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Reducing organizational politics in performance appraisal: The role of coaching leaders
in appraising age-diverse employees

Abstract

We examined whether a supervisor's coaching leadership style predicts the perception of organizational politics in performance appraisal (OPPA) reported by the collaborators. Additionally, we drew on social cognition and motivational lifespan development theories to hypothesize age-related differences in perceived OPPA and its link with the coaching leadership style. Using hierarchical linear modeling (HLM) on a sample of 576 employees and 112 leaders, we found that coaching leaders are perceived as less manipulative in their performance ratings, especially by older employees. This paper includes a discussion of the implications these results have for performance management of an age-diverse workforce.

Keywords: performance management, performance appraisal, organizational politics, leadership style, age, coaching leadership, cross-level, HLM

Performance appraisal is among the most common human resource practices in organizations. It serves administrative and developmental functions, and is ultimately aimed at increasing productivity and effectiveness (Aguinis, 2009).¹ Especially nowadays, with the challenges posed by an increasingly age-diverse workforce, organizations need HR practices that enable, motivate and develop employees of different age groups (CIDP, 2014; Truxillo, Cadiz, & Rineer, 2014). However, practitioners have frequently reported their disappointment with the performance appraisal process, with one fundamental criticism above all: the reduced impact of performance ratings on performance improvement (Corporate Leadership Council, 2012;

One likely explanation is that performance management (PM) is a complex activity that goes beyond the rational use of rating tools and encompasses a wide range of factors that exert an influence on its success, including political factors (Ferris, Munyon, Basik, & Buckley, 2008). Intentional manipulations of the evaluations by supervisors are not a new phenomenon and are known in the literature as organizational politics in performance appraisal (OPPA; Latham & Dello Russo, 2008; Tziner, Latham, Price, & Haccoun, 1996). These distortions in the performance appraisal occur within a broader social context comprising all the socio-psychological processes that shape meanings and beliefs about the evaluation process (Murphy & Cleveland, 1991; Levy & Williams, 2004).

The social context of PM emphasizes especially the pre-existing interpersonal relationship between a rater and a ratee, which affects the way appraisals are conducted (e.g., more or less accurately) and perceived (e.g., more or less fairly) by the two respective parties.

¹ Following Aguinis (2009) *performance appraisal* is a stage within the *performance management* process. The two terms are used as synonyms in the present paper because we focus on formal evaluations (i.e., performance appraisal) where the expression of a numerical rating is subject to political considerations, as well as the main purpose of this activity, namely employee development and performance improvement (i.e., performance management).

A meta-analysis (Pichler, 2012) has shown that ratees' reactions to an appraisal – including their perceptions of accuracy, fairness, and utility, and motivation to improve performance – are strongly related to their relationship with the rater, which is mainly defined in terms of support and trust. Reactions do not depend on the favorability of the appraisals or the extent of participation in the process.

However, in order to achieve a high-quality relationship and before such a relationship can be crystalized, other aspects of the leader-employee interaction are worth examining. This would involve leader behaviors and how they are perceived by followers, but the issue has received scant attention. Further, little is known about the role age plays in the social context of PM, even though this may impact the appraisals produced, the reactions to them and, more generally, the type of relationship between a rater and a ratee, particularly when they belong to different age groups (Truxillo et al., 2014). We know for example that younger and older people respond differently to a number of features of the feedback they receive (Wang, Burlacu, Truxillo, James, & Yao, 2015).

Thus, we aim to make a threefold contribution to the literature on the social context of PM. First, within the broad category of employees' reactions to performance appraisal (Keeping & Levy, 2000), we examine the perceptions of OPPA (Latham & Dello Russo, 2008; Tziner et al., 1996). Compared to the more general construct of perceived organizational politics (POPs; Kacmar & Ferris, 1991) that likely identifies a political “climate” in the organization, perceptions of OPPA are domain-specific and situated in the performance appraisal setting. Moreover, perceptions of OPPA are characterized by an intentionality aspect that is lacking in the conceptual opposite of perceived fairness in performance evaluations (Farndale & Kelliher, 2013). In fact, unfair evaluations may be the outcome not just of conscious distortions but also of subconscious biases. Perceived OPPA and its predictors have been under-investigated (Tziner, 1999) and yet it is critical because

employees' behavior is consistent with the way they perceive and make sense of the performance appraisal. If they think the supervisor manipulates the evaluations to serve a hidden agenda, they will be less inclined to embrace the performance management perspective (Gruman & Saks, 2011) and less likely to actively pursue performance improvement based on the appraisal received (DeNisi & Pritchard, 2006; Levy & Williams, 2004), thus undermining the effectiveness of the PM.

Second, we move beyond the quality of the rater-ratee relationship examined in previous research (Pichler, 2012) and expand the breadth of the predictors of employees' reactions to PM by looking at the leadership style. This is a critical element to building high-quality interpersonal relationships (Wang, Law, Hackett, Wang, & Chen, 2005) and is theoretically linked to employee reactions to an appraisal (Levy & Williams, 2004). In particular, recent approaches point to the leader's role as a coach in the PM domain (Ellinger, 2013; Pulakos, Hanson, Arad, & Move, 2014).

Third, we include an age-difference perspective that is of utmost importance for contemporary organizations managing a multi-generational workforce. Hence, we bridge separate sets of literature –general politics, PM, ageing – and investigate coaching leadership as the main predictor of perceived OPPA and whether this relationship varies as a function of employees' age. Figure 1 summarizes our research hypotheses.

