Philips' New Generation High Potentials

Exploring their expectations regarding leadership and career development

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'When you want something, all the universe conspires in helping you to achieve it'

Paulo Coelho
The Alchemist

Executive summary

Philips is highly dependent on the knowledge and skills of its employees for its viability and growth. One way to obtain this knowledge is to attract and retain highly-educated and talented people. But with an ageing workforce and fewer young people entering the labor market, attracting and retaining the right talent is becoming ever-more difficult. Moreover, the new generation entering the workforce – Generation Y – is believed to have different needs and wants than previous generations.

The objective of this study is to explore the needs, wants and preferences of Philips high potentials (HPs), specifically with respect to leadership style and career development, in order for Philips to maintain an attractive and effective talent development program. The following question is central to this research:

What expectations do Philips high potentials– belonging to Gen Y – hold with regard to leadership and career development and to what extent are these expectations met by Philips?

To gain insights on the preferences of Philips´ HPs, a survey was constructed adopting items from the Multifactor Leadership Questionnaire (MLQ), reflecting Bass' (1985) transactional – transformational leadership theory, and from Schein's (1985) Career Orientation Inventory (COI). To keep the data collection logistically manageable, the main areas for Philips – North America, the Netherlands, China, India, Brazil, Singapore and Hong Kong – were covered in this research. The survey was distributed to 417 HPs meeting the pre-set location and year of birth requirements. A total of 312 surveys were used in the data analysis – a 75% response rate.

Findings reveal that Philips´ HPs strongly prefer a transformational leadership style over a transactional leadership style. Philips meets these expectations to a fair extent as presently 63.2 per cent of the HPs perceive their manager to be (strongly) transformational. This result is encouraging, particularly because a considerable amount of literature has found evidence that transformational leadership can positively contribute to the retention of employees.

Findings regarding preferred career orientations were quite surprising and are believed to offer Philips some very interesting opportunities. After *general management*, it was found that *service and dedication to a cause*, and *lifestyle* are the preferred career orientations among Philips´ HPs. Philips needs to recognize that the new generation talent finds it important to align work activities and skills with personal values. They want to contribute to society, and also to spend more time with their families. *Technical/ functional competence* and *security and stability* (economic security and geographical stability) were the least preferred career anchors.

The HPs' level of satisfaction on the development opportunities the High Potential program offers them varies somewhat. Results show that 45.2 per cent of the participants is satisfied with the High Potential program and that 12.1 per cent is dissatisfied. The rest of the HPs is neither satisfied nor dissatisfied. This indicates there is some room for improvement regarding the High Potential program. HPs have particularly indicated that they seek more function-related development opportunities and more learning opportunities in general. Philips could address this need by offering HPs a broader range of courses and seminars on subjects that relate to the various functions they are operating in.

Findings on preferred career orientations among Philips´ HPs can also be used for attracting new talent. Values regarding both *service and dedication to a cause* and *lifestyle* are incorporated in Philips' way of working; however, it is doubted whether Philips is perceived as such among graduates. To increase the inflow of young talent, Philips should make its business and its strengths more visible to graduates by often attending career events, organizing business courses and even by presenting at universities. Now that the global economy is showing signs of recovery, the labor market will tighten further. An active approach towards the attraction of graduates, while addressing the things that are of value to this new generation, is necessary to maintain the inflow of talented people.

Contents

APPENDICES

Appendix I: Paper Strategic Human Resource Management The public dimension of Philips
Appendix II: Multifactor Leadership Questionnaire (MLQ)
Appendix III: Career Orientation Inventory (COI)
Appendix IV: Survey
Appendix V: Representativeness
Appendix VI: Explorative factor analysis performed by SAS
Appendix VII: Confirmative factor analysis performed by Lisrel
Appendix VIII: *T*-tests Gender
Appendix IX: Multiple regression – Location
Appendix X: Multiple regression – Function
Appendix XI: Crosstabs Transformational Leadership

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1.   *Introduction*

'The retention of talented employees in sales and marketing, research and development, finance and general management, as well as of highly specialized technical personnel, especially in transferring technologies to low-cost countries, is critical to Philips' success' (Philips Annual Report 2009:109).

This chapter starts with an introduction of Philips. It will become clear that Philips is a knowledge-based company that heavily relies on the knowledge and skills of its employees for its viability and growth. Second, it is explained how demographic and societal developments affect the attraction and retention of top talent nowadays. In the third paragraph, the central question and sub questions are presented. Next, the scientific and practical relevance of this thesis will be clarified. The final paragraph explains how the rest of this thesis is arranged.

