because of my unique skills and contributions, my supervisor has been willing to negotiate my compensation.							
Beyond formal policies, my supervisor has raised my pay because of the exceptional contributions that I make to the organization.							
After my initial appointment, I negotiated with my supervisor to develop a compensation plan that rewards my unique contributions.							
Consider your personal discussions with your manager within the last year, where you asked for deals individualized for you. In this process, how often did you feel the following feelings? (1: not at all, 7: very much)	1	2	3	4	5	6	7
Anger							
Betrayed							
Disappointed							
Remorse							
Unhappy							

Happy							
Satisfied							
Optimistic							
Relieved							
Cheerful							
I developed myself professionally.							
I developed my capabilities.							
As a result of your discussions with your manager targeting to achieve deals personalized for you within the last year, please rate the accuracy of below statements (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
I made sure that I used my capacities to the fullest.							
I decided on my own how I did things.							
I learnt new things at work.							
I asked colleagues for advice.							
I asked others for feedback on my job performance.							
I looked to my supervisor for inspiration.							
I asked whether my supervisor is satisfied with my work.							
I asked my supervisor to coach me.							

APPENDIX D:  
EMPLOYEE QUESTIONNAIRE (TURKISH)

Doktora Tezi Arařtırma

Sayın katılımcı,

Bu anket, Boğaziçi Üniversitesi İşletme Bölümü tarafından yürütölen doktora tezi çalışması kapsamında hazırlanmıştır. Araştırmanın amacı, organizasyonlarda görölen deęişik liderlik stillerinin etkilerini ölçömlmek, çalışanların tutum ve davranışlarını etkileyen faktörler hakkında bilgi edinmektir. Anketten elde edilecek bilgiler, yalnızca bilimsel amaçlar için kullanılacak, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır. Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Cevaplarınız dięer katılımcıların cevaplarıyla birleştirilecek ve kişisel olarak deęerlendirilmeyecektir. Bu anketi doldurmak için zaman ayırdığınız için teşekkür ederiz.

Deęerler

Bu bölüm sizin bireysel deęerleriniz hakkındadır. Lütfen genel anlamda ařağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak deęerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

## Güç Mesafesi

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

1. Yöneticiler çoğu kararları kendisine bağlı çalışanlara danışmadan vermelidir.
2. Bir yöneticinin kendisine bağlı çalışanlara otorite kullanması ve gücünü belirtmesi sıklıkla gereklidir.
3. Yöneticiler nadiren çalışanların fikirlerini sormalıdır.
4. Yöneticiler, çalışanlarla iş dışı sosyal temaslardan kaçınmalıdır.
5. Çalışanlar yönetim kararlarına karşı çıkmamalıdır.
6. Yöneticiler, önemli görevleri çalışanlara delege etmemelidir.

## Bireycilik / Toplulukçuluk

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

1. Grup refahı (yani takımın menfaati), bireysel ödüllerden daha önemlidir.
2. Grup başarısı bireysel başarıdan daha önemlidir.
3. Çalışma grubunun üyeleri tarafından kabul görmek çok önemlidir.
4. Çalışanlar, ancak grubun refahını ve menfaatini göz önüne aldıktan sonra, kendi hedeflerini elde etmenin peşine düşmelidir.
5. Yöneticiler, bireysel hedefler pahasına da olsa, takımı gruba sadakata teşvik etmelidir.
6. Bireylerin, grubun başarısı adına kendi hedeflerinden vazgeçmeleri beklenebilir.

## Liderlik

Bu bölüm yöneticinizin liderlik yaklaşımı ve stili hakkındadır. Lütfen şu an doğrudan yani direkt bağlı olduğunuz yöneticinizi düşünerek, aşağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

### İşlemsel Liderlik

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

Lütfen bu soruları şu an direk bağlı olduğunuz yöneticiyi düşünerek cevaplayınız:

1. Yöneticimin beklentileri açıktır.
2. Yöneticim sorunlar kronik olmadan önce harekete geçer.
3. Yöneticim işimiz için gerekli standartları bize anlatır.
4. Yöneticim benimle çözüm odaklı anlaşmalar yapar.
5. Yöneticim performansımı ve hatalarımı izler.