 Insert Figure 1 about here

Perceptions of Organizational Politics in Performance Appraisal (OPPA)

The belief that raters are capable of assessing performance accurately if they are provided with the “right instrument” has been challenged by studies showing that raters have cognitive limitations in processing information (DeNisi & Peters, 1996; Folger, Konovsky &

Cropanzano, 1992). This assumption was further debunked in a study by Longenecker, Sims, and Gioia (1987), in which the researchers conducted in-depth interviews with upper-level executives from well-known corporations and revealed that managers consciously manipulate the performance ratings of their employees. However, these intentional motivational antecedents of rating employees have been typically overlooked when it comes to empirical research (for exceptions, see Spence & Keeping, 2010; Tziner, 1999), although some recent theoretical contributions have drawn attention to this topic (Spence & Keeping, 2011; 2013).

One approach to studying intentional distortions in performance ratings stems from the literature on organizational politics. Organizational politics (POPs) are self-interested behaviors that are put in place by individuals or groups but not sanctioned by the organization (Ferris & Kacmar, 1992). Organizational politics are especially likely to occur within the context of performance management, which is a process of social influence where one of the two parties has more power and hence can influence the distribution of important outcomes for the other. These outcomes include visibility, promotion, transfer, pay rises, and termination (Latham & Dello Russo, 2008). Perceptions of OPPA are operationalized as the perception of that a supervisor manipulates an employee's performance ratings due to a number of political considerations (Tziner et al., 1996). The political considerations likely underlying a rater's distortions would lead to either rating inflation (e.g., to avoid negative feedback and confrontation with an employee, to acquire personal benefits, or motivate employees) or deflation (e.g., to exercise personal power and control, keep good performers on one's team, or avoid employees' un-met expectations).

Although we acknowledge that some authors have recently begun exploring the potentially positive effects of politics (Drory & Vigoda-Gadot, 2010; Fedor, Maslyn, Farmer, & Bettenhausen, 2008), POPs in general – and OPPA in particular – are arguably phenomena that should be minimized in organizations due to their highly negative consequences. These

include, but are not limited to, bad organizational reputation (Vigoda-Gadot, Vinarski-Peretz, & Ben-Zion, 2003), high turnover intentions at the individual level and actual turnover at the organizational-level, reduced customer service satisfaction (Simons & Roberson, 2003), and high employee stress (for a meta-analysis, see Chang, Rosen, & Levy, 2009).

Moreover, based on research on the social context of PM, we know that employees respond with negative attitudes (e.g., lowered organizational commitment) to appraisals they judge to be unfair (Farndale & Kelliher, 2013). Thus, because the presence of OPPA underscores the volitional nature of rating distortions, above and beyond a more general “unfairness”, it potentially further reduces employees’ willingness to accept and act upon feedback to improve their performance (Levy & Williams, 2004).

Organizational Politics and Leadership

Because the empirical evidence on the relationship between leadership behaviors and perceptions of OPPA is still scant, we have built our rationale drawing on two main sources: (i) the literature on POPs that has emphasized the crucial role of supervisors (Ferris, Frink, Galang, Zhou, Kacmar, & Howard, 1996; Kacmar, Bachrach, Harris, & Zivnuska, 2011); and (ii) the literature on performance management that underscores the importance of the alliance between a supervisor and an employee (Pichler, 2012; Pulakos & O’Leary, 2011).

One theoretical model advanced by Vigoda-Gadot and Dryzin-Amit (2006) suggests that transformational leaders are able to reduce POPs and increase perceptions of fairness and justice. Two key factors of transformational leadership have been shown as negatively associated with organizational politics across a sample of public employees in Israel (Vigoda-Gadot, 2007). These factors are (1) the leader’s orientation toward motivating and developing staff members, which implies pushing individuals to grow and go beyond what is expected of them; and (2) the personal consideration demonstrated towards them – that is, expressing concern for each collaborator and showing attention on a personal note.

The traditional conceptualization of transformational leadership (Burns, 1978) associated a “moral” significance with this style of leadership, because leaders are responsible for their employees’ growth and for the alignment of their value systems to higher principles. As such, it is not surprising that research has found a moderate negative relationship between ethical leadership and perceived politics (Kacmar et al., 2011). Finally, Rosen, Levy, and Hall (2006) demonstrated a negative relationship between the feedback environment created by a supervisor and employees’ perceived politics, because “when one’s supervisor gives inadequate or unclear feedback about performance expectations and level, decisions may appear much more politically driven [...]” (p. 217).

Similarly, greater emphasis has been placed on the leader’s role in the performance appraisal process (Marrelli, 2011; Peterson, 2009; Pulakos & O’Leary, 2011). This would point towards abandoning the perspective of “being a performance appraiser to become a performance coach” (Latham, Almost, Mann, & Moore, 2005, p. 84). Thus, the supervisor becomes a developer of individuals, adopting an on-the-job learning approach using the day-to-day interaction as a developmental tool to enhance employees’ engagement and performance (Pulakos et al., 2014). To this end, four behaviors appear fundamental (Pulakos et al., 2014). Managers should be able to “inspire” their co-workers, showing the link between their individual work and the overall organizational mission; “adapt” their performance to the collective needs through defining and setting clear work expectations and short-term goals; “align” them by providing regular informal feedback; and “grow” them, which highlights the developmental component of managerial work. Clearly, each stage requires coaching skills, reciprocal trust, and open, two-way communication (Jones & Culbertson, 2011; Pulakos et al., 2014).

