# An Investigation of the Curvilinear Effects of Contingent Reward Leadership on Stress-Related and Attitudinal Outcomes

#### Kenneth J. Harris Indiana University Southeast

School of Business 4201 Grant Line Road New Albany, IN 47150, USA.

Lisa M. Russell Indiana University Southeast School of Business 4201 Grant Line Road New Albany, IN 47150, USA.

## Abstract

Considerable research has accumulated on contingent reward leadership (CRL), a dimension of transactional leadership. As a whole, this research has found positive associations between CRL and desired outcomes. These findings have resulted in the notion that these relationships are linear, with ever increasing CRL being associated with better and better outcomes. However, there are theoretical and empirical reasons to question the assumed linearity of these relationships. In a sample of 397 police officers, our findings provide support for the notion that the linkages between CRL and the outcomes of stress, job burnout, and job satisfaction may best be represented as curvilinear as opposed to linear. We conclude with theoretical and managerial implications, limitations, and directions for future research.

Key Words: Contingent reward leadership, transactional leadership, curvilinear, stress, job burnout, job satisfaction

## Introduction

Throughout the years, an abundance of research has accumulated on leadership. One form of leadership, transactional leadership, which is composed of two dimensions: contingent rewards and (active and passive) management-by-exception (MBE), has been linked to a number of positive outcomes including higher satisfaction, motivation, and performance, and lower levels of stress and job burnout (e.g., Judge & Piccolo, 2004; Podsakoff, Bommer, Podsakoff, & MacKenzie, 2006; Rowold & Schlotz, 2009; Zopiatis & Constanti, 2010). However, other forms of leadership (e.g., transformational, authentic, or servant) have received more recent attention, and in many cases, have been viewed as being more effective thaneither dimension of transactional leadership (Podsakoff, Podsakoff, & Kuskova, 2010). This is unfortunate as there are a number of misconceptions related to transactional leadership (Podsakoff et al., 2010). Additionally, for certain outcomes contingent reward leadership has been found to be a stronger predictor than transformational leadership (Judge & Piccolo, 2004).

In this study, we focus on contingent reward leadership. We chose this form of leadership as research on transactional research has received less recent attention (Podsakoff et al., 2010), and this dimension of transactional leadership has held up the best both conceptually (Bass &Avolio, 1994) and empirically (Judge & Piccolo, 2004; Podsakoff et al., 2006). Contingent rewards refer to interactions between a follower and leader where there is an agreement about the work that needs to be performed, and in exchange for satisfactorily completing the assignment(s), the leader provides rewards (Bass, 1998; Burns, 1978). Theoretical arguments, as well as empirical work, have pointed to the notion that the aspects of contingent reward leadership, which include communicating clear expectations, having goals that leaders and followers know, and being rewarded (which can take a number of different forms), are good and are the likely reasons why it has been associated with positive outcomes (Podsakoff et al., 2006).

The empirical work on contingent reward leadership leads to the implicit assumption that higher and higher levels of the behavior are linked with better and better follower outcomes.

However, drawing on both theory and extant research, we believe this presumed linearity may not be the case. Empirically, a number of the correlations between contingent reward leadership and employee outcomes have been moderate (Podsakoff et al., 2006), which have prompted calls to more fully investigate these relationships. Theoretically, there also exists the notion that contingent reward leadership may only be motivating to a certain point (Avolio, 1999), after which it no longer is associated with positive outcomes. Based on social exchange theory (Blau, 1964) and the "too much of a good thing" (TMGT) effect (Pierce & Aguinis, in press), we posit that although contingent reward leadership may be positively related to desirable outcomes, the best representation of this relationship may be curvilinear as opposed to linear. In essence, we think there may be a point of diminishing returns, where the relationship between contingent reward leadership and desirable outcomes ceases to be as strongly positive or potentially even not positive at all. Thus, our research question is to determine if there is an inflection point where contingent reward leadership exhibits diminishing returns, which would elicit questions about the presumed "more is better" logic that currently exists. To accomplish our goal, we examine the associations between contingent reward leadership and three self-rated consequences, stress, job burnout, and job satisfaction, which have all been conceptually and empirically related.

