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[rh] LMX and perceiving goals as invariable

**Leader-Member Exchange Relationships and Follower Outcomes:
The Mediating Role of Perceiving Goals as Invariable**

Bård Kuvaas and Robert Buch

Abstract

In the present study, we investigated whether perceiving goals as invariable mediated the link between leader-member exchange (LMX) relationships and role overload, turnover intention, and work performance. Perceiving goals as invariable refers to the extent to which followers believe that the goals in a performance management system represent the absolute standards that they must meet without exception, even if they think other factors are more important (e.g., situational factors or factors that are not associated with goals). In Study 1, perceiving goals as invariable mediated the relationships between LMX and role overload and turnover intention, such that a high quality LMX relationship was negatively associated with perceiving goals as invariable, which in turn was positively related to both role overload and turnover intention. In Study 2, social LMX was negatively and economic LMX was positively associated with perceiving goals as invariable, which in turn was negatively related to work performance. Furthermore, perceiving goals as invariable mediated the relationship between social LMX relationships and work performance. Theoretical and practical implications and directions for future research are discussed.

Keywords: performance management, leadership, goal setting

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Many organizations rely on goal setting theory and apply specific and difficult goals when conducting performance management. A large number of laboratory and field studies show that “specific, high (hard) goals lead to a higher level of task performance than do easy or vague, abstract goals such as the exhortation to ‘do one’s best’” (Locke & Latham, 2006, p. 265). There are, however, a number of contingencies for specific and difficult goals to be effective, such as goal commitment, task relevant feedback, individual traits or states, and task complexity (Locke & Latham, 2002, 2006). A growing number of studies have also revealed that there may be a dark side to setting specific and difficult goals. They may, for instance, work too well and lead to depletion and unethical behavior (Welsh & Ordóñez, 2014). Therefore, successful application of goal setting theory in performance management or as part of Management by Objectives (MBO, Drucker, 1954) requires attention to a number of contingencies and potential side effects. Hence, the practical application of the theory may pose challenges to organizations, even if there is not necessarily something wrong with the theory itself.

One such challenge is perceiving goals¹ as invariable, defined as the extent to which followers believe that the goals are absolute standards that must be met without exception (Kuvaas, Buch, & Dysvik, 2014). When a follower perceives goals as invariable, (s)he believes that few or no alternatives to goal attainment exist, even if (s)he thinks other factors are more important, such as situational factors or factors that are not associated with goals, or when the goals are perceived to be obsolete, redundant, or wrong (e.g., too high or too low). Accordingly, perceiving goals as invariable is limited to contexts where followers think that goal attainment is an obstacle to productive work behavior and where rigid compliance to *goal performance* will relate negatively to *work performance* (Kuvaas et al., 2014).

Perceiving goals as invariable may be particularly detrimental to work performance when combined with the timing of goal setting cycles that prevent sufficient dynamism and flexibility (e.g., Murphy, 2008; Pulakos & O'Leary, 2011). Goals are typically set once or twice a year or perhaps quarterly. For instance, in a police district that one of the authors visited, managers disagreed about whether the 1,720 hours of police car patrol decided on in November the year before could be redistributed during the year if the situation demanded it. Some argued that the police district should rearrange its resources when necessary, and others meant they were not allowed to do so and interpreted the number of hours as invariable. In a meeting with employees in the social welfare system in Norway, the same author learned that most of them thought they had to hang up incoming calls after three minutes, even if the citizen calling did not receive an answer to his/her question. The minority, however, argued they should not hang up the call before the citizen had received an answer to his/her question. A final example is from a Nordic bank, where sales employees should have eight meetings with customers each week. In some branches, this number was seen as a frame of reference that could be altered, and in others, every employee had to arrange exactly eight meetings. Beyond such anecdotal evidence, Kuvaas et al. (2014) recently found that perceiving goals as invariable was negatively related to work performance and that perceived job autonomy mediated this relationship.

The study by Kuvaas et al. (2014) and the examples above imply that followers in the very same organizations, with the same goals and goal-setting procedures or same system of MBO, vary in the degree to which they perceive goals as invariable. In their study, Kuvaas et al. (2014, p. 9) called for research on the role of the immediate supervisor, because “perceived supervisor support, leader-member exchange, and other perceived relational qualities could also be instrumental in shaping employee perceptions of goals as invariable.” Responding to this call,

the purpose of the current study is to explore whether leader-member exchange (LMX) relationships can influence the extent to which followers perceive goals as invariable. In addition, we investigate whether perceiving goals as invariable mediates the relationship between LMX and different follower outcomes. In one study, we test whether the relationship between LMX and role overload and turnover intention is mediated by perceiving goals as invariable, that is, whether a high quality LMX relationship is negatively related to perceiving goals as invariable, and whether perceiving goals as invariable in turn is associated with higher turnover intention and role overload. In a second study, we rely on a recent conceptualization of social and economic LMX as two distinct constructs (Kuvaas, Buch, Dysvik, & Haerem, 2012) and test whether the relationship between the two different types of exchange relationships are differentially related to work performance through the association with perceiving goals as invariable. By investigating whether perceiving goals as invariable mediates the relationship between LMX and relevant follower outcomes, we seek to contribute to goal setting research and practice by offering insight into why some followers perceive goals as more invariable than others and the consequences thereof. Specifically, we contribute to this type of research by investigating potential antecedents to perceiving goals as invariable, by replicating the negative relationship between perceiving goals as invariable and work performance that was obtained by Kuvaas et al. (2014), and by testing two additional potential consequences of perceiving goals as invariable. For practitioners, the insight from our research should be important in guiding organizations that apply, or are about to apply, specific and difficult goals as a part of their performance management or MBO systems.