Along the same lines, Ellinger and colleagues advanced the construct of the “manager as coach,” defined as a manager or supervisor who serves as a facilitator of learning in the

workplace setting (Ellinger, Beattie, & Hamlin, 2010). Aside from evaluating employees and the traditional managerial activities, the essential behaviors of the manager as a coach have been summarized in “empowering” through questioning, inspiring, and sharing power and responsibilities; and “facilitating” through feedback, encouraging participation, open communication, and actualization of the coachee’s capabilities (Ellinger, 2013). Finally, another building block of the managerial coaching function is the competency, honesty, and moral behaviors of the supervisor (Ladyshevsky, 2010).

Despite the popularity of managerial coaching in organizations and its well-recognized value for performance management effectiveness (Ellinger, Bachrach, Wang, & Elmadag Bas, 2011), empirical research is still in its infancy and there is scant academic literature, with only a few studies investigating the organizational outcomes (Ellinger, 2013; Gilley, Gilley, & Kouider, 2010). Managerial coaching has been associated with improved role clarity, job attitudes, and overall job performance (Hangen, 2012), but it has never been explored in relation to employees’ perceptions of performance appraisal and management. Thus, we examine whether and how coaching-leadership style influences perceptions of OPPA.

Drawing on the aforementioned literature on managerial coaching, we contend that coaching-leadership style is oriented to help employees maximize their potential and talents by paying attention to their needs and building an effective alliance. Therefore, we identify the following main features of a coaching-leadership style: motivation of the followers, orientation for people and relationships, and ethical principles. A “leader-coach” provides his or her co-workers with support and guidance to ensure their personal and professional development, truly understands and values their needs and capabilities, involves them in crucial decisions, and engages them in higher standards and goals. Finally, commensurate with the relevance of integrity as a key component of a trustful relationship, the ethical

dimension strongly characterizes a coaching-leadership style, so that a “leader-coach” acts according to moral principles, and makes decisions and relates to co-workers in accordance with the values of equity and loyalty.

We argue that these behaviors are likely to influence employees’ perceptions that leader-coaches would not misuse performance management activities to pursue their own interests, which would be detrimental to their co-workers’ growth. On the contrary, leader-coaches are likely perceived as fair and accurate in their evaluations as a means to achieve the ultimate goal of developing and improving employee performance and demonstrating fairness. The theoretical rationale for this lies in social cognition (Fiske & Taylor, 1991), which is the main approach to understanding how people process information about their social surroundings. Individuals are particularly sensitive and tend to respond to stimuli that are vivid and salient in their context and attract their attention. Leaders and their behaviors are salient by definition since they represent a “significant other” for employees, a figure on whom many outcomes depend (Fiske, 1993); salient behaviors are often interpreted as connotative of the person rather than occasional.

Moreover, via social interaction employees reinforce one another’s view, leading to a common and shared cognition of their manager. This cognition is easily accessed and recalled when making sense of the performance appraisals as well as arguably many other situations in which the manager is the protagonist. Hence, the behaviors enacted by a leader-coach would be salient to all employees likely to consider them as representative of the supervisor leadership style. Accordingly, they would perceive the appraisals produced by their supervisors as independent of political considerations and aimed at developmental purposes, in accordance with their manifest leadership style.

In light of the arguments illustrated above, we formulated our first hypothesis:

Hypothesis 1: Coaching leadership style is negatively related to employees' perceptions of OPPA.

Age and Politics

The link between age and perceived organizational politics is quite controversial because only a few studies have reported a significant correlation between the two, and validation of the association is mixed (Ferris et al., 1996; Ferris & Kacmar, 1992; Parker, Dipboye, & Jackson, 1995; Witt, Treadway, & Ferris, 2004). Nonetheless, it seems plausible that younger employees are more sensitive to political behaviors owing to their expectations of attention from their leader during the early stages of their career (Witt et al., 2004).

Other theoretical perspectives seem to support this view. One such perspective is the lifespan development approach to work motivation, which posits that an individual's motivation changes across the adult lifespan (Kanfer & Ackerman, 2004). The results of a meta-analysis reveal that age is negatively related to extrinsic motives, such as pay and promotion, and to growth-related motives such as opportunities for advancement and training (Kooij, De Lange, Jansen, Kanfer, & Dikkers, 2011).

The second perspective that suggests that young employees are more sensitive to political behaviors is the socio-emotional selectivity theory (Carstensen, 1995). This theory postulates the existence of varying social motives (i.e., emotion regulation, development and maintenance of self-concept, and information seeking), the salience of which varies along the lifespan trajectory. More specifically, older people place greater emphasis on present-oriented goals connected to preserving good regulation of emotions, and thus are more responsive to the emotional rewards that derive from positive social interactions (i.e., being in communion with others). Conversely, younger individuals prioritize future- and knowledge-oriented goals and focus on the acquisition of information, personal and career development, and the establishment of instrumental social contacts that may be useful in the

future (Carstensen, Isaacowitz, & Charles, 1999; Lang & Carstensen, 2002; Löckenhoff & Carstensen, 2004). Meta-analytic findings confirmed that age negatively correlates with the so-called status-striving social motives, namely the demonstration of one's mastery compared to others. However, those findings failed to support a positive association between communion-striving motives and older age (Kooij et al., 2011).