### **Contingent Reward Leadership**

Contingent reward leadership and (active and passive) management-by-exception (MBE) are the two dimensions of transactional leadership. Management-by-exception refers to the extent to which leaders take corrective action when observing followers. An example of MBE leadership involves a leader observing a follower's mistake or a time when a follower did not meet agreed upon standards, and then taking corrective action. If there is no mistake or followers meet standards, then MBE leadership would exhibit minimal, if any, interaction (Bass et al., 1996). Although there are some positives to MBE leadership, the large majority of research on transactional leadership has found contingent reward leadership to be more desirable and effective (Podsakoff et al., 2006).

Social exchange theory (Blau, 1964) provides a conceptual backdrop for the benefits derived from contingent reward leadership. Social exchange theory is based on the notion that social behavior, including leadership, is based on the exchanges between two parties (Cropanzano & Mitchell, 2005). The theory values mutually beneficial relationships, with the idea that individuals try to maximize pleasurable experiences and minimize those that are not pleasurable. In terms of contingent reward leadership, followers work hard to accomplish their assignments in exchange for the contingent rewards (e.g., recognition, compensation, better roles, praise, and workplace flexibility) from their leaders. The ultimate goal of effective contingent reward leadership is when a mutually reinforcing situation results, with followers meeting standards for tasks and assignments and leaders providing valued rewards.

In the extant literature, transformational leadership, which refers to a leader's ability to lift followers to a new level (in terms of morale, motivation, or other avenues) and beyond their own self-interests for the greater good (Bass & Avolio, 1994), is often compared to transactional leadership, with a number of these comparisons having examined the contingent reward leadership dimension. Although important, some researchers have argued that the attention given to transformational leadership has often times been at the expense of, and overshadowed transactional leadership (Podsakoff et al., 2010). This has resulted in less knowledge about, and sometimes a recent de-emphasis on the positive qualities of transactional leadership. Unfortunately, contingent reward leadership, which has been found to be the transactional leadership behavior most strongly related to outcomes (e.g., Judge & Piccolo, 2004; Podsakoff et al., 2006), has received less attention and in some cases even received considerable criticism. Additionally, contingent reward leadership has been found to be the most strongly related of the transactional dimensions to transformational leadership (Judge & Piccolo, 2004).

### Past Empirical Research on Contingent Reward Leadership-Outcome Relationships

The positive relationships between contingent reward leadership and desired individual outcomes have been found in two recent meta-analyses (Judge & Piccolo, 2004; Podsakoff et al., 2006), as well as other contingent reward leadership research not in the meta-analyses (e.g., Rowold & Schlotz, 2009; Seltzer et al., 1989; Zopiatis & Constanti, 2010). More specifically, the extant research has reported strong associations between contingent reward leadership and higher levels of job satisfaction, performance, and commitment, and lower levels of stress and job burnout.

These findings have pointed to the notion that contingent reward leadership exhibits strong linear associations with desired outcomes. After completion of agreed upon job requirements, if leaders provide followers with valued rewards (e.g., recognition or compensation), followers are likely to be more satisfied with their jobs and even report lower levels of stress and burnout, as valued rewards often minimize stress-related reactions (Seltzer & Numerof, 1988; Zopiatis & Constanti, 2010). These linear results point to the logic that managers should take actions within their power to increase contingent rewards, as higher levels of contingent reward leadership are linked to better individual outcomes.

### Curvilinear Effects in Contingent Reward Leadership-Outcome Relationships

However, we are unsure these (assumed) linear associations always holds true. Do ever increasing levels of contingent rewards continue to lead to more desirable individual consequences? More specifically, we think there may be a point of diminishing returns in the contingent reward leadership– outcome relationships. Based on aspects of social exchange theory, as well as the TMGT effect (Pierce & Aguinis, in press), we question the implicitly assumed linearity of previous contingent reward leadership– outcome findings.

Social exchange theory suggests that when contingent reward leadership is at low levels, followers will experience more negative outcomes. When followers exert effort and complete their assigned tasks and assignments at the desired levels, but do not receive the (contingent) rewards they expect, they are likely to react adversely. In particular, and in line with the extant research, when contingent reward leadership is low, followers are likely to report higher levels of stress and job burnout, and decreased job satisfaction (Podsakoff et al., 2006; Rowold & Schlotz, 2009; Seltzer et al., 1989; Zopiatis & Constanti, 2010).

As contingent reward leadership increases to average levels, followers are likely to experience more desirable stress and attitudinal consequences. Followers who work hard and receive valued contingent rewards (e.g., recognition or compensation) from their leaders are likely to experience positive outcomes. This line of logic is in line with social exchange theory (Blau, 1964), as the mutually beneficial exchange between employee inputs (e.g., the completion of task assignments) and leader outputs (the rewards) is aligned and is associated with lower levels of stress and burnout, and higher levels of job satisfaction.