1.1. *Organization*

Philips is a global company with manufacturing sites in 28 countries and sales outlets in 150 countries. In 2009 its sales were almost 23.2 billion Euros and in January 2010 the company had a total workforce of 116.000 employees. From this total workforce, approximately 57% is positioned in mature markets, and 43% in emerging markets (Philips Annual Report 2009: 67).

Philips was founded in 1891 to manufacture incandescent lamps and other electrical products. Since 2001 however, Philips has undergone a radical transformation. During this process, Philips reduced its divisions from 6 to 3, namely Healthcare, Lighting and Consumer Lifestyle. The company is no longer a consumer electronics group, but a 'diversified and well-being company' (Milne and Steen, 2010). Philips' ultimate business goal is to become the leading company in health and well-being (Philips Annual Report 2009). In order to achieve this goal, Philips not only intends to create meaningful innovations and develop strong relationships with its customers, but also aims to nurture talent and unlock the full potential of its employees (Philips Annual Report 2009: 13). In other words, for its viability and ultimately its growth, Philips heavily relies on the knowledge and skills of its employees.

Problem indication

As argued, to become market leader in health and well-being products and services, Philips is highly dependent on the knowledge and skills of its employees. One way to obtain this knowledge is to attract and retain highly educated talent. However, there are several societal developments that make this a rather challenging activity.

First, demographical trends affect the global workforce. Today, many industrialized countries are struggling with an ageing population. Due to developments such as fertility decline and increase in life expectancy, the combination of the global workforce is changing (International Labor Office Geneva, 2000). Europe is predicted to be the region where the proportion of older people – 60 years and above – will be the highest. In 1998, 20 per cent of the European population was 60 years or above. It is expected that this percentage will increase to 35 in 2050. Other countries that particularly are expected to age fast in the next decades include Japan, Korea and Mexico (OECD, 1998).

An ageing workforce and the reduced inflow of young people into the labor market, makes it ever-more difficult for companies like Philips to recruit and retain top talent (Beardwell and Claydon, 2007). Highly educated talents are in a strong position because of the labor market shortage. They are only willing to work for a company that is able to meet their needs. Moreover, when a company does not live up to their expectations they will easily leave to work for another employer. In other words, job mobility among young professionals is common (Van Steensel, 2007). Since Philips heavily relies on the knowledge and skills of its employees for its growth, it is essential to gain insights in the needs and expectations of these young highly educated people.

One side note has to be made on this matter. Because of the economic downturn the world is now experiencing, labor markets shortages are currently not as severe as a few years ago. To cut costs, companies have fired employees and even stopped their hiring processes. For the first time in years, graduates are struggling to find a job ("Werkloosheid gestegen,' 2009). However, when the global economy does recover, demand for talent will probably rise rapidly. By researching the preferences of top talents now, Philips might be one step ahead of other knowledge-based companies when the 'war for talent' continues.

Second, the attraction and retention of talent is also affected by the assumption that a new generation with different needs and wants than previous generations is now entering the workforce. In popular management literature it has been suggested that this generation – shortened to Gen Y – is going to challenge present work values in a number of ways (Tapscott, 2008). For example, Tapscott argues that 'Net Geners' – in comparison with previous generations – are very familiar with technology, want to enjoy their work, like to collaborate, seek frequent feedback and prefer work autonomy over strict hierarchical structures. According to Mannheim's (1952) generation theory, contemporaneous individuals develop these preferences during their formative years, due to shared experiences in the historical and cultural context (Pilcher, 1995). In the case of Gen Y – who grew up in the 90's – it has often been

suggested that these experiences include the rise of Internet and digital technology (Tapscott, 2008; Cennamo and Gardner, 2008; Smola and Sutton, 2002), economic prosperity and the emphasis on self-confidence in childhood (Van Steensel, 2007).

The scarcity of top talent and the upcoming retirement of the Baby Boomers put emphasis on the development and retention policies of Philips. Do these policies meet the expectations of their high potentials (HPs) belonging to Gen Y? Research on the preferences of the next generation talents is necessary to align talent recruitment procedures and talent development programs. Philips already conducted some explorative (non-scientific) research on their Gen Y HPs Benelux. The first initiative included informal lunches – 7 sessions with 8-19 participants each – with HPs, initiated by the Country Talent Management Benelux department of Philips. During these lunches (July – October 2009), group discussions took place about the development program. The start/ stop/ continue method was used to gain insights in which initiatives within the program are appreciated and which need to be improved or discontinued. The discussions indicated that young talents are looking for transparency, personal attention and informal development/ learning opportunities. However, participants' remarks during the different lunches also showed some discrepancies. Participants especially held different opinions on the role Philips should take in the career management process. Some indicate Philips should be more transparent and consistent about their approaches; others indicate they seek to play a more active role themselves in the process.