Theory and Hypotheses

Leader-Member Exchange, Perceiving Goals as Invariable, and Follower Outcomes

Recent empirical evidence suggests that followers' perceptions of the relational qualities of their immediate supervisor play a key role in how they perceive and respond to HR-practices (Dysvik & Kuvaas, 2012; Gilbert, De Winne, & Sels, 2011; Kuvaas & Dysvik, 2010; Purcell & Hutchinson, 2007). In the current study, we rely on LMX theory, which according to Gerstner and Day (1997, p. 827), "is unique in its adoption of the dyadic relationship as the level of analysis," as opposed to traditional theories "that seek to explain leadership as a function of personal characteristics of the leader, features of the situation, or an interaction between the two." LMX theory posits that, dependent on a number of factors of the leader, the follower, and the relationship between the two, leaders develop exchange relationships of different quality with their followers (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012). The quality of the relationships falls "along a continuum ranging from low-quality, in which the relationship is based strictly on the transactional part of the employment contract, to high-quality relationships based on mutual liking, trust, respect, and influence" (Bernerth, Armenakis, Feild, Giles, & Walker, 2007, p. 979). Based on social exchange theory (Blau, 1964), which LMX theory has increasingly relied on (Bernerth et al., 2007), followers in a high-quality relationship feel an obligation to reciprocate in multiple ways. Indeed, several meta-analyses have shown that the quality of LMX relationships, in turn, affects important leader and member attitudes and behaviors (Dulebohn et al., 2012; Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007; Martin, Guillaume, Thomas, Lee, & Epitropaki, 2015; Rockstuhl, Dulebohn, Ang, & Shore, 2012).

Of particular interest in linking LMX to the perception of goals as invariable is meta-analytical results showing positive relationships between LMX and work performance,

organizational citizenship behavior (OCB), affective organizational commitment, empowerment, as well as negative relationships between LMX and both role ambiguity and role conflict (Dulebohn et al., 2012). First, strict adherence to specific goals that the follower believes are no longer relevant means reduced attention to performance-relevant factors that are not associated with specific goals (Kuvaas et al., 2014), which for most jobs will imply lower work performance and less OCB (Murphy, 2008; Pulakos & O'Leary, 2011). Thus, reciprocating a high-quality LMX relationship with high levels of work performance and OCB will probably require more proactive behavior than rigid compliance to goals when the follower thinks other factors are more important. Second, the positive relationship between LMX and affective organizational commitment suggests that high-quality LMX relationships are associated with followers being loyal to the mission or the strategy of the organization. When such followers believe that specific goals are not aligned with the mission or the strategy, they will probably relax the goal attainment or take initiative to adjust the goals. Third, the positive association between LMX and empowerment suggests that a follower in a high-quality LMX relationship will feel empowered to do the right thing when (s)he believes that strict goal attainment is not. Fourth and finally, the negative relationships between LMX both and role ambiguity and role conflict imply that followers in a high-quality LMX relationship will believe they have the competence to know when goal performance is at odds with work performance because of low role ambiguity and because they experience less conflict when they give priority to work performance over goal performance. Similarly, and as indicated by a recent study by Walumbwa, Cropanzano, and Goldman (2011), leaders who have developed high-quality LMX relationships with their followers do at least three things well: they enhance commitment to the supervisor (reciprocity), they enhance self-efficacy (confidence in performing), and they increase means

efficacy (followers' belief in the utility of the tools available for task performance). Therefore, we hypothesize:

Hypothesis 1: There is a negative relationship between LMX and perceiving goals as invariable.

Followers experience role overload when available resources are perceived to be inadequate to deal with perceived role demands, thus leading to distraction and stress (Kahn, Wolfe, Quinn, & Snoek, 1964). Therefore, when a follower perceives that there are few alternatives to strict goal attainment, even if (s)he thinks other factors are more important or the goals are no longer relevant to deal with the role demands (i.e., work performance), (s)he would probably experience role overload. Furthermore, in situations where goals are perceived as unattainable or when goal commitment is high, goals have been found to be related to hopelessness and role overload (Hadley & MacLeod, 2010; Lindberg & Wincent, 2011). In addition, Kuvaas et al. (2014) found a negative relationship between perceiving goals as invariable and job autonomy, and there is meta-analytical evidence that job autonomy negatively relates to stressors at work (Humphrey, Nahrgang, & Morgeson, 2007).

With respect to turnover, LMX is negatively associated with both turnover intention and actual turnover (Dulebohn et al., 2012). In organizations applying goal setting with specific goals, perceiving goals as invariable might partly explain the relationship between LMX and turnover intention. That is, a follower in a high-quality LMX relationship will probably have less desire to leave the organization partly because (s)he believes that the goals in the organization's performance management system to a lesser extent "are absolute standards that must be met without exception" (Kuvaas et al., 2014, p. 2). Accordingly, we hypothesize:

Hypothesis 2: Perceiving goals as invariable mediates the negative relationships between (a) LMX and turnover intention and between (b) LMX and role overload - LMX is negatively associated with perceiving goals as invariable, which in turn is positively associated with turnover intention and role overload.