However, as contingent reward leadership increases to the highest levels, do the associated consequences increase in a similar, linear fashion? Based on social exchange and transactional leader theories, as well as the TMGT effect, we propose that the linear increases at high levels of contingent reward leadership are not experienced. As shown in Figure 1, we suggest that the contingent reward leadership-outcome associations experience diminishing returns best represented by a curvilinear association. The rationale behind our proposed curvilinear relationship is the notion that contingent reward leadership is valued and appreciated by followers, but only up to a certain point. At its core, the rewards that followers receive from leaders who employ contingent reward leader behaviors are appreciated. However, we think there is a point at which followers have received "enough" contingent rewards. In essence, there is likely to be a point at which followers are satiated or fulfilled from the contingent rewards they have received, or where the contingent rewards are no longer as valued. At this point, the level of contingent reward leadership has reached an inflection point after which further contingent rewards will not be associated with desired outcomes in similar fashions. For example, in exchange for completing agreed upon tasks, followers may like recognition, or other rewards, from a leader, but additional recognition beyond a certain level (the inflection point) is likely to not have the same positive impact.

This line of reasoning is in line with the TMGT effect, where ever increasing predictor values that have been "established" as being related to desirable consequences, actually are linked to asymptotic or even negative outcomes. This TMGT effect has been found in multiple areas of management including strategic management, organizational behavior, human resource management, and entrepreneurship. For example, studies have shown that the conscientiousness-job performance relationship (Le, Oh, Robbins, Ilies, Holland, & Westrick, 2011) is best represented as curvilinear. In terms of leadership studies, researchers found that leader-member exchange (LMX) quality is nonlinearly related to job tension, stress, and turnover intentions (Harris & Kacmar, 2006; Harris, Kacmar, & Witt, 2005; Hochwarter & Byrne, 2005). In all of these studies, variables (e.g., conscientiousness, political skill, LMX, and assertiveness) that have traditionally been "established", and implicitly assumed, to be directly and linearly related to favorable outcomes, were found to experience aspects of the TMGT effect.

Similarly, and based on the theoretical arguments previously mentioned, we propose that contingent reward leadership will exhibit similar TMGT effects where ever increasing levels of contingent rewards from leaders are associated with diminishing (favorable) returns such that "more is not always better". Based on these arguments, we hypothesize that:

*Hypotheses 1-3*: The relationships between contingent reward leadership and desired outcomes (lower levels of (1) stress, (2) job burnout, and higher levels of (3) job satisfaction) are best represented as curvilinear.

### Method

### Sample and Procedure

Multiple police departments in the southern United States served as the sample for this study. Given the demanding nature of police work and limited resources contingent reward leader behaviors and stress-related and attitudinal outcomes are salient to this group (e.g., McCarty & Skogan, 2013). For this reason, we thought this sample would be well suited to study this study's hypotheses. To begin the data collection efforts, the Chiefs, Sheriffs, and Directors of nine departments were contacted and asked to participate. Researchers were given access to officers at daily briefings and shift changes where respondents were informed of the goals of the study, that participation was voluntary, that researchers would keep individual responses confidential, and the specifics of informed consent. Survey data was collected during shift changes and daily briefings by researchers on premises for all but two departments, where surveys were collected by the watch sergeants and then sent to the researchers.

A total of 379 respondents (78.6% response rate) completed the survey. The majority of the respondents were non-Hispanic white men, between the ages of 32 and 45.

#### Measures

Items from each of the scales were averaged to create a scale score and coded such that high levels of the constructs are represented by high values.

Contingent reward leader behavior. The 9-item scale ( $\alpha = 0.90$ ) from the multifactor leadership questionnaire (Bass & Avolio, 1997) was used to assess contingent reward leader behavior. Respondents were instructed to rate how accurately statements such as "My leader tells me what to do to be rewarded for my efforts" described their immediate leaders' behaviors. Respondents responded on the following scale (1 = strongly disagree to 5 = strongly agree).