The second initiative included a workshop with Philips' employees, representing three generations: Baby Boomers, Generation X and Generation Y. Central to the workshop was the following question: 'Describe your dream leader and nightmare manager'. It appeared that the generations have similar preferences with regard to leadership style. All want an open and honest manager who is inspiring, motivating, empowering and responsive. The image of a 'nightmare manager' was also similar for the different generations. However, members of Gen Y added one aspect to their nightmare manager that did not appear with the other generations: their manager should have a private life. Linking this observation to the assumption that people want their manager to be like themselves, one could conclude that Gen Y members that participated in this workshop highly value their personal, family and social life. From the reports on this workshop something else was distinct for Gen Y. Gen Y members framed their contributions to the discussion different than the Baby Boomers and Gen X. Gen Y added a personal touch to their answers by frequently putting in 'me' – i.e. 'empowers me, likes me, accepts me as a peer' – whereas the other generations used more neutral, impersonal ways to state their answers. It seems Gen

Y prefer to have a personal relationship with their manager and like to be treated as their peers as opposed to subordinates.

The third initiative on Gen Y preferences was among the Philips PHI panel, initiated by the Philips recruitment department. The PHI panel consists of third and fourth year students with a business or technical background and is launched to get a sense of how students view Philips as a future employer. The objective of this particular PHI panel workshop was to create insights in the expectations that students have regarding 'career opportunities' and 'development opportunities' and how students see Philips as a talent builder compared to other employers. Prior to the workshop the students were asked to fill in a questionnaire. The report on this workshop concluded that the participating students have very high expectations of Philips. They expect the company to offer them broad career and development opportunities without considering what they can give the company in return.

The above mentioned initiatives were organized by the County Talent Management Benelux team to explore generational differences in general and Gen Y preferences in particular. Although they offer valuable insights, the initiatives have limited reach and are non-scientific. Corporate HRM wanted to elaborate on the findings of the Benelux team by conducting a global research project on Gen Y's preferences using scientific methods. Current study addressed this need by distributing a survey containing validated questions to 417 HPs belonging to Gen Y. (To illustrate, the lunches counted approximately 70 HPs.) The results of this study offer insights on the preferences of Philips HP's in order for Philips to maintain a talent program that lives up to their talents' expectations.

1.1.1. Central question

Based on extensive literature research and societal developments that have been described, the following central question has been formulated:

What expectations do Philips high potentials– belonging to Gen Y – hold with regard to leadership and career development and to what extent are these expectations met by Philips?

To answer this question, three sub questions have been formulated:
1. What expectations do Philips high potentials hold with regard to leadership style?
2. What expectations do Philips high potentials hold with regard to career development?
3. To what extent are the expectations of high potentials met by Philips?

To support the empirical part of this thesis, a theoretical framework has been formulated. Here, the following sub questions will be answered:

1. Who is generation Y?

2. What is leadership style and what styles can be distinguished?

3. What is career development and how have career orientations changed over the past years?

1.1.2. *Research objective*

The objective of this study is to explore the needs, wants and preferences of Philips high potentials (HPs), specifically with respect to leadership style and career development, in order for Philips to maintain an attractive and effective talent development program.

1.2. *Relevance*
1.2.1. *Scientific relevance*

Popular management literature has indicated that companies are facing a new generation who's expectations regarding work values differ significantly from previous generations. However, empirical evidence on these expectations is very scarce (Bontekoning, 2007; Wong, Gardiner, Lang and Coulong, 2008; Cennamo and Gardner, 2008). This thesis aims to contribute by empirically study the expectations of Gen Y – encompassing high potentials from the Philips global talent pool – with respect to leadership style and career development.

1.2.2. *Practical relevance*

An ageing workforce and fewer young people entering the labour market, makes it difficult for Philips to recruit and retain top talent. In addition, the youngest generation entering the workforce – Gen Y- is claimed to be very different to more senior generations. These developments have caused that companies are currently in a 'war for talent', a term that was first introduced in 1998 by McKinsey & Co. According to this management consulting firm, the victory of this 'war' will be in the hands of the company that is best capable of locating, assessing, recruiting, and retaining the most talented people.

For this purpose, it is essential to gain insight in the work-related expectations and preferences of these talents. Philips has already conducted some research on their youngest generation talent but wants to elaborate on previous initiatives by extending the scope. Current research addresses this need by using survey research. Survey research makes it also easier to compare participants' answers. Ultimately, the insights of this research project will help Philips to maintain a talent development program that lives up to their talents' expectations. This in turn could positively contribute to the attraction and retention of talent.