Perceiving Goals as Invariable and the Distinction between Social and Economic LMX

As stated previously, LMX researchers have conceptualized LMX as falling on a continuum from low- to high-quality exchange relationships. Relying on social exchange theory, however, social and economic exchange relationships should represent qualitatively different relationships rather than relationships of different quality (Blau, 1964; Shore, Tetrick, Lynch, & Barksdale, 2006). With this background, Kuvaas et al. (2012) obtained support for a differentiation between economic and social LMX relationships. A social LMX relationship is characterized by what has been referred to as a high-quality LMX; that is, ongoing exchanges less in need of an immediate “pay off” because they are based on a diffuse future obligation to reciprocate. Kuvaas et al. (2012) argued that an economic LMX relationship, on the other hand, has a more contractual character and does not imply long-term diffuse obligations. As argued by Buch, Kuvaas, Dysvik, and Schyns (2014), both leaders and followers expect some future return in both social and economic LMX relationships, but the reciprocation is more explicit and immediate in an economic LMX relationship, implying that the trust required is less tied to the relationship itself. An economic LMX relationship is thus more impersonal and rests upon formal status differences and calculus-based trust (Scandura & Pellegrini, 2008) and is experienced as more short-term and motivated by immediate self-interest (Buch, Kuvaas, et al., 2014; Kuvaas et al., 2012).

A social LMX relationship is similar to the traditional conceptualization of high-quality LMX (Liden, Wu, Cao, & Wayne, 2015), and four meta-analyses have shown a positive

relationship between LMX and work performance (Dulebohn et al., 2012; Gerstner & Day, 1997; Martin et al., 2015; Rockstuhl et al., 2012). Therefore, and based on the arguments leading up to Hypothesis 1, we expect a positive relationship between social LMX and work performance and that this relationship is mediated by perceiving goals as invariable:

Hypothesis 3: Perceiving goals as invariable mediates the positive relationship between social LMX and work performance – social LMX is negatively associated with perceiving goals as invariable, which in turn is negatively associated with work performance.

An economic LMX relationship has been associated with lower work performance, OCB, affective organizational commitment, job satisfaction, and higher levels of turnover intention and laissez-faire leadership (Buch, Kuvaas, & Dysvik, 2011; Buch, Kuvaas, et al., 2014; Buch, Martinsen, & Kuvaas, 2014; Kuvaas et al., 2012). We expect that the contractual, specific, impersonal, status-based, and self-interest nature of an economic LMX relationship will also be associated with perceiving goals as invariable. To take an initiative to change goals or not stick to goal attainment when there is an experienced discrepancy between goal performance and work performance resembles constructive deviance. Constructive deviance requires courage and is nurtured by a high-quality or social LMX relationship involving higher levels of supervisor support and openness (Vadera, Pratt, & Mishra, 2013). An impersonal and status-based LMX relationship, on the other hand, will probably encourage compliance to specific goals rather than commitment to higher ordered goals and other factors that are not associated with goals. Furthermore, Buch et al. (2014) noted that economic LMX can represent an instrumental and pseudo-leadership solution to the leadership responsibilities of leaders who are in a formal leadership position but don't have the necessary leadership competence. These leaders may find it easier to rely on specific and absolute goals, and the contractual and specific nature of an

economic LMX relationship should simulate attention to those aspects of the job that are countable and where it is easy to judge whether goals have been achieved or not, which are typical characteristics of specific and difficult goals. Finally, an economic LMX relationship motivates self-interest, and when goal attainment is what is rewarded both financially and otherwise, acting in self-interest will probably result in prioritizing compliance to *goal performance over work performance*:

Hypothesis 4: There is a positive relationship between economic LMX and perceiving goals as invariable.

If a follower finds that the goals have become wrong during the goal cycle or that taking unforeseen and situation-specific factors into account is the right thing to do, but still sticks to the goal(s), it would probably result in decreased work performance—as long as the follower has the necessary knowledge, skills, and abilities to do the work (Kuvaas et al., 2014). In addition, the more a follower perceives goals as invariable, the less (s)he will pay attention to factors that are not associated with goals, which, in turn, reduces the likelihood that such factors are actually taken into account when the work is conducted. Therefore, we hypothesize:

Hypothesis 5: Perceiving goals as invariable mediates the negative relationship between economic LMX and work performance – economic LMX is positively associated with perceiving goals as invariable, which in turn is negatively associated with work performance.

Method

Sample and Procedure

We collected data from two organizations that applied specific and difficult goals as a part of their performance management systems to test the hypotheses. We recruited the respondents for both studies through students enrolled in executive education programs at the business school where the first author is employed. The students were employed in the two organizations. In Study 1, we administered a Web-based survey to 138 followers in a Norwegian savings bank. We received complete responses from 119 (86%) followers. Of these, 35% were men and 65% were women. This aligned well with the overall gender composition in the organization. Furthermore, in line with the overall age distribution in the organization, the respondents represented a heterogeneous group in terms of age, with the exception of a few respondents between 60–67 years of age. With respect to their organizational tenure, 39.8% had more than 10 years, 24.6% had between 5 and 10 years, 12.7% had 2 to 5 years, 18.6% had 1 to 3 years, and 4.2% had less than 1 year.