Stress. Job stress was assessed with Speilberger, Westberry, Grier, and Greenfield's (1981) 60-item( $\alpha$  = 0.95)measure. This scale was designed to specifically assess the stress levels of police officers and has been successfully utilized in other studies with police officers as the population (e.g., Violanti & Aron, 1993; Violanti & Aron, 1995). The first event listed, assignment of disagreeable duties, was given a rating of 4, a moderate amount of stress, in the first column. Subsequent events such as making arrests alone and delivering a death notification are rated proportionately higher or lower in stress in comparison to being assigned disagreeable duties, which is generally considered moderately stressful by individuals in a variety of occupations (Spielberger et al., 1981). Officers indicated the number of times they personally experienced the event in the past six months by selecting the corresponding number in the second column. A stress index for this measure was created by cross multiplying the perceived stress rating (1 = no perceived stress to 7 = high amount of perceived stress) by the frequency rating (0 = never to 7 = 7 + times), summing the results for the overall measure, and then dividing by the total number of survey items (Spielberger et al., 1981).

*Job burnout*. The 24-item ( $\alpha = 0.87$ ) Maslach Burnout Inventory–Human Services Survey (Maslach & Jackson, 1986; Maslach, Jackson, & Leiter, 1996) was used to assess job burnout. Respondents read events like "I feel burned out from my work" and rated how often each occurred on a scale ranging from *never* (= 0) to *everyday* (= 6).

*Job satisfaction.* Dantzker's (1994) 26-item ( $\alpha = 0.94$ ) general-purpose police job satisfaction scale was used in this study. Responses indicating job satisfaction levels were specified on an interval Likert scale ranging from 1 (= *extremely dissatisfied*) to 5 (= *extremely satisfied*) for each item following the question stem: How satisfied are you with\_\_\_\_\_\_, followed by answer choices like ...*your present assignment*.

### Control Variables

Based on our review of the extant literature (Liu, Spector, & Shi, 2008; Violanti & Aron, 1993, 1995) and to help minimize spurious relationships, we controlled for organizational tenure(1-5 years = 1, 6-10 years = 2, 11-15 years = 3, 16-20 years = 4, over 21 years = 5), age (18-24 years = 1, 25-31 years = 2, 32-38 years = 3, 39-45 years = 4, Over 45 years = 5), gender (male = 1, female = 2), marital status (single = 1, married = 2, divorced = 3, separated = 4, and widowed = 5), children (number), and neuroticism. Neuroticism was used as a control variable because individuals high in neuroticism are characterized as apprehensive, distressed, and anxious, tend to experience higher levels of stress-related and negative attitudinal variables (George, 1992; McCrae, 1991). Neuroticism was assessed using six items ( $\alpha = 0.86$ )from the larger IPIP neuroticism scale (open source Big 5 Personality Trait). Respondents were asked to describe themselves as they are now, not as they wish to be in the future, in relation to people they know of the same sex and age as they are now. A sample item was "I get upset easily." Responses were recorded on a Likert type scale ranging from 1 (= very inaccurate) to 5 (= very accurate).

#### Analytical Approach

We used hierarchical regression analyses to test our hypotheses. Since we had three outcomes, we conducted three separate hierarchical regression analyses. Each analysis included three steps. In the first step, we entered the six control variables. In the second step, we entered the linear contingent reward leadership variable. In the third step, we entered the quadratic (squared) contingent reward leadership term.

### Results

The means, standard deviations, and intercorrelations are shown in Table 1. The hierarchical regression results are provided in Table 2. Step 1 reveals that neuroticism was significantly associated with all three of our outcome variables (stress:  $\beta = 1.30$ , p < .01, job burnout:  $\beta = .19$ , p < .01, and job satisfaction:  $\beta = .14$ , p < .05). The only other significant control variable-consequence associations found in step 1 were between organizational tenure and job burnout ( $\beta = .08$ , p < .05) and gender and job burnout ( $\beta = .29$ , p < .05). In total, the control variables explained 3% of the variance in stress, 6% of the variance in job burnout, and 2% of the variance in job satisfaction.

The second step in each of the hierarchical regression analyses shows that the linear contingent reward leadership term was significantly related to all three outcome variables in the expected directions–stress ( $\beta$  = -1.45, p < .01,  $\Delta R^2$  = .02), job burnout ( $\beta$  = -.11, p < .05,  $\Delta R^2$  = .02), and job satisfaction ( $\beta$  = .24, p < .01,  $\Delta R^2$  = .04). In the third step of each of the analyses, the squared contingent reward leadership term was significantly related to stress ( $\beta$  = .91, p < .05,  $\Delta R^2$  = .01), job burnout ( $\beta$  = .16, p < .01,  $\Delta R^2$  = .04), and job satisfaction ( $\beta$  = -.09, p < .05,  $\Delta R^2$  = .01).