1.3. Thesis arrangement

Chapter 1 briefly described the organization and discussed the problem that led to this research project. In addition, the central question and objective of this thesis were presented. The relevance of this study was also discussed. Chapter 2 is the result of extensive literature research on the main concepts of this thesis. Central to this chapter are the theoretical sub questions as formulated in chapter 1. In chapter 3 methodology used for data collection and data analysis will be explained. Validity and reliability issues will also be addressed in this chapter. Chapter 4 will present this study's findings. The findings will then be analyzed and discussed in chapter 5. Here, also directions for future research and limitations of current study are discussed. Finally, chapter 6 presents some practical recommendations for Philips.

2. *Theoretical framework*

As stated in the previous chapter, central in this thesis are the expectations regarding leadership and career development of Philips´ HPs. In this chapter, the main concepts will be described and discussed. First, the concept of Generation Y will be explained and discussed. After all, this somewhat controversial concept has led to this research project. Second, the concept of leadership will be discussed. Central to this discussion, will be the widely used transactional – transformational leadership theory of Bass (1985). Third, this chapter discusses several theories on the concept of career development. The theoretical framework will end with a reflection of the presented theory. Some cautious predictions on the preferences of Philips´ HPs will be made.

2.1. Generation Y

In the introduction of this thesis, it has been argued that Philips, along other organizations, feels like it has to deal with a new generation of employees who have different wants and needs with respect to work-related values than previous generations. Although the entering of Gen Y is getting a lot of attention in popular management literature, scientific literature on the topic is scarce. Nonetheless, some research on Gen Y has been conducted. Results of these studies will be discussed. However, this paragraph will start with a clarification of the concept of generation.

2.1.1. Generation theory

The sociologist Karl Mannheim (1952) is regarded as one of the most important contributors to generational analysis (Pilcher, 1995; Bontekoning, 2007; Arsenault, 2004). He studied the fundamental structure of a generation from a social perspective. A generation, Mannheim argued, is similar to a social class position because both concepts refer to a social category. In a social class system, people derive their position from the dominant social-economic power structure within society. However, the social stratification of generations is based on the 'existence of biological rhythm in human existence – the factors of life and death, a limited span of life, and ageing' (Mannheim, 1952: 290). To Mannheim this 'biological rhythm in human existence' ultimately needs to be seen in the social and historical context.

In his paper 'The Problem of Generations' which was first published in 1928, Mannheim describes three factors that shape a generation. *'Generation location'* is the first factor and refers to 'certain definite modes of behavior feeling and thought' (Mannheim, 1952: 291) that contemporaneous individuals develop in their formative years, due to shared experiences in the historical and cultural context. According to Mannheim, the development of these common values is an unconscious and inactive process. This is in contrast to *'generation as actuality'* which is the second factor Mannheim addresses. A

generation as actuality occurs when members are exposed to and participate in critical social and historical events in their society and period. Here, contemporaneous individuals create an actual 'concrete bond' which distinguishes generation as actuality from generation location (Pilcher, 1995: 490). Finally, Mannheim mentions the likelihood that a generation as actuality is internally assorted. Within a generation, members can experience critical events, such as a war or an economic recession, in a different way. Members who do form a similar response to such critical events that take place in society create their own identity. In other words, a generation often consists of different subcultures. Mannheim names these subcultures within a generation *'generation units'* (Pilcher, 1995: 490).

Other generation theorists, such as Ryder (1965) use the term 'cohort' when studying generations. Ryder (1965: 845) defines a cohort 'as the aggregate of individuals – within some population definition – who experienced the same event within the same time interval'. The reason these authors use the concept 'cohort' instead of 'generation' is because the concept 'generation' technically has a pure biological meaning. It refers to kinship relationships, such as the parent-child relationship. The concept 'cohort' better contains the social aspect of a generation as mentioned by Mannheim since it refers to the shared experiences in the historical and cultural context (Pilcher, 1995: 483).

Build on Mannheim's theory, is the generation theory of Henk Becker, a Dutch sociologist. He formulated the following definition of a generation: *'A generation consists of a cluster of cohorts that are featured by a specific geographical location, common features on an individual level (like life cycles, value orientations and behavioral patterns) and on a system level – which entails size and composition, generational culture and generational organizations'* (Becker as cited in Bontekoning, 2007: 71). I will adopt this definition because of three reasons. First, Becker's definition of generation clearly reflects Mannheim's theory. It emphasizes the social aspect of generations by defining a generation as 'a cluster of cohorts'. Second, Becker's definition includes the notion that generations are geographically bound. If this holds true, one would expect great differences in expectations among Gen Y around the globe. However, because of the increasing globalization process one could also expect that values are no longer geographically bound. National, as well as cultural boundaries are fading because of economic integration and an increased information exchange (Nederveen Pieterse, 2009). Third, in his definition Becker includes the common features a generation has on a system level. These features could include birth year but they could also include the year people entered an organization.