In Study 2, to lessen the potential influence of common-method variance, we distributed separate surveys to 394 followers and 77 supervisors of an organization working with the sales of second-hand clothes and vocational occupational rehabilitation (owned by the Norwegian part of The Salvation Army). We received complete responses from 204 (52%) followers and 59 (77%) supervisors. Of the followers, 64% were women and 36% were men. With regard to their organizational tenure, 30.9% had less than 1 year, 27% had between 1 and 3 years, 12.7% had between 4 and 7 years, 18.1% had between 8 and 10 years, and 44% had more than 5 years.

Measures

All of the items were scored on a five-point Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree) unless otherwise noted.

Leader-member exchange (LMX)

For Study 1, we measured LMX ($\alpha = .92$) using the widely cited LMX7 scale (Graen & Uhl-Bien, 1995). A sample item is “Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work?”

Social and economic leader-member exchange (social and economic LMX)

Kuvaas et al. (2012) first developed separate measures of social and economic LMX. However, they encouraged a development of the scales in future research. On the basis of social exchange theory (Blau, 1964), Buch et al. (2011), almost in parallel, developed additional items to better capture all of the aspects of social and economic LMX relationships. In a subsequent study, Dysvik, Buch, and Kuvaas (2015) further refined the economic LMX scale by making a couple of minor changes to the wording of some items. Accordingly, we used the refined scales from Dysvik et al. (2015) to measure social LMX ($\alpha = .88$) and economic LMX ($\alpha = .90$) in Study 2. Sample items include “My relationship with my immediate manager is about mutual sacrifice; sometimes I give more than I receive and sometimes I receive more than I give” (social LMX) and “I watch very carefully what I get from my immediate supervisor, relative to what I contribute” (economic LMX).

Perceiving goals as invariable

For the measurement of the perception of goals as invariable in Study 1 ($\alpha = .91$) and Study 2 ($\alpha = .85$), we used the scale by Kuvaas, et al. (2014). Preceding each item, the following stem was

used: “I find the goals/key performance indicators specific and absolute and...”. The items include “...that failure to achieve them is not accepted even if I have good reasons for it”, “...that I cannot choose to give priority to other matters, even if the situation demands it”, “...that I do not have the freedom to improvise and to do things differently than the targets/scorecard indicate, even if I believe it is necessary”, “...that they give little room to focus on other important aspects of the job than what is measured”, and “...that the targets often impede the flexibility I need in order to be able to do my job in the best possible way.”

Dependent variables

In Study 1, we measured turnover intention ($\alpha = .92$) with the five items used by Kuvaas (2008), whereas role overload ($\alpha = .86$) was measured with the four-item scale used by (Brown, Jones, & Leigh, 2005). Sample items include, “I often think about quitting my present job” (turnover intention) and “you have to try to satisfy too many people” (role overload). For Study 2, we obtained supervisor ratings of work performance ($\alpha = .97$) by asking supervisors to fill out a 10-item scale (Dysvik & Kuvaas, 2011), including items such as “He/she intentionally expends a great deal of effort in carrying out his/hers job.”

Control variables

Based on the conservation of resources theory (Hobfoll, 2002), tenure can decrease perceived invariable goals as more tenured followers may expect and feel entitled to more discretion in their work (Kuvaas et al., 2014). In addition, tenure is likely to lead to higher work performance, a notion which is also supported by a meta-analysis including nearly 250 000 respondents (Ng & Feldman, 2010). Accordingly, to rule it out as an alternative explanation, we controlled for

tenure (measured on an ordinal scale from 1 = less than 1 year to 5 = more than 10 years) in both Study 1 and 2.

Analyses

Preceding the hypotheses testing, we treated the data as categorical and performed confirmatory factor analyses (CFAs) using the WLSMV estimator of Mplus (Muthén, du Toit, & Spisic, 1997) in both Study 1 and Study 2. To test our hypotheses, we estimated structural equation models (SEMs) in both studies using the delta method procedure in Mplus. Because the supervisors included in Study 2 provided performance ratings for multiple subordinates our data are not independent (i.e., some followers reported to the same supervisor). Since the standard errors will be biased when non-independent data is treated as if it is independent (Hox, 2010) we used cluster robust standard errors at the supervisor level when performing the CFA and SEM for Study 2. Arguably, the SEM approach should be used in preference to the causal steps approach of Baron and Kenny (1986) because it estimates everything all together instead of assuming independent equations (e.g., Zhao, Lynch, & Chen, 2010). Moreover, the causal steps approach has been shown to be amongst the lowest in power (Fritz & MacKinnon, 2007).

Results

In Study 1, the results of a four-factor CFA model specifying distinct factors for LMX, perceiving goals as invariable, turnover intention, and role overload delivered a good fit with the data ($\chi^2 [183] = 268.95, p < 0.01$; RMSEA = 0.06 (90 % CI: 0.05 - 0.08); CFI = 0.98; TLI = 0.98). The factor loadings ranged from .77 to .97 for the LMX items, .76 to .93 for the perceiving goals as invariable items, .78 to .97 for the turnover intention items, and .76 to .88 for the role