In total, these findings indicate that the linkages between contingent reward leadership and the outcomes examined in this study are best represented as curvilinear. However, to definitively determine support for our hypotheses, we needed to compose graphs of each of these relationships. Figures 2-4 provide the graphical depictions of these associations. As can be seen, for our two negative outcomes (stress in Figure 2 and job burnout in Figure 3), the general shapes of the relationships were similar with downward sloping lines until the inflection point, at which time the lines begins to slope upward. These results provide support for Hypotheses 1 and 2. We also calculated the inflection points for each of these associations. These analyses determined inflection points when contingent reward leadership values were 3.73 for stress and 3.30 for job burnout. Figure 4 shows the relationship between contingent reward leadership and job satisfaction. As can be seen in this figure, the line slopes upward until the inflection point, where the line ceases to slope upward and even slopes downward at the highest levels of contingent reward leadership. This finding provides support for Hypothesis 3. Our supplemental analysis for the contingent reward leadership – job satisfaction relationship revealed an inflection point when the leadership value was 4.22.

### Discussion

Social exchange theory (Blau, 1964) coupled with theoretical work on contingent reward leadership (e.g., Avolio, 1999; Judge & Piccolo, 2004; Podsakoff et al., 2006; Rowold & Schlotz, 2009; Zopiatis & Constanti, 2010) suggest that as contingent reward leadership behaviors increase, so to do positive individual outcomes such as job satisfaction, while negative individual consequences such as stress and burnout decrease. Our findings support these conclusions, as all of the linear relationships between contingent reward leadership and our dependent variables were significant in the hypothesized directions.

As seen in the quadratic step in our analyses, we found that these linear relationships hold only to a point. Specifically all dependent variables in our analyses are also significant when the squared contingent reward leadership term is entered into the equation indicating an inflection point at which the relationships for all respective variables are reversed. These results are in line with social exchange theory, but suggest there may be a point where the positive benefits from the social exchange no longer result in the same positive outcomes. It may be that contingent reward leader behaviors only have the desired outcomes up to a certain point, at which some of the contingent rewards may actually no longer be effective. This line of reasoning has been suggested with statements such as "most types of leadership behavior can be overused as well as underused, and the optimal amount of behavior is often a moderate amount rather than the maximum amount" (Yukl, 2012, p. 75), but rarely empirically investigated. Thus, our results provide tentative evidence of the TMGT effect with contingent reward leadership.

Another possible explanation for why increasing levels of contingent reward leadership behavior does not result in equally increasing levels of job satisfaction or decreasing levels of burnout or stress can be found in Hobföll's conservation of resources (COR) theory (1989, 2000), which suggests that individuals work to accumulate, protect, and retain necessary resources, such as those used to cope in demanding circumstances. According to Hobföll, an expenditure of resources requires re-accumulation and replenishment of those used; and individuals protect existing resource stores and expend them only when necessary to avoid re-accumulating valued resources. Increasingly demanding circumstances (such as police work) require that individuals tap resource stores, which in turn increase perceived stress and burnout and lowers job satisfaction. The effectiveness of which contingent reward leadership reduces burnout and stress and increases job satisfaction may diminish as individuals are exposed to increasing demands for which they must tap internal resource stores, as the contingent rewards provided from a leader only help to a certain point. Conversely, as leaders increase contingent rewards beyond the point that workers are no longer concerned with protection or restoration of depleted vital resources, workers become satiated, with less positive outcomes being associated with the leader behaviors. Thus, consistent with the tenets of COR theory, contingent reward leadership will be associated with individuals only up to a point. Needless to say, these are post-hoc explanations that are beyond the scope of our data, but that we hope researchers will strive to answer in future empirical studies.