Age-related motivational differences may increase the perception of OPPA for younger employees, because their concern with career advancement and knowledge gathering is likely the lens through which they observe their environment and makes them more sensitive to all the issues that might hinder their career. Conversely, older employees may report lower perceptions of OPPA because the ageing process has given rise to a cooperative motivational orientation at work that leads them to hold a more benevolent view of the workplace in order to avoid interpersonal conflicts and enhance meaningful relationships and positive emotions. Hence, we set the following hypothesis:

Hypothesis 2: Age is negatively related to employees' perceptions of OPPA.

The lifespan motivational development (Kanfer & Ackerman, 2004) suggests that employees of different ages respond differently to inducements in the workplace, depending on the fit with their values and needs. Therefore, younger employees may react more favorably to any inducement that contributes to their career aspirations and knowledge acquisition, while older employees may respond more favorably to any opportunity to working with others in a cooperative way.

Additionally, the fact that younger people report higher extrinsic motives (e.g., salary, benefits, career advancement, status) than older people (Kooij et al., 2011) suggests that they are less sensitive to a coaching leadership style, which mainly aims to affect the co-workers' intrinsic motivation and their personal growth, neither of which is necessarily linked to career advancement or promotions. Consistent with the socio-emotional selectivity framework,

older employees tend to hold positive views of their work context (Carstensen, 1995), and therefore may better understand the intentions of a “leader-coach” and the genuine attempts to develop and motivate them, without expecting any direct outcome in terms of career.

Furthermore, such a leadership style may be even more salient for older vs. younger employees consistent with social cognition (Fiske & Taylor, 1991). Research has shown that a behavior may increase in salience when it is not expected, and that highly salient objects exert a greater impact on individual perceptions. Older people may not expect leaders to pursue their development. This is often due to commonly held stereotypical beliefs (spread as much in the workplace as in society in general) that describe them as unwilling and uninterested in growing (Kunze, Boehm, & Bruch 2013; Posthuma & Campion, 2009). Very few leaders, holding such beliefs, would act as coaches towards older employees. However, when they do, because it is an unexpected and probably unusual situation for the older workers (i.e., high salience), it would most likely positively influence their perceptions of the leaders’ behaviors in several circumstances, including the performance appraisal.

Hence, older employees may be more receptive to the coaching style of leadership and may be more likely to perceive a leader who shows concern for co-workers, who motivates them and behaves ethically, as being accurate and fair in their performance evaluations. In short, employee age may influence the relationship between leadership coaching style and perceptions of OPPA, and we formulated the last hypothesis:

Hypothesis 3: Age moderates the relationship between coaching leadership style and perceptions of OPPA, to the extent that it is more negative for older employees.

Method

Participants and procedure

We collected data through self-reported questionnaires administered in 18 organizations operating in the public or the private sectors, located in diverse Italian geographical areas. These organizations spanned telecommunications, transport, food retailing, banking services, manufacturing, security services, and government agencies. Participation was voluntary and anonymous. In order to aggregate the employees evaluated by the same leader, each questionnaire included a code corresponding to the supervisor.

A total of 591 employees completed the questionnaire ($M = 32.8$ people per organization). The response rate could not be calculated, as the initial number of employees invited to participate within each organization was not known. Fifteen respondents reported to a single supervisor and hence were excluded from the analyses because within-group variability in coaching leadership and perceived OPPA could not be calculated. The final sample consisted of 576 co-workers nested under 112 supervisors. The size of the groups reporting to the same supervisor ranged from 2 to 53 people, with an average size of 5.14 ($SD = 6$).

The sample consisted mainly of white-collar employees (87.7 percent), followed by middle-managers (9.8 percent) and directors (2.3 percent). Of these respondents, 54.6 percent were male. Their ages ranged from 21 to 66 years old, with a mean of 40.8 years ($SD = 10.69$), and the average organizational tenure was 14.5 years ($SD = 11.18$), ranging between 1 and 39 years. Sixty-seven percent of the participants held a high school diploma while 33 percent had a university education.

Measures

Coaching Leadership Style. Coaching leadership was measured using the Questionnaire of Agentic Leadership, an instrument validated in Italy and intended to measure three main areas of leadership behaviors (Borgogni, Petitta, Dello Russo, & Mastrorilli, 2009). Specifically, one area assesses the leader's task-related behaviors,

covering all those actions associated with the planning and organization of activities (e.g., time management) as well as the development of the task (e.g., encouraging innovative methods and techniques). The second area refers to the relationship-related behaviors, taking into account the leader's efforts to support the professional and personal development of co-workers (i.e., development dimension), and involve them in the decision making (i.e., involvement dimension). The third area regards the leader's behaviors related to the self, aimed at self-enhancement (e.g., seeking feedback or opportunities for self-development) and self-regulation (e.g., conflict and stress management). Moreover, it includes two components which describe the leader's capacity to transmit passion and enthusiasm to followers, and to act as a role model of integrity and ethics.

Consistent with the purposes of the present study, an abridged version of the questionnaire incorporating three dimensions was adopted, giving a total of 17 items. More specifically, in line with previous literature (Ellinger et al., 2010) and our definition of coaching leadership, we chose to focus on the relationship-related area, since it depicts those behaviors targeted at the followers, which are of conceptual relevance for perceptions of OPPA. For the same reason, and since political manipulations eventually pertain to an individual's morals, we added the items that subsume the ethical dimension. Thus, the final version of the questionnaire included the development dimension (7 items), the involvement dimension (5 items) and the ethic dimension (5 items). Sample items are: "My supervisor recognizes the talents of his/her co-workers in order to nurture them," "My supervisor initiates a brainstorming session before making a decision," "My supervisor considers integrity a priority in his/her work". Co-workers were asked to evaluate the occurrence of certain supervisor behaviors on a seven-point frequency response scale (from 1 = "Never" to 7 = "Always"). The overall scale had a Cronbach's alpha of .97.