2.1.2. Generations in organizations

As stated in the previous sub paragraph, generation theory assumes that individuals who were born in a same period and who experienced the same social and historical events, develop common value

orientations and behavioral patterns. Similarly, organizational theory assumes that people within organizations form (sub)cultures. People within a (sub)culture share assumptions and practices to optimize their working activities (Hofstede in Bontekoning, 2007). These (sub)cultures differ from one another. Linking these theories together, Bontekoning (2007: 89) argues that generations can be viewed as subcultures within an organization.

When identifying generations as subcultures, it could also be argued that each generation has its own distinct work values. However, this thesis is not concerned with the differences in work values between the various generations. It is concerned though, with the work values of Gen Y. Dose (1993: 227-228) has defined work values as 'evaluative standards relating to work or to the work environment by which individuals discern what is 'right' or assess the importance of preferences'. In her definition, she included two major research streams on work values. Research in the area of business ethics views work values as a result from the normative influence of society. Here, moral considerations are at the base of work values. Vocational behavior research defined work values as preferences. Here, work values are concerned with what individual employees like or prefer (Pryor in Dose, 1997: 222). According to Dose (1999: 228) this is an 'important distinction' and very relevant for work values 'since some values (and corresponding decisions) have moral considerations while others are merely preferences without moral implications'. This seems a fair argument. However, hereby Dose overlooks the possibility that personal preferences are affected by social norms or vice versa. After all, social norms about justice and rights do change over time.

2.1.3. Generation Y

Although some distinguish four, most researchers on generational differences in organizations distinguish three generations who currently feature the workplace: the Baby Boomers (who are born between 1945 and 1960), Generation X (who are born between 1960 and 1980) and Generation Y. Although also been referred to as 'Millenials', 'Nexters', 'Echo Boomers' and 'Net Generation' (Broadbridge, Maxwell and Ogden, 2007; Cennamo and Gardner, 2008; Arsenault, 2004), Generation Y is the most frequent used term and addresses the generation that is just beginning to feature in the workplace. There seems to be even less agreement on the years encompassing Gen Y. Smola and Sutton (2002: 365) state that members are born between 1979 and 1994. Broadbridge et al. (2007: 526) stay close to this determination – they argue Gen Y include those who are born between 1977 and 1994. In contrast, there are also researchers who claim that Gen Y members were born after 1980 (Cennamo and Gardner, 2008; Wong et al., 2008; Arsenault, 2004). Pilcher (1994: 487) already acknowledged this 'boundary problem'. More important than the boundaries of Gen Y are their formative years. After all, these are the years when members of a

generation develop their own identity and ideas. Given Becker's (1992) argument that the formative years of a generation are between the ages 15-25 – thus late adolescence – one can argue that Gen Y experienced their formative period approximately between 1992 and 2007.

What are the characteristics of Gen Y? Popular literature, such as the eight-part series on the 'Net Generation' in Business Week, claims that members of this next generation are very different from previous generations and that they will going to challenge present work values in a number of ways (Tapscott, 2008). For example, Tapscott argues that 'Net Geners' – in comparison with previous generations – are very familiar with technology, want to enjoy their work, like to collaborate, seek frequent feedback and prefer work autonomy over strict hierarchical structures. Researchers acknowledge that the identity a generation develops affects the way they look at organizations and authority and also their work-related values (Kupperschmidt in Smola and Sutton, 2002: 364). There are very few social scientists nonetheless, who have empirically confirmed the values that are mentioned in popular management literature.

Broadbridge et al. (2007) explored career perceptions and expectations of Gen Y by interviewing 33 UK students. Empirical evidence was found for the notion that Gen Y does not like hierarchical structures but wants managers to give them responsibilities instead. They also found support for the premise that Gen Y wants to have fun while doing their work. However, Broadbridge et al.'s findings might not be very representative for Gen Y in general. First, their study is particularly focused on retail industry. Gen Y could hold different career expectations in other sectors. Second, their research sample was fairly small which also puts the external validity of the research at risk.