overload items. For Study 2, a four-factor CFA model representing social and economic LMX, perceiving goals as invariable, and work performance achieved a similarly good fit ($\chi^2 [428] = 565.40, p < 0.01$; RMSEA = 0.04 (90 % CI: 0.03 - 0.05); CFI = 0.98; TLI = 0.98). In this CFA, the factor loadings ranged from .59 to .88 for the social LMX items, .58 to .93 for the economic LMX items, .72 to .87 for the perceiving goals as invariable items, and .84 to .95 for the work performance items. Table I and Table II report the correlations and descriptive statistics among the Study 1 and Study 2 variables, respectively. As expected, Table I shows that LMX correlates negatively with perceiving goals as invariable ($r = -.45, p < .01$) and that perceiving goals as invariable correlates positively with both turnover intention ($r = .31, p < .01$) and role overload ($r = .46, p < .01$). Furthermore, Table II shows that social LMX correlates negatively ($r = -.39, p < .01$) and economic LMX correlates positively ($r = .32, p < .01$) with perceiving goals as invariable, which, in turn, correlates negatively with work performance ($r = -.37, p < .01$). We present the results of the SEM for Study 1 in Figure 1 and we present the results of the SEM for Study 2 in Figure 2.

Insert Table I and Table II about here

The structural equation models that we estimated for Study 1 ($\chi^2 [201] = 285.46, p < 0.01$; RMSEA = 0.06 (90 % CI: 0.04 - 0.08); CFI = 0.98; TLI = 0.98) and Study 2 ($\chi^2 [457] = 593.46, p < 0.01$; RMSEA = 0.038 (90 % CI: 0.03 - 0.05); CFI = 0.98; TLI = 0.98) indicated a good fit with the data. In support of Hypothesis 1, the results show a negative relationship between LMX and perceiving goals as invariable ($\gamma = -.53, p < .001$) in Study 1 and a negative relationship between social LMX and perceiving goals as invariable ($\gamma = -.36, p < .001$), after taking

economic LMX into account, in Study 2. Hypothesis 2 contended that perceiving goals as invariable mediates the negative relationships between (a) LMX and turnover intention and between (b) LMX and role overload - LMX is negatively associated with perceiving goals as invariable, which in turn is positively associated with turnover intention and role overload. In support of Hypothesis 2a, the results demonstrate a statistically significant indirect relationship from LMX to turnover intention via perceived invariable goals (indirect effect = $-.22$, $p < .001$). Since the results revealed an additional significant direct relationship between LMX and turnover intention ($\gamma = -.33$, $p < .001$) and the direct relationship was of the same sign as the indirect relationship, the form of the mediation classifies as “complementary” (Zhao et al., 2010, p. 199). In support of Hypothesis 2b the results show a statistically significant indirect relationship from LMX to role overload via perceived invariable goals (indirect effect = $-.17$, $p < .01$). Since the direct relationship from LMX to role overload ($\gamma = -.12$, *ns.*) was not significant, the form of mediation classifies as “indirect-only mediation” (Zhao et al., 2010, p. 199). In support of Hypothesis 3, and once again indicative of complementary mediation, the results also demonstrate a positive direct relationship from social LMX to work performance ($\gamma = .46$, $p < .001$) as well as a significant positive indirect relationship from social LMX to work performance via perceived invariable goals (indirect effect = $.09$, $p < .05$). This indicates that social LMX is likely to reduce perceived invariable goals, and in turn increase work performance. Furthermore, in support of Hypothesis 4, we unveiled a positive relationship between economic LMX and perceived invariable goals ($\gamma = .19$, $p < .05$) after taking social LMX into account. Finally, even though we also observed a negative relationship between perceived invariable goals and work performance ($\beta = -.24$, $p < .05$), the indirect relationship from economic LMX to work performance via perceived invariable goals was not significant (indirect effect = $-.05$, $p = .14$).

Accordingly, we did not receive full support for Hypothesis 5, which contended that perceiving goals as invariable mediates the negative relationship between economic LMX and work performance such that economic LMX is positively associated with perceiving goals as invariable, which in turn is negatively associated with work performance. Regarding the control variables, the most notable finding was a significant negative relationship between tenure and turnover intention ($\gamma = -.23, p < .01$). To further examine the validity of our results we performed supplemental analyses (please see the Appendix).

Insert Figure 1 and Figure 2 about here

Discussion

The purpose of the current study was to investigate the mediating role of perceiving goals as invariable in the relationship between LMX relationships and follower outcomes. We obtained full or partial support for most of our hypotheses. Responding to a call for research on the role of the immediate supervisor in shaping followers' perception of goals as invariable (Kuvaas et al., 2014), our findings suggest that LMX relationships can influence the extent to which followers perceive goals as invariable. Specifically, our results suggest that high-quality and social LMX relationships characterized by ongoing exchanges based on a diffuse future obligation to reciprocate, can reduce, and economic LMX relationships, motivated by immediate self-interest, can increase the extent to which followers believe that goals are absolute standards that must be met without exception, that is, perceiving goals as invariable.

Despite impressive empirical support for a positive relationship between specific and difficult goals and work performance (Locke & Latham, 2006), our two studies suggest that the

extent to which followers perceive goals as invariable may be detrimental with respect to role overload, turnover intention, and work performance. The negative relationship between perceiving goals as invariable and work performance replicates the finding by Kuvaas et al. (2014) and therefore provides additional support for the potentially harmful effect of perceiving goals as invariable on work performance. In addition, the positive relationships between perceiving goals as invariable and role overload and turnover intention imply that perceiving goals as invariable can have other negative consequences than reduced job autonomy and work performance.