Perceptions of Organizational Politics in Performance Appraisal (OPPA).

Participants' perceptions of OPPA were assessed using 24 items from the Questionnaire of Political Considerations in Performance Appraisal (Tziner et al., 1996). The statements measure the extent to which each employee perceives that his or her supervisor engages in political considerations in performance evaluations. Sample items include: "Supervisors give equivalent performance ratings to all their employees in order to avoid resentment and rivalries among them," and "Employees holding a high status-position in their organization will get a higher performance rating than is deserved (i.e. regardless of their real performance, employees' ratings are affected by their status in their organization)." Respondents were asked to indicate their degree of agreement/disagreement with each item using a Likert-type seven-point answering scale (from 1= "Strongly disagree" to 7 = "Strongly agree"). The alpha coefficient of the scale was .94.

Age. Information about employees' ages was collected as a continuous self-report variable, along with other demographic characteristics used as control variables.

Control variables. Gender and organizational tenure were used as individual-level control variables, collected via the self-reported questionnaire. We controlled for leaders' gender and age, using information obtained through the HR departments. We also controlled for the industry sector where people work through a dummy variable (private vs. public) because previous research has shown that the incidence of organizational politics is significantly higher in the public sector (Vigoda-Gadot & Kapoon, 2005).

Data Analysis. To test our hypotheses, we adopted hierarchical linear modeling (HLM; Raudenbush & Bryk, 2002) because of the nested nature of our data; that is, employees who report to and are evaluated by the same supervisor share a source of variance in their perceptions of OPPA that is evident at the leadership level, rather than the individual level. Because all the information was gathered from the same source (the employees), we

aggregated individual answers to the leadership scale with the goal of assessing each supervisor's leadership style.

Following LeBreton and Senter (2008), in order to obtain information about inter-rater reliability (IRR) and inter-rater agreement (IRA), we then computed the Type I intra-class correlation coefficient (ICC1). Indeed, the ICC1 is “a function of both absolute rater consensus (i.e., IRA) and relative rater consistency (i.e., IRR)” (LeBreton & Senter, 2008: 822). The ICC(1) value obtained for the coaching leadership style was .30 which can be considered an index of a large grouping effect (Murphy & Myers, 1998), thus justifying aggregation.

Before proceeding with testing the hypotheses, we performed a confirmatory factor analysis (CFA) using Mplus 7 software (Muthén & Muthén, 2012) on the scale of coaching leadership style with its three dimensions. We ran and contrasted three models, namely a one-factor, a first-order factor (i.e., with the three separate dimensions), and a second-order factor solution. As suggested by the fit indices and the test of chi-square difference (Table 1), the second-order solution fit the data better.

 Insert Table 1 about here

An additional CFA was run on the leadership style second-order factor, and the perceived OPPA scale and yielded a good fit ($\chi^2 (771) = 2243.52$, $p < .01$; RMSEA = .06; CFI = .92; SRMR = .06), showing the distinctiveness of the two constructs. Moreover, it was contrasted with a model where all of the variables (i.e., the scale of perceived OPPA and the three dimensions of the coaching leadership style scale) were loaded on a single general factor (i.e., the Harman's one-factor test). The one-factor model returned a poor and worse fit ($\chi^2 (775) = 8427.096$, $p < .01$; RMSEA = .13; CFI = .56; SRMR = .22), demonstrating that

the probability of common method variance occurring is minimized (Farndale & Kelliher, 2013).

Results

Bivariate correlations and descriptive statistics are reported in Table 2. At the individual level, as evidenced by the data, perceptions of OPPA correlate with gender, so that men report higher perceived OPPA. At the group level, coaching leadership style is negatively correlated with the leader's age and positively with the leader's gender, so that coaching leadership is reported as more frequent in women. In this sample, perceived OPPA is a relatively low-base phenomenon (below the average of the scale).

 Insert Table 2 about here

Using SPSS and following the procedure described in Peugh and Enders (2005), we first ran a null model, which revealed that 14 percent of individual variability in perceptions of OPPA can be explained by leader-level factors. In order to account for organizational differences, we also estimated a third-level (i.e., the organizational level) variance, but in all the models we ran, we found no significant variability in perceived OPPA attributable to the company-level (Table 3; although we acknowledge that the reduced number of organizations may limit the possibility of properly exploring between-organization variability).

We then ran a Random Intercept and Fixed Slope model, in which we included the following control variables: industry sector, employee gender and organizational tenure, leader's gender and age², and the main predictors. As an individual-level variable, age was centered around the group-mean in order to remove its ability to predict leader-level variance

² We also ran a model that controlled for the similarity between an employee and his/her supervisor in terms of gender and age, consistent with the relational demography approach (Shore et al., 2003; Tsui & O'Reilly, 1989). These similarity variables were not significantly associated with perceptions of OPPA. Results of these analyses are available from the first author upon request.

in the outcome variable (Hofmann & Gavin, 1998), while coaching leadership style was standardized. As shown in Table 3, employees' perceptions of OPPA are not significantly associated with any of our control variables except for gender. As predicted, perceptions of OPPA are negatively related to coaching leadership style ($-.21, p < .01$) – thus lending support to hypothesis 1, but not to age ($-.06, p = .22$) – thus failing to support hypothesis 2.