### Paternalist Liderlik

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

Lütfen bu soruları şu an direk bağlı olduğunuz yöneticiyi düşünerek cevaplayınız:

1. Yöneticim çalışanlarına karşı bir aile büyüğü (baba/anne veya ağabey/abla) gibi davranır.
2. Yöneticim çalışanlarına bir aile büyüğü gibi öğüt verir.

3. Yöneticim işyerinde aile ortamı yaratmaya önem verir.
4. Yöneticim bir ebeveynin çocuğundan sorumlu olması gibi, her çalışanından kendini sorumlu hisseder.
5. Yöneticim ihtiyaçları olduğu zaman, çalışanlarına iş dışı konularda (örneğin, ev kurma, çocuk okutma, sağlık vs.) yardım etmeye hazırdır.
6. Yöneticim çalışanlarının özel günlerine (örneğin, nikah, cenaze, mezuniyet vs.) katılır.
7. Yöneticim çalışanlardan birinin özel hayatında yaşadığı problemlerde (örneğin, eşlerarası problemlerde) arabuluculuk yapmaya hazırdır.
8. Yöneticim çalışanlarında sadakate, performansa verdiğiinden daha fazla önem verir.
9. Yöneticim çalışanlarına gösterdiği ilgi ve alakaya karşılık, onlardan bağlılık ve sadakat bekler.
10. Yöneticim çalışanları için neyin en iyi olduğunu bildiğine inanır.

#### Lider Üye Etkileşimi Sosyal Karşılaştırma

Bu bölüm yöneticinizle olan ilişkiniz ile alakalıdır. Yöneticinizle olan ilişkinizi, ekipteki diğer çalışanlara kıyasla değerlendirmeyi amaçlar. Lütfen şu an doğrudan bağlı olduğunuz yöneticinizi ve onun yönettiği, sizin de ekibin parçası olduğunuz çalışma grubundaki iş arkadaşlarınızı düşünerek, aşağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler,



kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

Lütfen bu soruları şu an direk bağlı olduğunuz yöneticiyi düşünerek cevaplayınız:

1. Yöneticimle, çalışma grubumdaki diğer iş arkadaşlarımdan daha iyi bir ilişkim var.
2. Yöneticim önemli bir toplantıya katılamadığında, yüksek olasılıkla benden onun yerine katılmamı isteyecektir.
3. Çalışma grubumdaki diğer iş arkadaşlarıma göre, yöneticimden daha fazla destek alıyorum.
4. Yöneticimle olan çalışma ilişkimiz, grubumun çoğu üyesinin yöneticimle olan ilişkilerinden daha etkilidir.
5. Yöneticim, iş arkadaşlarımla karşılaştırıldığında bana karşı daha sadık.
6. Yöneticim benim ona refakat etmemden, diğer grup üyelerinin ona refaket etmesine kıyasla daha fazla zevk alıyor.

#### Kişiyi Özgü Anlaşmalar

Bu bölüm çalışanlar ve yöneticileri arasında müzakere edilen kişiyi özgü anlaşmalar yani, kişiselleştirilmiş iş düzenlemeleri, çalışana özel uygulamalar, potansiyel çatışmaları önleyen esnek çalışma programları, çalışanların güçlü yönleriyle ve çıkarlarıyla eşleşen özel görev atamaları, çalışanların en iyi potansiyelini ortaya çıkarmayı amaçlayan kişiyi özel kariyer geliştirme fırsatları ve çalışanların ihtiyaçlarını karşılayan özelleştirilmiş ödeme paketlerini araştırır. Lütfen şu an doğrudan bağlı olduğunuz yöneticiniz ile son bir yılda yaptığınız müzakereler sonucu

standart uygulama dıřı, size özel verilen hak ve izinleri düşünerek, ařağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz. Bu uygulamalar görev ve iş sorumluluklarınız, nereden ve ne zaman çalıştığınız ya da ödeme paketi düzenlemeleri gibi alanlarda olabilir.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