The questions then, of where is the inflection point and is the inflection point really meaningful, are answered in our analyses. The mean for contingent reward leadership was 3.08 and the standard deviation was 0.83 in our sample. Of the two inverse relationships, the lowest inflection point of 3.30 was found for job burnout. This means that for job burnout, 61% of our subjects were below the inflection point, and 39% of our subjects were above the point. Up to the inflection point, contingent reward leader behavior is negatively associated with burnout. After this point, however, burnout began to increase, and 39% of the population experienced this phenomenon. Thus, engaging in only average amounts of contingent reward leadership behavior was associated with lower levels of burnout; however, continued contingent reward leadership behavior beyond the inflection point did not. Likewise, contingent reward leadership behavior diminished stress up to a certain point (inflection point = 3.73) after which point the effect no longer held. For stress, 78% of our population was below the inflection point, and 22% were above it. The highest inflection point was for job satisfaction at 4.22 - over one standard deviation above the mean. This meant that for job satisfaction, 89% of our population was below the inflection point, and 11% were above it. Albeit our inflection points were slightly different, as might be expected based on the consequence of interest, they did exhibit some similarities. They were all above the mean and somewhere between .27 (for job burnout) and 1.37 (for job satisfaction) standard deviations above the mean. Additionally, in terms of the number of our respondents, anywhere between 11-39% of the subjects, depending on the outcome, experienced the TMGT effect. As a whole, these findings seem to indicate that contingent reward leadership has positive effects, but that a considerable number of workers may not experience optimal outcomes and may be subject to the TMGT effect.

#### Managerial Implications

Our results have implications for practicing managers. First and foremost, our results are in alignment with the research in the area (Judge & Piccolo, 2004; Podsakoff et al., 2006) that confirms that contingent reward leadership is associated with positive outcomes. More specifically, contingent reward leadership is related to lower stress and job burnout, and higher job satisfaction. Accordingly, the positive impacts of contingent reward leadership, which are sometimes deemphasized (Podsakoff et al., 2010), should be understood and encouraged.

Managers need to be aware that providing contingent rewards to their followers is a good leadership behavior. However, our results also suggest that practitioners should be aware that at a point – the inflection point – the beneficial outcomes associated with contingent reward leadership may no longer materialize. This is important, as previous managerial suggestions have almost exclusively pointed to the notion that more contingent reward leadership is better. Thus, in today's business world, where time and resources are limited, managers may want to work to increase their contingent reward levels up to a certain level, but then use their finite resources in other areas where they continue to elicit positive returns.

#### Limitations and Suggestions for Future Research

Although our results were interesting and make a number of contributions, there are limitations that we must acknowledge. One relates to our research design. Our data collection technique does elicit questions related to common method variance (CMV: Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Acknowledging that this may be the case, research has shown that common method issues are more likely to influence linear relationships between two variables and that it is difficult to find nonlinear relationships (Pierce & Aguinis, in press), thus making our finding of three curvilinear relationships all the less likely. A second limitation relates to our small effect sizes. However, when investigating primarily asymptotic curvilinear relationships, one would expect to find small or no effects (Pierce & Aguinis, in press). Further, although small, our findings are novel and previous studies have shown the significant bottom-line impacts of even small effect sizes (Abelson, 1985; Fichman, 1999).

A final limitation is that although we found three significant curvilinear contingent reward leadership – outcome associations, all of our data were from a single sample of police officers. It might be that police officers have differential needs for contingent reward leadership. We hope future research efforts investigate our hypotheses with other samples to determine the robustness of our results. Additionally, studies with other consequences, including performance, turnover, and work effort would help to expand the nomological network related to this association. We encourage future studies that examine these outcomes, as well as research efforts with other-rated consequences and/or longitudinal ratings (e.g., performance over time), as these types of investigations would be insightful.

Another area for future research would be to better determine the reasons why the contingent reward leadershipconsequence associations seem to experience the TMGT effect. Our study reported asymptotic findings, but due to our research design, we were unable to determine the exact reasons why. Is it because contingent reward leadership is effective only up until a certain level? Is it that employees only have a certain threshold (or need) for contingent rewards, and after it is satiated, the positive effects no longer result? Could it be that employees are not able to differentiate or appreciably recognize the differences between higher and higher levels (i.e., 0.25 to 0.5 to 1 to 1.5 standard deviations above the mean) of contingent reward leadership? Is it that contingent reward leadership by itself is only effective up until a certain point, at which other leader behaviors need to supplement the contingent rewards? We hope future research efforts will be designed to answer these questions, and better determine the whys related to our findings.

A final avenue for future research would be to examine other "established" linear relationships between leadership behaviors and outcomes. For contingent reward leadership, are the relationships with other outcomes linear? For other leader behaviors including transformational leadership, authentic leadership, abusive supervision, participative, or supportive leadership, are the assumed linear associations with dependent variables the best representation, or is non-linearity a more accurate depiction. We encourage other researchers to examine (or reexamine) these issues to help answer these questions.