Cennamo and Gardner (2008) empirically tested the work values of Gen Y as well. The purpose of their study was to investigate if differences exist between three generations – Baby Boomers, Gen X and Gen Y – who currently comprise the workforce. It was found that from the three generational groups Gen Y showed the highest levels of freedom work values. This also supports the idea that Gen Y places high importance on work autonomy. It was also found that both Gen X and Gen Y showed higher levels of status values than Boomers.

This last finding is contrasted by Van Steensel's (2007) research. She questioned 1737 young employees about their work values. She found that the majority of the respondents place little importance on status. Instead, they want a challenging and fun job. Respondents also indicated that they want regular feedback and appreciation, do not like hierarchy and place high emphasis on their personal development. These findings are in line with the work preferences of Gen Y in management literature.

Other existing research on Gen Y fails to confirm the work values and expectations of Gen Y as described in the popular media. In their research on generational work environment preferences, Westerman and Yamamura (2006: 152) treat Gen X and Gen Y as one single group because according to them *'research to date has not indicated any substantive differences in work environment preferences between Gen X and Y'*. Their research examined whether generational differences impact employee attitudes and outcomes in the work environment. Findings indicate that determinants for job satisfaction and intention to stay are different for the 'younger generation employees' than for Baby Boomers. However, by treating Gen X and Gen Y as one single group the authors incorrectly apply the definition of generation. After all, people who were born somewhere between 1965 and 1994 have not experienced the same critical events during their formative years. It is therefore very unlikely that this group has common values.

Finally, Wong et al. (2008) aimed to examine whether generational differences in personality and motivational drivers in the workplace exist. Despite their relatively large sample (n=3829), Wong et al. (2008) conclude that few meaningful differences between the Baby Boomers, Gen Xs and Gen Ys exist, because effect sizes they found were small. Moreover, their results show that the direction of the differences found is often opposite of the differences suggested in popular management literature.

To summarize, there is little scientific evidence for distinct characteristics of Gen Y as mentioned in popular management literature. Support was found for the idea that Gen Y prefers autonomy over hierarchy and wants to have fun while working (Broadbridge et al., 2007; Cennamo and Gardner, 2008; Van Steensel, 2007). However, Wong et al. (2008) had a relatively large sample but only found very small differences between generations.

2.2. Leadership

For many years, leadership has significant attention in the social sciences. Authors on the topic distinguish various differentiations in leadership, but the transactional – transformational leadership theory dominates the current view on leadership (Judge and Piccolo, 2004). In the next paragraph this theory, will be described and discussed.

2.2.1. Transactional and transformational leadership

The concepts of transactional and transformational leadership were first introduced by James Burns (1978). For Burns, the difference between transactional and transformational leadership lies in the type of exchange relationship that exists between leader and follower. With transactional leadership, the relationship between leader and follower is merely based on the proper exchange of valued resources; that is the leader offers his followers certain valued outcomes and wants something valued in return (Judge

and Piccolo, 2004). In contrast, with transformational leadership the relationship between leader and follower is one of 'mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents' (Burns, as cited in Kuhnert and Lewis, 1987: 648). Thus, with transformational leadership both leader and followers strive for higher order goals (Judge and Piccolo, 2004).

Bass (1985) build on Burns' theory by applying it to business organizations. According to Bass, transactional leaders 'mostly consider how to marginally improve and maintain the quantity and quality of performance, how to substitute one goal for another, how to reduce resistance to particular actions, and how to implement decisions' (Bass, 1985: 4). Concrete, this means that the leader instructs his subordinate what he is required to do, in order to be rewarded. Transformational leaders move beyond the immediate self-interests. They *attempt and succeed in raising colleagues, subordinates, followers, clients or constituencies to a greater awareness about the issue of consequence. The heightening of awareness requires a leader with vision, self-confidence, and inner strength to argue successfully for what he sees is right or good, not for what is popular or is acceptable'* (Bass, 1985: 17). More recently, Bass (1999: 10-11) argued transformational leadership can raise the subordinate's concerns for achievement, self-actualization, and the well-being of others, including the organization and society. In this way, transformational leadership encourages autonomy and challenging work.

Although Bass (1985) was inspired by Burns' theory, he did not agree with Burns in every aspect. Burns treated transformational and transactional leadership as two ends of a single continuum whereas Bass argues that transformational and transactional leadership are separate constructs (Den Hartog, Van Muijen and Koopman, 1997). However, by this he did not mean that the constructs are unrelated (Hater and Bass, 1988). A leader can be transactional and transformational at the same time. According to Bass, transformational leadership builds on transactional leadership – this has also been referred to as the 'augmentation effect' (Bycio, Hackett and Allen, 1995; Judge and Piccolo, 2004). Ultimately, Bass (1999) argues the best leaders are both transformational and transactional but more transformational.