Görev ve iş sorumlulukları

1. Yöneticimden kendime özel becerilerimden yararlanabileceğim ek sorumlulukları başarıyla istedim.
2. İsteğim üzerine, yöneticim bana becerilerimi daha iyi geliştirebilecek görevler verdi.
3. Kişiliğıme, becerilerime ve yeteneklerime daha iyi uyan görevler için yöneticimle müzakare ettim.
4. Yöneticim bana resmi iş tanımımın gereksinimlerinin üstüne istediğim ek sorumlulukları alma fırsatı sundu.
5. Fark yaratan katkılarıma karşılık, yöneticim bana işimi nasıl tamamladığım konusunda daha fazla esneklik sundu.
6. İlk atamamın ardından yöneticim beni, kendime özel yeteneklerimi kullanan, istediğim pozisyonlarda görevlendirdi.
7. Yöneticim, çalışma programımı yaparken kişisel ihtiyaçlarımı dikkate alıyor.

8. Talebim üzerine yöneticim çalışma saatlerimi ayarlarken iş dışı taleplerimi de göz önüne alır.
9. Resmi izin ve hastalık izinleri dışında, yöneticim iş dışı sorumluluklarımı yerine getirmem için bana izin verdi.
10. Bireysel ihtiyaçlarım nedeniyle, yöneticim ile işimin bir bölümünü ofis dışında tamamlamama izin veren bana özel bir anlaşmaya vardım.
11. Özel durumlarım nedeniyle yöneticim bana ana ofis dışındaki bir yerden iş yapma izni veriyor.
12. Yöneticim, maaş düzenlememin (örneğin saatlik ücretli veya aylık maaşlı) bireysel ihtiyaçlarıma cevap vermesini sağlamıştır.
13. Kişisel durumlarım nedeniyle yöneticim bana uyacak şekilde tasarlanmış bir ücret düzenlemesi yarattı.
14. Kişisel becerilerim ve katkılarım nedeniyle, yöneticim ücretimi müzakere etmeye istekli olmuştur.
15. Resmi politikaların ötesinde, yöneticim kuruma yaptığım istisnai katkılardan dolayı ücretimi artırdı.
16. İlk atamamdan sonra, kişisel katkılarımı ödüllendiren bir ücret planı geliştirmek için yöneticim ile müzakere ettim.

#### Pozitif ve Negatif Duygular

Doğrudan bağlı olduğunuz yöneticinizle son bir sene içinde yapmış olduğunuz, size özel şart ve anlaşmalar sunmasını talep ettiğiniz, kişiye özgü olan müzakereleri düşünün. Bu süreçte takip eden duyguları ne sıklıkla hissettiniz?

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Hiç bir zaman'dan 7-Çok sıklıkla'ya)

1. Kızgınlık
2. İhanete uğramış
3. Hayal kırıklığına uğramış
4. Vicdan azabı
5. Mutsuz
6. Mutlu
7. Memnun olmuş
8. İyimser
9. Rahatlamış
10. Neşeli

İş Kaynakları

Doğrudan bağlı olduğunuz yöneticinizle son bir yılda yapmış olduğunuz, size özel şart ve anlaşmalar sunmasını talep ettiğiniz, kişiye özgü olan müzakereleri düşünün. Lütfen bu şekilde edindiğiniz uygulamalar aracılığıyla aşağıdaki ifadelere ne ölçüde katıldığınızı belirtin.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

1. Kendimi profesyonel anlamda geliştirdim
2. Yeteneklerimi geliştirdim
3. Kapasitemi ve potansiyelimi sonuna kadar kullandığımdan emin oldum
4. İşlerimi nasıl yaptığıma kendi başıma karar verdim
5. İşimde yeni şeyler öğrendim
6. Meslektaşlarımdan tavsiye istedim
7. Başkalarından iş performansım hakkında geri bildirim vermelerini istedim
8. İlham almak için yöneticime baktım
9. Yöneticimin işimden memnun olup olmadığını sordum
10. Yöneticimden bana koçluk yapmasını istedim.