Implications for Theory and Practice

Organizations that apply, or are about to apply, management by objectives or specific and difficult goals as part of their performance management systems should acknowledge that perceiving goals as invariable may have negative consequences. The mean scores of 2.66 and 2.54 in our two samples, and 2.43 in the sample investigated by Kuvaas et al. (2014) may appear relatively low. Still, 37 and 40 per cent of the respondents from our two samples, respectively, had a mean score of 3 or higher, which suggests that perceiving goals as invariable is not an artifact but a practically relevant challenge for organizations applying goal setting theory in their performance management systems.

Kuvaas et al. (2014) suggested that shorter performance cycles or continuous goal setting and restriction of the application of goal setting theory in performance management to jobs, in which specific and difficult goals are relatively good and stable indicators of performance, could remedy the negative consequences of perceiving goals as invariable. In such situations, however, we do not think that perceiving goals as invariable would be a challenge. On the contrary, if

performance cycles are short or continuous or when the goals are relevant indicators of performance, followers would probably have high goal commitment because they will see the goals as paths to high performance. Similarly, and based on the path-goal theory of leadership (House, 1971), one could argue that need for clarity (Keller, 1989) could moderate the relationship between perceiving goals as invariable and follower outcomes. However, followers with high levels of need clarity who see the specific goals as relevant performance indicators would probably not perceive the goals as invariable. Thus, given the way we have defined and measured perceiving goals as invariable, it is difficult to imagine situations in which high levels would lead to high performance. Accordingly, rather than exploring conditions under which perceiving goals as invariable may positively influence follower outcomes, we think a better approach is to try to reduce it. In that respect, Kuvaas et al. (2014, p. 9) argued that “organizations and their supervisors could clearly communicate that they trust their followers to use their knowledge, skills, abilities, and proximity to the task to make discrete judgments during the performance cycle when goals are believed to be obsolete, redundant, or wrong.” This way, employees in the social welfare system mentioned in the introduction, for instance, may not feel like they have to hang up incoming calls after three minutes if the citizen calling did not receive an answer to his/her question.

Our findings suggest that organizations could also hire and promote to leadership positions supervisors who have the required personality (e.g., agreeableness and extroversion; Dulebohn et al., 2012) and interpersonal skills (e.g., social perceptiveness and Human Relation skills; Mumford, Campion, & Morgeson, 2007) to develop high-quality and social LMX with their followers. Leaders should also be aware that social and high-quality LMX relationships can probably be influenced by leader behaviors such as delegating, being supportive, and leading by

example (O'Donnell, Yukl, & Taber, 2012; Yukl, O'Donnell, & Taber, 2009). Furthermore, Buch et al. (2014) found laissez-faire leadership to be positively associated with an economic LMX relationship. Accordingly, organizations should avoid selecting hiring supervisors who are absent when needed, who do not make necessary decisions or respond to urgent questions, and who do not get involved when important issues arise, since such behaviors may be indirectly linked to perceiving goals as invariable via economic LMX.

Theoretically, our findings coupled with those of Kuvaas et al. (2014) suggest that the LMX-work performance relationship may in part be explained by perceiving goals as invariable, which reduces job autonomy, and, in turn, may increase role overload. Our study may also have implications for LMX research. Meta-analytical findings show that trust, motivation, empowerment, and job satisfaction mediate the relationship between LMX and task and citizenship performance (Martin et al., 2015). Our findings suggest that perceiving goals as invariable may be added to this list. We do not, however, suggest that perceiving goals as invariable is a more important or stronger mediator than what has previously been investigated. On the contrary, perceiving goals as invariable is probably only relevant in organizations that apply specific goals. This, and the fact that we have not measured other and more established mediators, make our contribution to LMX research modest.

Investigating the relationship between both social and economic LMX relationships and perceiving goals as invariable may also have implications for path-goal theory and research on transactional and transformational leadership. The development of scales to measure both social and economic LMX was partly a response to the fact that the most widely used subscale to measure transactional leadership, contingent reward, has poor psychometric qualities (for details, see Goodwin, Wofford, & Whittington, 2001; Hinkin & Schriesheim, 2008; Kuvaas et al., 2012;

Walumbwa, Wu, & Orwa, 2008). For instance, the scale seems to capture two separate factors; one of which loads with transactional subscales, and one of which loads with transformational subscales (Goodwin et al., 2001). In this regard, the positive relationship between an economic LMX relationship and perceiving goals as invariable adds support to previous research on this particular type of LMX (Buch et al., 2011; Buch, Kuvaas, et al., 2014; Buch, Martinsen, et al., 2014; Kuvaas et al., 2012) and research that implies that initiating structure may have threshold values and lead to unwanted outcomes when these are exceeded (e.g., Holtz & Harold, 2013).

We have argued that low levels of perceiving goals as invariable have similarities with behaviors that fall under the umbrella of constructive deviance. Accordingly, a high-quality or social LMX relationship may also be associated with other types of constructive deviance, such as expressing voice, prosocial rule breaking, and counter-role behaviors (Vadera et al., 2013).