Subsequently, we proceeded with the Random Intercept and Random Slope model that examines whether the effect of the level-1 explanatory variable on the outcome variable is different in different groups. We observed that the slope variance was not significant ($\tau_{11} = .03, SE = .02, p = .20$). Nonetheless, we calculated the ICC beta, which is a newly derived coefficient indicating the degree of variability of a lower-level *relationship* across higher-order units (Aguinis & Culpepper 2015), and found that 1.56% of the variance in perceived OPPA is attributed to level-2 differences in the slope of age. In sum, the effect of age on perceptions of OPPA differs across different leaders.

Hence, we tested the cross-level interaction between coaching leadership and age, which proved to be significant and negative as predicted ($-.12, p < .01$), thus lending support to hypothesis 3. In addition to having predictive power, the interaction term also showed strong explanatory power; we calculated that coaching leadership accounts for 67 percent of the total variability of the slope of perceived OPPA on age across leaders (Aguinis, Gottfredson & Culpepper, 2013).

 Insert Table 3 about here

Finally, we further explored the pattern of the significant moderating effect of age on the relationship between coaching leadership style and employee-perceived OPPA via the test of simple slope (Preacher, Curran, & Bauer, 2006). We entered both age and coaching

leadership style as standardized variables in order to better evaluate the relationship between coaching leadership style and employees' perception of OPPA at conditional values of the moderator (i.e., age), as plotted in Figure 2. The simple slope was $-.08$ at age $-1SD$ ($p = .33$) and $-.33$ at age $+1SD$ ($p < .01$), suggesting that a high coaching leadership style is significantly and negatively related to perceptions of OPPA only in the case of older employees. Contrastingly, younger employees' perceptions of OPPA do not appear to be affected by the extent of coaching leadership adopted by their supervisors.

 Insert Figure 2 about here

Discussion

In the belief that performance management, with its focus on motivation and development, is a critical HR practice for successfully managing an age-diverse workforce, our aim in this study was to deepen our knowledge of the social context of PM and its effects on ratees' reactions to an appraisal (Levy & Williams, 2004; Farndale & Keller, 2013). First and foremost, we chose to focus on negative reactions in the form of perceived OPPA (i.e., perceived manipulations of the ratings by a supervisor); we reasoned that holding such perceptions likely prevents individuals from accepting the feedback and pursuing improvement. This situation jeopardizes the ultimate goal of implementing a performance management system for developing employees (Aguinis, 2009), making perceptions of OPPA a crucial phenomenon to study as a precursor of PM effectiveness (DeNisi & Pritchard, 2006).

Within this framework, our first purpose was to test whether a coaching leadership style could account for employees' perceptions of the appraisal as a politicized event. We found that coaching leadership style was associated with lower perceptions of OPPA, as

predicted. This is not just in line with previous research on leadership and organizational politics in general (Kacmar et al., 2011; Rosen et al., 2006; Vigoda-Gadot, 2007); it prompts us to look beyond the rhetoric surrounding PM and the prescriptive recommendations commonly given to raters and ratees alike, and to encourage both parties to consider PM a true opportunity for development.

The main behaviors enacted by a “manager coach” entail inspiring, motivating, empowering, and facilitating individual growth (Ellinger et al., 2010; Pulakos et al., 2014). Consequently, we showed that a manager acting as a coach toward his/her employees – setting high goals, providing valuable feedback, motivating and stimulating them, and following moral norms of conduct in interacting with them – is indeed crucial and has positive effects. This is because employees exposed to this style of leadership would find it more salient and more easily accessible (Fiske & Taylor, 1991) when thinking and making sense of the performance evaluation. As such, the actions of their leader in the PM setting would be seen in continuity with the coaching behaviors and would be judged free of any political consideration, and genuinely concerned with individual growth.

The second goal of our study was to explore differences in the perceptions of politics of an age-diverse workforce. We expected a negative relation between age and perceived OPPA in consideration of the different motivational patterns that constitute the lens through which people look at their environment. Our hypothesis, however, was not supported. Although younger employees, nourishing higher expectations for career progress, are more motivated to pursue personal achievement (Kooij et al 2011; Kanfer & Ackerman, 2004), they do not seem to pay more attention to the political aspects in PM. It appears that age, *per se*, is not related to higher perceptions of OPPA. It should, nevertheless, be examined in interaction with the context. In fact, younger and older employees show varying reactions to

organizational inducements, particularly to the coaching leadership style displayed by their supervisors.

The result of a moderating role of age in the association between coaching-leadership style and perceived OPPA revealed that while coaching leadership style was essentially insignificant for younger employees, it made a striking difference in older employees' perceptions of OPPA. We interpret this finding in light of social cognition (Fiske & Taylor, 1991) and argue that leader-coaches are more salient for older employees than for younger employees. Stereotypes commonly held in the workplace, although proved to be unfounded (Ng & Feldman, 2012), underscore older employees' allegedly lower openness to learn (Posthuma & Campion, 2009) and higher resistance to change (Kunze et al., 2013). Older people seem to share this view, at least in part, in that their meta-stereotypes (i.e., their own beliefs of how other age groups would describe them) are even more negative (Finkelstein, Ryan, & King, 2013). Given these premises, it is safe to assume they do not expect leaders to act developmentally with them and when that, in fact, happens, these behaviors stand out and become salient. Accordingly, when an object or a behavior is salient, it is more easily accessed and recalled – including for example in the PM setting. Hence, older employees would perceive their supervisors to act less politically in evaluations because they immediately retrieve the image of the leader's numerous and consistent attempts to develop their talents.