Demografik sorular:

- 1.Yaşınız: (çoktan seçmeli şekilde sorulacak: 18-90 arası her yılı seçebilecek şekilde)
2. Cinsiyetiniz: kadın / erkek /diğer
3. Tamamladığınız en yüksek eğitim seviyesi: lise / üniversite / yüksek lisans / doktora
4. Şirketinizin sektörü: hizmet / ticaret / üretim / diğer

5. Çalıştığınız departman: (açık uçlu soru)
6. Ünvanınız (lütfen kademenizin en yakın bulunduğu ünvanı işaretleyiniz) : uzman / yönetici / müdür / direktör / genel müdür
7. Departman içindeki göreviniz: (açık uçlu soru)
8. Şirkette kaç yıldır çalıştığınız: (çoktan seçmeli şekilde sorulacak: 1-35 arası her yılı seçebilecek şekilde)
9. Direkt raporladığınız yöneticiyle kaç yıldır beraber çalıştığınız: (çoktan seçmeli şekilde sorulacak: 1-35 arası her yılı seçebilecek şekilde)
10. Şirkette çalışan toplam kişi sayısı: 30-49 / 50-99 / 99-199 / 200+

APPENDIX E:

LEADER QUESTIONNAIRE

Please evaluate how often this employee (he/she) exhibits each behaviour on a 7-point scale (1 = not at all, 7 = very much so)	1	2	3	4	5	6	7
How often does this employee pay attention to issues that are not part of his daily work?							
How often does this employee put effort in the development of new things?							
How often does this employee find new approaches to execute tasks?							
How often does this employee search out new working methods, techniques or instruments?							
How often does this employee generate original solutions for problems?							
How often does this employee attempt to convince people to support an innovative idea?							
How often does this employee wonders how things can be improved?							
How often does this employee make important organizational members enthusiastic for innovative ideas?							
How often does this employee contribute to the implementation of new ideas?							
How often does this employee systematically introduce innovative ideas into work practices?							
Please evaluate below statements considering last year with this employee (him/her) in the following scale (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
Because of his individual needs, he has negotiated a unique arrangement with me that allows him to complete a portion of his work outside of the office.							
Because of his particular circumstances, I allow him to do work from somewhere other than the main office.							
I have ensured that his compensation arrangement (e.g., hourly vs. salaried) meets his individual needs.							
Because of his personal circumstances, I have created a compensation arrangement that is tailored to fit him.							
Because of his unique skills and contributions, I have been willing to negotiate his compensation.							
Beyond formal policies, I have raised his pay because of the exceptional contributions that he makes to the organization.							

After his initial appointment, he negotiated with me to develop a compensation plan that rewards his unique contributions.							
He has successfully asked for extra responsibilities that take advantage of the skills that he brings to the job.							
At his request, I have assigned him tasks that better develop his skills.							
Please evaluate below statements considering last year with this employee (him/her) in the following scale (1: Strongly Disagree, 7: Strongly Agree)	1	2	3	4	5	6	7
He has negotiated with me for tasks that better fit his personality, skills, and abilities.							
I have offered him opportunities to take on desired responsibilities outside of his formal job requirements.							
In response to his distinctive contributions, I have granted him more flexibility in how he completes his job.							
Following his initial appointment, I assigned him to a desirable position that makes use of his unique abilities.							
I consider his personal needs when making his work schedule.							
At his request, I have accommodated his off-the-job demands when assigning his work hours.							
Outside of formal leave and sick time, I have allowed him to take time off to attend to non-work-related issues.							