### Conclusion

An abundance of leadership research exists, with the large majority showing the positive associations with desired individual and organizational outcomes. Research and managerial recommendations about contingent reward leadership have stated that this type of leader behavior is beneficial. This study found that although contingent reward leadership is associated with lower stress, lower job burnout, and higher job satisfaction, the most accurate representation of these relationships may in fact be curvilinear. It might be that there is "too much of a good thing" when it comes to the administration of contingent rewards from leaders. We hope that this study stimulates additional questions and that future investigations will further our knowledge base about the associations between contingent reward leadership, as well as other leader styles and behaviors, and important variables.

#### References

Abelson, R. (1985). A variance explanation paradox: When a little explains a lot. Psychological Bulletin, 97, 129-133.

Avolio, B. J. (1999). Full leadership development: Building the vital forces in organizations. Thousand Oaks, CA: Sage.

- Bass, B. (1998). Transformational leadership: Industry, military, and educational impact. Mahwah, NJ: Erlbaum Associates.
- Bass, B.M. & Avolio, B.J. (Eds.). (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage Publications.
- Bass, B.M., & Avolio, B.J. (1997). Full Range leadership development: Manual for the Multifactor Leadership Questionnaire. Palo Alto, USA: Mind Garden Inc.
- Bass, B.M., Avolio, B.J., & Atwater, L. (1996). The transformational and transactional leadership of men and women. *International Review of Applied Psychology*, 45, 5–34.
- Blau, P. M. (1964). Exchange and Power in Social Life. New York: John Wiley & Sons.
- Bono, J. E., & Judge, T. A. (2004). Personality and Transformational and Transactional Leadership: A Meta-Analysis. *Journal of Applied Psychology*, 89, 901-910.
- Burns, J. M. (1978). Leadership. NY: Harper & Row.
- Cropanzano, R., & Mitchell, M.S. (2005). Social exchange theory: An interdisciplinary review. Journal of Management, 31, 874-900.
- Dantzker, M. L. (1994). Identify determinants of job satisfaction among police officers. *Journal of Police and Criminal Psychology*, 10, 47-56.
- Fichman, M. (1999). Variance explained: Why size does not (always) matter. Research in Organizational Behavior, 21, 295-331.
- George, J. (1989). Mood and absence. Journal of Applied Psychology, 71, 102-110.
- George, J. (1992). The role of personality in organizational life: Issues and evidence. Journal of Management, 18, 185-213.
- Harris, K. J. & Kacmar, K. M. (2006). Too much of a good thing? The curvilinear effect of leader-member exchange on stress. *Journal of Social Psychology*, 146, 65-84.
- Harris, K. J., Kacmar, K. M., & Witt, L. A. (2005). The curvilinear relationship between relationship quality and turnover intentions. *Journal of Organizational Behavior*, 26, 363-378.
- Hobföll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. American Psychologist, 44, 513-524.
- Hobföll, S. E., & Shirom, A. (2000). A conservation of resources theory: Applications to stress and management in the workplace. *Handbook of Organizational Behavior*, 57-81.
- Hochwarter, W. A., & Byrne, Z. S. (2005). Leader member exchange and job tension: Linear and non-linear effects across levels of affective disposition. *Journal of Business and Psychology*, 20, 171-190.
- International Personality Item Pool: A Scientific Collaboratory for the Development of Advanced Measures of Personality Traits and Other Individual Differences. (n.d.).Retrieved December 17, 2012, from <a href="http://ipip.ori.org/">http://ipip.ori.org/</a>.
- Judge, T.A., & Piccolo, R.F. (2004). Transformational and transactional leadership:
- a meta-analytic test of their relative validity. Journal of Applied Psychology, 89, 755-768.
- Le, H., Oh, I., Robbins, S. B., Ilies, R., Holland, E., & Westrick, P. (2011). Too much of a good thing: Curvilinear relationships between personality traits and job performance. *Journal of Applied Psychology*, 96, 113-133.
- Liu, C., Spector, P. E., & Shi, L. (2008). Use of both qualitative and quantitative approaches to study job stress in different gender and occupational groups. *Journal of Occupational Health Psychology*, 13(4), 357-370.
- Maslach, C., Jackson, S. E. & Leiter, M. P. (1996). Maslach Burnout Inventory manual (3<sup>rd</sup>ed.). Mountain View, CA: CCP, Inc.
- McCarty, W., & Skogan, W. (2013). Job-related burnout among civilian and sworn police personnel. Police Quarterly, 16, 66-84.
- McCrae, R. R. (1991). Controlling neuroticism in the measurement of stress. Stress Medicine, 6, 237-241.
- McCrae, R. R., & John, O. P. (1992). An introduction to the five-factor model and its applications. Journal of Personality, 60, 175-215.
- Pierce, J. R., & Aguinis, H. (in press). The too-much-of-a-good-thing effect in management. Journal of Management.
- Podsakoff, N.P., Podsakoff, P.M., & Kuskova, V.V. (2010). Dispelling misconceptions and providing guidelines for leader reward and punishment behavior. *Business Horizons*, 53, 291-303.
- Podsakoff, P.M., Bommer, W.H., Podsakoff, N.P., & MacKenzie, S.B. (2006). Relationships between leader reward and punishment behavior and subordinate attitudes, perceptions, and behaviors: A meta-analytic review of existing and new research. *Organizational Behavior and Human Decision Processes*, *99*, 113-142.
- Rowold, J., & Schlotz, W. (2009). Transformational and Transactional Leadership and Followers' Chronic Stress. *Kravis Leadership Institute, Leadership Review*, 9, 35-48.
- Seltzer, J., &Numerof, R. E. (1988). Supervisory leadership and subordinate burnout. Academy of Management Journal, 31, 439-446.
- Spielberger, C., Westberry, L., Grier, K., & Greenfield, G. (1981). *The police stress survey: Sources of stress in law enforcement*. Tampa, Florida: Human Resources Institute.
- Violanti, J., & Aron, F. (1993). Source of police stressors, job attitudes, and psychological distress. Psychological Reports, 72, 899-904.
- Violanti, J., & Aron, F. (1995). Police stressors: Variations in perception among police personnel. *Journal of Criminal Justice*, 23(3), 287-294.
- Yukl, G. (1989). Managerial leadership: A review of theory and research. Journal of Management, 15, 251-289.
- Yukl, G. (2012). Effective leadership behavior: What we know and what questions need more attention. Academy of Management Perspectives, 26, 66-85.
- Zopiatis, A. & Constanti, P. (2010). Leadership styles and burnout: Is there an association? *International Journal of Contemporary Hospitality Management*, 22(3), 300-320.