To see how the transactional and transformational leadership styles are being expressed in organizations, Bass (1985) developed the Multifactor Leadership Questionnaire (MLQ). This multifactor model has undergone several changes in the past but in more recent work of Bass (1999), he identifies six leadership dimensions and a non-leadership dimension: three dimensions of transactional leadership, three of transformational leadership and a non-leadership or *laissez-faire* dimension. The three dimensions for transactional leadership are contingent reward, active management-by-exception, and passive management-by-exception. *Contingent reward* is the degree to which the leader explicates the transactions or exchanges with subordinates; that is the leader clarifies what is expected from the

subordinates and rewards them when expectations are met. *Active management-by-exception* refers to the extent to which a leader corrects subordinates when their performance fails or does not live up to the preset expectations. On the contrary, *passive management-by-exception* refers to the extent to which a leader waits for problems to arise before intervening (Bass, 1999; Bycio et al., 1995; Judge and Piccolo, 2004).

Subsequent research of Den Hartog et al (1997) did not found empirical evidence for Bass' assumption that *passive management-by-exception* is a dimension of transactional leadership. On the contrary, they found that *passive management-by-exception* and *laissez-faire* leadership are positively correlated with each other and negatively with all other dimensions of transactional and transformational leadership, therefore suggesting these factors should be united into one single factor.

Transformational leadership consists of three dimensions as well: charismatic or inspirational leadership, individualized consideration and intellectual stimulation. Charismatic and inspirational leadership used to be unique constructs. However, since this was not confirmed empirically, the two are now seen as one dimension (Avolio, Bass and Jung, 1999). *Charismatic or inspirational* leaders provide subordinates with a clear vision of a desirable future that is energizing and set an example of how to (ethically) reach it. Subordinates identify with this type of leader and with their articulated vision (Avolio et al., 1999; Bass, 1999). *Intellectual stimulation* is the degree to which a leader stimulates and encourages innovation, creativity and the problem solving capacity of their subordinates. *Individualized consideration* is displayed when leaders attend to the developmental needs of each subordinate in order to develop them to their full potential. In this way, leaders act as a coach or mentor (Avolio et al., 1999; Bass, 1999).

Finally, the last dimension of leadership Bass has indicated is *laissez-faire* leadership. This is also referred to as non-leadership because leaders who score high on this dimension avoid taking any action; they do not make decisions and they are absent when subordinates need them.

The theory on transformational leadership implicates that a leader who displays 'transformational' behavior will create many positive outcomes for both subordinates and the organization. This assumption is supported by a considerable amount of empirical evidence. For example, Lowe, Kroeck and Sivasubramaniam (1996) conducted a meta-analysis on the transformational - transactional leadership literature. They included 39 published and unpublished studies in which these concepts were empirically linked to leadership effectiveness criteria. 'Leadership effectiveness refers to the contribution of the leader to the attainment of goals and visions of the organization or group led, and of their subordinates' satisfaction with them' (Wofford, Goodwin and Whittington, 1998: 58). Indicators of leadership effectiveness include subordinate satisfaction and performance (Lowe et al., 1996). Overall, Lowe et al.

(1996) found that all three dimensions of transformational leadership – charisma/ inspirational, intellectual stimulation and individualized consideration – are positively correlated to leadership effectiveness criteria. Thus, a manager with a transformational leadership style can positively impact subordinate satisfaction and performance. Lowe et al. (1996) also found a positive correlation between contingent reward (transactional leadership) and leadership effectiveness criteria but this relationship was inconsistent across the studies included. Judge and Piccolo (2004) also conducted a meta-analysis on the transformational – transactional leadership studies examining 87 articles, they found that both transformational and transactional leadership have positive, non-zero relationships with leadership criteria such as follower job satisfaction, follower leader satisfaction, follower motivation, leader job performance and group or organization performance. Finally, Bycio et al. (1995) found a strong positive relationship between transformational leadership and *affective commitment* – a concept used to refer to the employee's emotional attachment to and involvement with an organization – and a modest negative relation between transformational leadership and *intent to leave*.

In sum, the transformational – transactional theory has been widely studied over the past twenty years. Particularly, transformational leadership has had a lot of attention (Judge and Piccolo, 2004), presumably because of the positive outcomes this leadership style is claimed to cause. More importantly, Bass' (1985) MLQ survey gained mainly support (Lowe et al., 1996). Therefore, the MLQ will be used as measurement tool for the purpose of this study.