APPENDIX F:  
LEADER QUESTIONNAIRE (TURKISH)

Liderlik Doktora Tezi Araştırma

Sayın katılımcı,

Bu anket, Boğaziçi Üniversitesi İşletme Bölümü tarafından yürütülen doktora tezi çalışması kapsamında hazırlanmıştır. Araştırmanın amacı, organizasyonlarda görülen değişik liderlik stillerinin etkilerini ölçümlemek, çalışanların tutum ve davranışlarını etkileyen faktörler hakkında bilgi edinmektir. Anketten elde edilecek bilgiler, yalnızca bilimsel amaçlar için kullanılacak, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır. Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Cevaplarınız diğer katılımcıların cevaplarıyla birleştirilecek ve kişisel olarak değerlendirilmeyecektir. Bu anketi doldurmak için zaman ayırdığınız için teşekkür ederiz.

Yenilikçi İş Davranışları

Bu bölüm .... isimli çalışanınızın yenilikçi iş davranışlarını ölçümlemek amacıyla. Çalışanın iş tanımını üzerine yenilikçi davranışlar sergileyerek inovasyon yapma kapasitesini ve performansını ölçer. Lütfen çalışanın son bir senesini değerlendirerek aşağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler,

kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Hiç bir zaman'dan 7-Çok sıklıkla'ya)

Lütfen aşağıdaki soruları bahsi geçen çalışanınızı değerlendirerek cevaplayınız:

Bu çalışanı düşünerek, hangi sıklıkla takip eden davranışları gerçekleştirdiğini ifade edebilir misiniz?

1. Bu çalışan ürün, servis ve süreçleri değiştirmek için düzenli olarak önerilerde bulunur.
2. Bu çalışan yeni bilgiler elde edip onları ürün ve servislerin gelişiminde kullanır.
3. Bu çalışan zor durumlar için yeni çözüm önerileri geliştirir.
4. Bu çalışan yeni metodlar, yöntemler ve çözüm önerileri bulmaya özen gösterir.
5. Bu çalışan problemler için orijinal çözümler bulmaya çaba gösterir.
6. Bu çalışan yenilikleri gerçekleştirmek için etrafının desteğine önem verir.
7. Bu çalışan yeni fikirleri gerçekleştirmek için yeni yöntemleri öğrenmekten çekinmez.
8. Bu çalışan kurum içerisindeki kişileri yenilikçi fikirlerin gerçekleşmesi için motive eder.
9. Bu çalışan yenilikçi fikirleri yararlı uygulamalara çevirir.
10. Bu çalışan yenilikçi fikirleri iş ortamına sistematik bir biçimde dahil eder.
11. Bu çalışan yenilikçi fikirlerin yararlarını sistematik bir biçimde değerlendirir.

Kişiyi Özgü Anlaşmalar

Bu bölüm çalışanlar ve yöneticileri arasında müzakere edilen kişiye özgü anlaşmalar yani, kişiselleştirilmiş iş düzenlemeleri, çalışana özel uygulamalar, potansiyel çatışmaları önleyen esnek çalışma programları, çalışanların güçlü yönleriyle ve çıkarlarıyla eşleşen özel görev atamaları, çalışanların en iyi potansiyelini ortaya çıkarmayı amaçlayan kişiye özel kariyer geliştirme fırsatları ve çalışanların ihtiyaçlarını karşılayan özelleştirilmiş ödeme paketlerini araştırır. Bu uygulamalar görev ve iş sorumlulukları, nereden ve ne zaman çalıştığı ya da ödeme paketi düzenlemeleri gibi alanlarda olabilir. Lütfen .... isimli çalışmanız ile yaptığınız müzakereler sonucu standart uygulama dışı ona özel verilmesini sağladığınız hak ve izinleri düşünerek, aşağıdaki ifadelere ne ölçüde katıldığınızı belirtiniz. Lütfen soruları sadece son bir yılı düşünerek cevaplayınız.