By the same token, yet contrastingly, younger employees may hold leader-coaches less salient in their mind because of the different content of their psychological contract. Research has shown that younger employees expect more from the employer, particularly in the form of developmental obligations (Bal, 2015) and, therefore, may feel entitled to support and growth to some extent. This makes the leader-coach not as novel or “unusual” for them as for older employees. As a result, younger employees may not perceive those coaching

behaviors as connotative of the leader style and may not interpret the leader's performance appraisals in continuity with their developmental role.

Practical Implications

The results of this research have important implications for performance management practice. It is widely acknowledged that one key element of effective PM systems is the social context and interpersonal relationship between rater and ratee (Pichler, 2012; Pulakos & O'Leary, 2011). In line with this consideration, we showed which specific leadership style (i.e., the coaching style) can lead to employees' making a more positive evaluation of their performance appraisals. It is critical for a leader to share the main goal of PM (i.e., developing employees) and show behaviors aimed at developing employees on an ongoing basis. Accordingly, it is possible to design managerial training programs to spread the coaching leadership style throughout the organization and provide executive coaching sessions that train leaders to assume the role of coach toward their employees.

Interestingly, our study recognizes the advantages of coaching leadership particularly for older employees. The significant increase in the average age of the industrialized workforce has considerably impacted human resource practices, particularly performance management, thereby exposing leaders to the challenge of managing multiple generations and age-groups (Truxillo et al., 2014). In this context, the coaching style of leadership can be a valuable tool and our findings represent a call to organizations to pay more attention to the development of the older element of today's multi-generational workforce. Older people place a high value on interpersonal relationships in the workplace and, although they do not expect to be the target of developmental efforts, may highly appreciate leaders' coaching actions. Perhaps, even more so than their younger counterparts. Specifically, managerial behaviors such as increasing employees' motivation, helping them to achieve their full potential, and acting with integrity all constitute an input to which older employees likely

assign high salience that, in turn, has powerful effects on employees' perceptions and, eventually, on their actual development behaviors (Levy & Williams, 2004).

Limitations and future research

The nested nature of the data strengthened the study by enabling us to obtain a measure of leaders' behavioral styles by aggregating the responses of the employees reporting to the same leader. Indeed, the high rate of agreement among employees (equal to 30 percent) about their supervisors' leadership styles suggests that their views truly reflect the leaders' behaviors. Moreover, the aggregation of employees' views is considered a reliable measure of leader behaviors (Conway & Huffcutt, 1997) and has been used in previous, similar studies (Vigoda-Gadot, 2007). Nevertheless, reliance on a single source of data is a limitation; hence additional information from supervisors would be worth collecting in future research.

Furthermore, the use of cross-sectional self-report data from a single source may foster common method variance (CMV, Podsakoff, MacKenzi, Lee, & Podsakoff, 2003). However, perceptions of OPPA and the evaluation of leader behavior are constructs most amenable to self-report in that they refer to employees' perceptions, which only the individual can report. Moreover, we performed the single-factor Harman's test, which partially ruled out the possibility of CMV bias. Clearly, future studies may want to gather additional data from leaders to definitely exclude any possible inflation due to CMV.

Because perceived OPPA are perceptions of actions not formally sanctioned within organizations, but likely hidden in the folds of an organization's culture (Latham & Dello Russo, 2008), it would be appropriate to examine perceptions of OPPA in a broader context and study this phenomenon at multiple levels of analysis. Although we took into account likely variability at the organizational level by clustering the residuals, we did not have sufficient statistical power to examine organizational predictors of perceptions of OPPA,

such as ethical culture. While not suitable for this kind of analysis, our sample's diverse composition (in terms of job positions, organizations, and business sectors) contributes to the generalizability of our findings.

The fact that our data were collected in a single country bears mention because this may be a limitation to generalizability – although, with regard to this, two observations apply. First, comparative research on performance management and its relation to national cultural values (Festing, Knappert, Dowling, & Engle, 2012) suggests that our findings may be generalizable at least to those countries (primarily Western countries) that have commonalities in (i) cultural dimensions, particularly power distance; (ii) characteristics of PM, including: the target of evaluation (individual rather than team), the top-down process, and the developmental purposes. Second, a gap was observed in many countries between the actual implementation of PM versus its intended goals (Milliman, Nason, Zhu, & De Cieri, 2002). Anecdotal evidence from a large U.S. company may explain this gap and points at bad managers who voluntarily “hold back the best talents” (Behrens, 2015). All in all, while our results certainly call for replication we cannot claim them as culturally-specific.

Finally, another limitation was the questionnaire used for assessing leadership styles. The scale used in the questionnaire has been validated in Italy and is therefore appropriate in that cultural context, but it needs a conceptual replication employing various measures of coaching or similarly development-oriented leadership style (e.g., Ellinger, Ellinger, & Keller, 2003) .

On the basis of our results as well as its limitations that raised further questions, we envision a number of directions for future research. One avenue is to collect data from the supervisors, with particular respect to the performance evaluations of employees and the extent of leader-member-exchange (LMX) differentiation (Graen & Uhl-Bien, 1995). This approach would enable us to (i) rule out the possible influence of the evaluations received by

an employee (i.e., positive or negative) on his/her perceptions of OPPA, and (ii) control for the leader's tendency to engage in relationships of considerably varying quality with each of the team members.