Limitations and Research Opportunities

Our two studies have several imitations that should be taken into account when interpreting the findings. First, both studies were cross-sectional, and we need experimental research that manipulates different levels of perceived invariable goals to explore the causal order of consequences of perceiving goals as invariable. Both studies may also suffer from common-method bias even though supervisors rated the performance of the followers in Study 2. Thus, we need longitudinal studies where the data to measure the antecedents (LMX relationships) and the consequences (role overload and turnover intention) of perceiving goals as invariable are collected in different points of time to avoid common-method bias when relying on single source data. Thus, in Study 1, we should have first measured LMX relationships, followed by perceiving goals as invariable, and finally the dependent variables. In Study 2, we should have

ideally had a time lag between measuring social and economic LMX relationships and perceiving goals as invariable.

Beyond using stronger research designs, future research could investigate whether explicitly encouraging followers not to pursue goal attainment if the goals are perceived to be obsolete, redundant, or wrong would reduce the extent to which they perceive the goals as invariable. Leaders' trust in followers will probably have a similar effect. In addition, individual differences among followers may explain why some perceive goals as more invariable than others do. We would expect, for instance, that followers high on openness, conscientiousness (Costa & McCrae, 1981), and autonomy orientation (McClelland, Atkinson, Clark, & Lowell, 1953; Steers & Braunstein, 1976) to a larger extent will relax goal attainment or take initiative to adjust the goals when they perceive a mismatch between goal performance and work performance. Beyond individual differences, group or organizational climate for voice may reduce the extent to which followers perceive goals as invariable or interact with individual differences in shaping perceiving goals as invariable.

The important role LMX relationships appear to play in influencing the perception of goals as invariable raises the issues of idiosyncratic deals (i-deals) and justice perceptions in organizations. Research on task-i-deals, which refers to "arrangements that individuals negotiate to create or alter their own job's content" (Hornung, Rousseau, Glaser, Angerer, & Weigl, 2010, p. 188), show that such i-deals are associated with overall justice perceptions (Liao, Wayne, & Rousseau, 2014). Task i-deals are, as social and high-quality LMX relationships, typically socio-emotionally in nature and resemble the case where a leader lets followers relax goal attainment when followers think the goals are obsolete, redundant, or wrong. Hence, followers who have an economic LMX relationship and perceive goals as invariable will probably experience low levels

justice and even more so when they compare their i-deals with that of the peers who have a social LMX relationship and to a larger extent can relax goal attainment when they find it necessary.

Conclusion

Followers in the very same organizations, with the same goals and goal-setting procedures or same system of MBO, vary in the degree to which they perceive goals as invariable. Our findings suggest that the more they do so, the higher turnover intention and role overload, and the lower work performance. Our findings also imply that a high-quality and social LMX relationships can reduce and economic LMX relationships can increase the extent to which followers perceive goals as invariable.

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Appendix

First, Becker, et al. (2016) recommends researchers to examine the results with and without the control variables and contrast the findings. Following their recommendation, we performed supplemental analyses without the use of any control variables. The results obtained did not differ substantially from those initially reported.

Second, as emphasized by Preacher and Hayes (2008, p. 880): “Methodologists have taken issue with the use of the standard normal distribution for deriving a p value for the indirect effect, since the sampling distribution of ab is normal only in large sample.” Hence to further examine the indirect effects, we employed bootstrapping analyses, in which the standard errors are bootstrapped (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002; Preacher & Hayes, 2008) to obtain bias-corrected bootstrap confidence intervals (Preacher & Hayes, 2004). We applied 5000 bootstrap samples. In further support of the initial results, LMX indirectly related to turnover intention (indirect effect = $-.21$, $p < .01$; 95% CI $[-.33, -.10]$), and role overload (indirect effect = $-.17$, $p < .01$; 95% CI $[-.29, -.05]$). In addition, in line with the initial results, the indirect relationship between economic LMX and work performance via perceived invariable goals was not significant (indirect effect = $-.05$, $p = .21$; 95% CI $[-.12, .03]$), even though we observed a positive relationship between economic LMX and perceived invariable goals ($\gamma = .18$, $p < .05$) and a (now marginally) significant negative relationship between perceived invariable goals and work performance ($\beta = -.25$, $p = .06$). The most notable difference was that the indirect relationship from social LMX to work performance via perceived invariable goals was now only supported at the 10% level (indirect effect = $.09$, $p = .075$; 95% CI $[-.01, .19]$). Still, this small difference might be attributable to the fact that the bootstrapping analyses could not be performed when simultaneously using the CLUSTER option in MPlus to account for the lack of

independence of the observations (i.e., some followers reported to (and their performance was evaluated by) the same supervisor).

Finally, we tested an alternative structural equation model. Specifically, if supervisors give followers the discretion to negotiate goals and account for situational constraints this could strengthen the quality of the LMX relationship, which would suggest an alternative causal path. To explore this possibility we estimated a *post hoc* alternative structural equation model where LMX mediates the positive relationship between perceiving goals as invariable and turnover intention and role overload². The fit indices for this alternative model ($\chi^2 [201] = 286.52, p < 0.01$; RMSEA = 0.06 (90 % CI: 0.04 - 0.08); CFI = 0.98; TLI = 0.98) were not better than the fit indices of our hypothesized model ($\chi^2 [201] = 285.46, p < 0.01$; RMSEA = 0.06 (90 % CI: 0.04 - 0.08); CFI = 0.98; TLI = 0.98). Furthermore, while the indirect relationship from perceived invariable goals to turnover intention via LMX was significant (indirect effect = .17, $p < .001$), the alternative model received less support as a result of the non-significant indirect relationship from perceived invariable goals to role overload via LMX (indirect effect = .06, *ns.*). Still, from a theoretical point of view, the relationship between LMX and perceived invariable goals is probably non-recursive, that is, the quality of the LMX relationship influences the extent to which the manager allows followers the discretion to negotiate goals and to take into account situational constraints, which in turn influences the quality of the relationship and so forth.