Ankette yer alan hiç bir sorunun doğru ya da yanlış yanıtı yoktur. İçtenlikle vereceğiniz cevaplar bizim için en yararlı olanlardır. Anketten elde edilecek bilgiler, kişisel olarak değerlendirilmeyecek, kesinlikle kurumunuzla, yöneticinizle ya da çalışanlarınızla paylaşılmayacaktır.

(1- Kesinlikle Katılmıyorum'dan 7-Kesinlikle Katılıyorum'a)

1. Yöneticisi olarak benden kendisine özel becerileriden yararlanabileceği ek sorumlulukları başarıyla istedi.
2. İsteği üzerine, ona becerilerini daha iyi geliştirebilecek görevler verdim.
3. Kişiliğine, becerilerine ve yeteneklerine daha iyi uyan görevler için benimle müzakare etti.
4. Ona resmi iş tanımının gereksinimlerinin üstüne istediği ek sorumlulukları alma fırsatı sundum.

5. Fark yaratan katkılarına karşılık, ona işini nasıl tamamladığı konusunda daha fazla esneklik sundum.
6. İlk atamasının ardından onu, kendine özel yeteneklerini kullandığı, istediği pozisyonlarda görevlendirdim.
7. Çalışma programını yaparken kişisel ihtiyaçlarını dikkate alıyorum.
8. Talebi üzerine çalışma saatlerini ayarlarken iş dışı taleplerini de göz önüne alırım.
9. Resmi izin ve hastalık izinleri dışında, iş dışı sorumluluklarını yerine getirmesi için izin verdim.
10. Bireysel ihtiyaçları nedeniyle, benimle işinin bir bölümünü ofis dışında tamamlamasına izin veren ona özel bir anlaşmaya vardı.
11. Özel durumları nedeniyle ona ana ofis dışındaki bir yerden iş yapma izni veriyorum.
12. Maaş düzenlemesinin (örneğin saatlik ücretli veya aylık maaşlı) bireysel ihtiyaçlarına cevap vermesini sağladım.
13. Kişisel durumları nedeniyle ona uyacak şekilde tasarlanmış bir ücret düzenlemesi yarattım.
14. Kişisel becerileri ve katkıları nedeniyle, ücretini müzakere etmeye istekli oldum.
15. Resmi politikaların ötesinde, kuruma yaptığı istisnai katkılardan dolayı ücretini arttırdım.
16. İlk atamasından sonra, kişisel katkılarını ödüllendiren bir ücret planı geliştirmek için benimle müzakere etti.

Demografik sorular:

1. Yaşınız: (çoktan seçmeli şekilde sorulacak: 18-90 arası her yılı seçebilecek şekilde)
2. Cinsiyetiniz: kadın / erkek / diğer
3. Tamamladığınız en yüksek eğitim seviyesi: lise / üniversite / yüksek lisans / doktora
4. Şirketinizin sektörü: hizmet / ticaret / üretim / diğer
5. Çalıştığınız departman: (açık uçlu soru)
6. Ünvanınız (lütfen kademenizin en yakın bulunduğu ünvanı işaretleyiniz) : uzman / yönetici / müdür / direktör / genel müdür
7. Departman içindeki göreviniz: (açık uçlu soru)
8. Şirkette kaç yıldır çalıştığınız: (çoktan seçmeli şekilde sorulacak: 1-35 arası her yılı seçebilecek şekilde)
9. Direk raporladığınız yöneticiyle kaç yıldır beraber çalıştığınız: (çoktan seçmeli şekilde sorulacak: 1-35 arası her yılı seçebilecek şekilde)
10. Şirkette çalışan toplam kişi sayısı: 30-49 / 50-99 / 99-199 / 200+

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