A second direction is the investigation of explanatory mechanisms that identify the processes through which a leader-coach is able to engender lower perceptions of OPPA. These mechanisms may include employees' attributions about the reasons and meanings of their leaders' behaviors. These attributions, along with other explanatory mechanisms, such as motivational patterns, may especially clarify the varying reactions of older and younger employees to different leadership styles as well as the varying degree of salience that leadership behaviors hold for them.

Furthermore, it seems relevant to examine additional outcomes of coaching leadership. It may well be that some additional consequences are mediated by perceptions of OPPA – among them being: a willingness to engage in personal development, as suggested by other authors (Levy & Williams, 2004), while others are directly influenced by coaching leadership, including intrinsic motivation and job-related attitudes. Moreover, this differentiated pattern of relationships may account for other age-related differences. For example, it would be interesting to verify whether perceived OPPA mediate the effects of coaching leadership style on more distal outcomes (e.g., commitment, performance, turnover intentions) only in older employees but not in younger employees.

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Table 1
Comparison of the Goodness-of-Fit Indices of alternative models for the structure of the Coaching Leadership Style scale

Model	χ^2	<i>d.f.</i>	CFI	TLI	RMSEA	Comparison	$\Delta\chi^2$
M1. One-factor model	672.371	119	0.937	0.928	0.089		
M2. First-order factor model	1854.829	119	0.803	0.775	0.157	M1-M2	1182,458***
M3. Second-order factor model	319.245	116	0.977	0.973	0.054	M1-M3	153,584***
						M2-M3	1535,584***

Note. *** $p < .001$

Table 2. Descriptive statistics and bivariate correlations

Variables	Mean	SD	1.	2.	3.
<i>Level-1 variables^a</i>					
1. Gender	1.45	0.5			
2. Organisational Tenure	14.44	11.14	-.07		
3. Age	40.71	10.64	-.11*	.80**	
4. Perceived OPPA	3.24	1.21	-.18**	.04	-.04
<i>Level-2 variables^b</i>					
1. Leader Gender	1.28	0.45			
2. Leader Age	45.28	9.67	-0.04		
3. Coaching Leadership Style	4.99	0.98	.20*	-.20*	

Note: n^a (individuals) = 591; n^b (leaders) = 128. *p < .05; ** p < .01.

Gender was coded as 1 = Male and 2 = Female

Table 3. HLM Models

	MODELS			
	Null	Random Intercept and fixed Slope	Random Intercept and Random Slope	Cross-Level Interaction
<i>Level 1</i>				
Intercept	3.22 (.12)**	3.35 (.68)**	3.39 (.68)**	3.37 (.68)**
Gender (Male)		.37 (.11)**	.37 (.11)**	.37 (.11)**
Age (group-mean centered)		-.06 (.05)	-.05 (.06)	-.06 (.05)
<i>Level 2</i>				
Industry Sector (Private)		-.10 (.27)	-.15 (.27)	-.12 (.27)
Leader Gender (Male)		.00 (.14)	.01 (.14)	.00 (.14)
Leader Age		-.00 (.01)	-.00 (.01)	-.00 (.01)
Coaching Leadership Style		-.21 (.06)**	-.19 (.06)**	-.20 (.06)**
<i>Cross-level Interaction</i>				

Age x Coaching Leadership
Style

-.12 (.04)**

Variance components

Residual (L1) variance	1.2	1.18	1.141	1.142
Intercept (L2) variance	0.20	0.08	0.08	0.09
Slope (L2) variance			0.03	0.01
Intercept-slope (L2) covariance			0.02	0.01
Intercept (L3)	0.13	0.06	0.06	0.06

Additional Information

ICC	0.14			
-2 log likelihood (FIML)	1860.13	1502.26**	1497.33	1491.19*
Number of estimated parameters	4	11	13	14
Pseudo R ²	0	0.24	0.31	0.31

*Note: N = 576 individuals (level 1), 112 leaders (level 2); 18 (level 3) Standard Errors in parentheses; * $p < .05$; ** $p < .01$*

Figure 1. Theoretical model

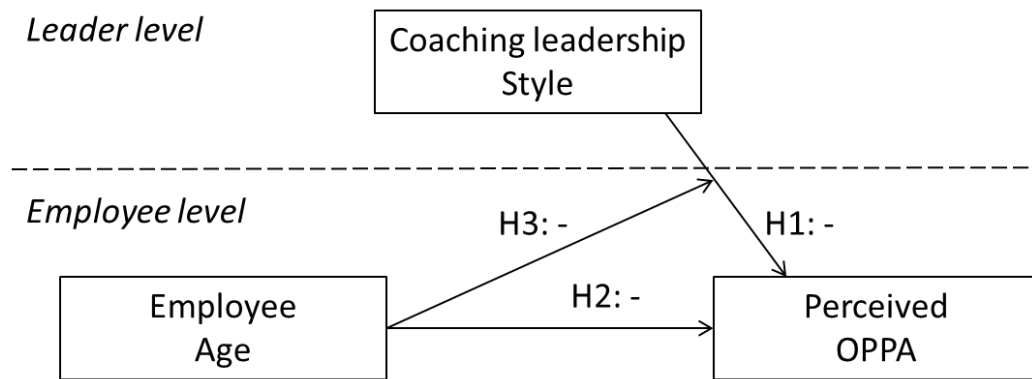


Figure 2. Moderating effect of age in the relationship between coaching leadership style and perceived OPPA