TABLE I: Descriptive Statistics, Correlations, and Scale Reliabilities for Study 1

	Mean	<i>SD</i>	1	2	3	4	5	6	7
1. Age	3.00	1.10	-	.02	.75**	-.04	-.04	-.21*	.03
2. Gender ^a	1.65	0.48	.03	-	.10	-.00	-.04	-.05	-.03
3. Tenure ^b	3.77	1.27	.54**	.17	-	.05	.04	-.21*	.06
4. LMX	3.68	0.68	-.03	.00	.04	(.92)	-.33**	-.40**	-.17**
5. Perceived invariable goals	2.66	1.06	-.07	-.10	.06	-.45**	(.91)	.40**	.22**
6. Turnover intention	2.26	1.07	-.23*	-.11	-.21*	-.49**	.46**	(.92)	.17**
7. Role overload	2.81	0.85	.03	-.06	.10	-.21*	.35**	.18	(.86)

Note. $N = 119$. Factor correlations from the CFA are displayed above the diagonal. Scale reliabilities are shown on the diagonal

* $p < .05$.

** $p < .01$.

^a 1 = male; 2 = female

^b 1 = less than 1 year; 5 = more than 10 years

TABLE II: Descriptive Statistics, Correlations, and Scale Reliabilities for Study 2

	Mean	SD	1	2	3	4	5	6
1. Gender ^a	1.36	0.48		-.08	-.11	-.01	.13	-.13
2. Tenure ^b	2.75	1.86	-.08		.16*	-.08	.06	-.19
3. Social LMX	3.58	0.84	-.11	.15*	(.88)	-.49**	-.44**	.54**
4. Economic LMX	1.73	0.72	-.00	-.08	-.42**	(.90)	.36**	-.25*
5. Perceived invariable goals	2.54	0.90	.12	.05	-.39**	.32**	(.85)	-.43**
6. Work performance	3.92	0.97	-.13	-.14	.54**	-.23	-.37**	(.97)

Note. $n = 204$ (self-report); $n = 71$ (supervisor-ratings of work performance).

Factor correlations from the CFA are displayed above the diagonal. Scale reliabilities are shown on the diagonal

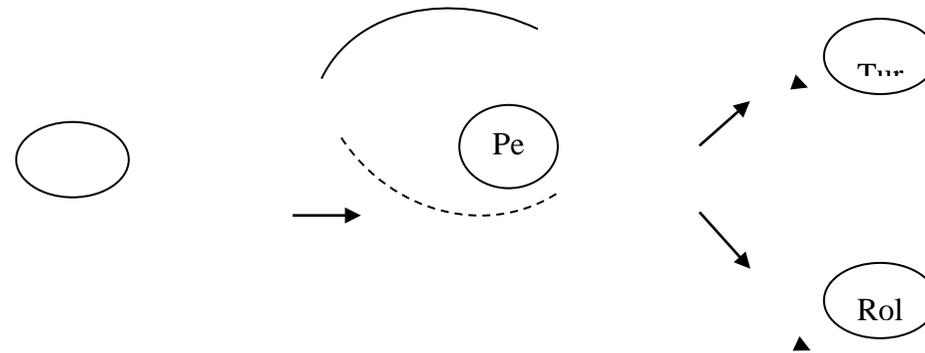
* $p < .05$.

** $p < .01$.

^a 1 = female; 2 = male

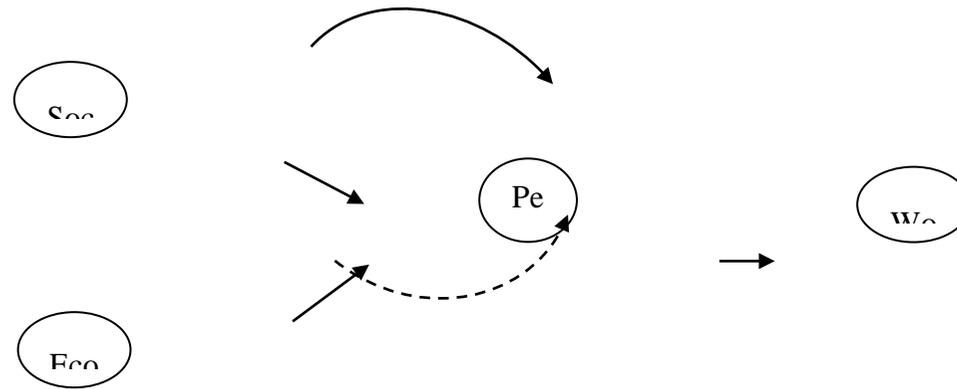
^b 1 = less than 1 year; 5 = more than 10 years

FIGURE 1: Structural Equation Model for Study 1



Note. $N = 119$. We report standardized path coefficients.

FIGURE 2: Structural Equation Model for Study 2



Note. $n = 204$ (self-report); $n = 71$ (supervisor-ratings of work performance).

Notes

¹ In practice, labels such as goals, objectives, targets, key performance indicators, and performance standards are often used interchangeably. We will mainly use the label “goals.”

² We thank one of the anonymous reviewers for this suggestion.