Variable	Mean	SD	1	2	3	4	5	6	7	8	9
1. Organizational Tenure	2.84	1.36	-								
2. Age	3.42	1.13	.70**	-							
3. Gender	1.10	0.29	02	.09	-						
4. Marital Status	2.00	0.56	.14**	.21**	00	-					
5. Children	2.43	1.03	.02	.04	03	.12*	-				
6. Neuroticism	2.52	0.80	00	00	03	.04	09	-			
7. Contingent Reward Le.	3.08	0.83	14**	13*	05	03	.03	00	-		
8. Stress	10.82	7.66	.08	.04	.03	.01	02	.14**	17**	-	
9. Job Burnout	2.53	0.75	.10*	.05	.10*	.02	02	.20**	14**	.31**	-
10. Job Satisfaction	3.49	0.96	02	03	07	05	.01	12*	.21**	33**	35**

Table 1: Means, Standard Deviations, and Intercorrelations among Study Variables

Note: Le. = Leadership.

N=397.\* p<.05; \*\* p<.01.

	DV = Sti	ress		DV = Job	Burnout		DV = Job Satisfaction			
	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	
Control Variables:										
Org. Tenure	.58	.49	.45	.08*	.08*	.07	01	.00	.01	
Age	24	29	29	05	05	05	.00	.01	.01	
Gender	1.02	.81	.89	.29*	.28*	.29*	23	20	20	
Marital Status	.03	.01	11	.01	.01	01	08	08	06	
Children	05	02	02	.00	.01	.00	00	10	01	
Neuroticism	1.30**	1.30**	1.47**	.19**	.18**	.21*	14*	14*	16**	
Linear Variable:										
CRL		-1.45**	-6.76**		11*	-1.05**		.24**	.77**	
Quadratic Term:										
$CRL^2$			.91*			.16**			09*	
$\Delta R^2$	.03	.02	.01	.06	.02	.04	.02	.04	.01	

N=397. Unstandardized regression coefficients are provided.

Note: DV = Dependent Variable, CRL = Contingent Reward Leadership.

\* p<.05; \*\* p<.01.

#### **Figure Captions**







Figure 2.Relationship between contingent reward leadership (CRL) and stress.

Figure 3.Relationship between contingent reward leadership (CRL) and job burnout.



Figure 4.Relationship between contingent reward leadership (CRL) and job satisfaction.