2.3. Career Development

Career development is the second main focus of my research and will therefore be discussed next. First, the foundation of career development theory will be described. Then Schein's career anchors – a central concept in career development theory – will be described and discussed. Finally, it will be explained why careers have changed in the past 20 to 30 years. Two concepts are believed to be relevant for this matter: the *protean career* and the *boundaryless career*.

2.3.1.   Foundation of career development

The foundation of present career development theory lies in Parsons' study on *vocational guidance* and *vocational counseling* from 1909. Parsons was concerned about the way industrial organizations were managing their personnel. He felt that too many employees were being wasted, both economically and socially. In his attempt to match persons with jobs in a humane and economic favorable way, he developed a three-step paradigm. According to this paradigm one first has to develop a thorough understanding of oneself. The second step includes acquiring knowledge of the requirements and

conditions of success in different types of work. The last step is to engage in *true reasoning* (decision-making) on the relations of the first two steps (Parsons in Herr, 2001: 201). Since then, many theorists have built on this three-step paradigm of Parsons.

From the 1950s and onwards, two distinct streams within career development theory started to emerge (Herr, 2001). One stream, led by Super (1951) and others, holds a life-span approach to career development. In this view, career is defined as 'the combination and sequences of roles played by a person during the course of a lifetime' (Super, 1980: 282). These roles not only include those of employee but also roles like child, parent and spouse. The second stream particularly focuses on careers within organizations. A definition of career reflecting this stream comes from Arthur, Hall and Lawrence (1989: 8): 'The evolving sequence of a person's work experiences over time'. In addition, the authors emphasize the interaction between an individual and the organization: 'Careers reflect the relationship between people and the providers of official position, namely, institutions or organizations, and how these relationships fluctuate over time' (Arthur et al., 1989: 8). Since this thesis is primarily concerned with careers within organizations, Arthur's et al. (1989) definition of career will be adopted.

While both the above mentioned theories were elaborated and deepened by numerous authors, the terms vocational guidance and vocational counseling were gradually replaced by terms as *career counseling* and *career guidance*, both referred to as 'practices of career development' (Herr, 200: 205). Delahaye (2005: 161-165) uses the terms career counseling and *career management*. He argues that career counseling is the first part of career development and that it is concerned with identifying the needs of an individual. *Career counseling* includes five steps: indentifying career anchors, analyzing an individual's personal environment, gathering information on future careers, constructing operational plans and making the actual change. *Career management* is the second part of career development and is about comparing the needs of the individual as identified in the career counseling stage and the needs of the organization (Delahaye, 2005: 164). Clearly, Parsons' theory has been an inspiration for Delahaye.

2.3.2. Career anchors

Career anchors are a central concept in career development theory. The concept was introduced in the mid-1970s by Edgar Schein. According to Schein (1996: 80), a person's career anchor refers to someone's self concept and consists of three elements: (1) self-perceived talents and abilities, (2) basic values, and (3) the evolved sense of motives and needs as they relate to the career. A person's career anchor develops during the first few years out of school, when a person gains occupational and life experience and discovers what their talents, motives and abilities are. When a person's career anchor stabilizes, it plays an important role in difficult choices concerning career development or family because

it represents his values and motives that he is not willing to give up on (Schein, 1996: 80). Schein argued that people can hold very different anchors and thus pursue different types of careers. While some employees get excited by encouraging and stimulating other people to perform their best, others may be scared of the political aspect of managing people and may be primarily motivated by the content of the work itself. In his original research, Schein describes five career anchors or orientations: *Technical/ functional competence*, *managerial competence, security and stability, entrepreneurial creativity,* and *autonomy and independence.* Later, he has extended his model with three additional career anchors: *Service and dedication to a cause, pure challenge* and *lifestyle.* Also *security and stability* was divided in two anchors: *economic security* and *geographical stability.* A brief description of these career anchors can be found in table 1.

Table 1
Schein's Typology of Career Anchors

1. Technical/Functional Competence: Primarily excited by the content of the work itself; prefers advancement only in his/her technical or functional area of competence; generally disdains and fears general management as too political.

2. Managerial Competence: Primarily excited by the opportunity to analyze and solve problems under conditions of incomplete information and uncertainty; likes harnessing people together to achieve common goals; stimulated (rather than exhausted) by crisis situations.

3. Security and Stability: Primarily motivated by job security and long-term attachment to one organization; willing to conform and to be fully socialized into an organization's values and norms; tends to dislike travel and relocation.

4. Entrepreneurial Creativity: Primarily motivated by the need to build or create something that is entirely their own project; easily bored and likes to move from project to project; more interested in initiating new enterprises than in managing established ones.

5. Autonomy and Independence: Primarily motivated to seek work situations which are maximally free of organizational constraints; wants to set own schedule and own pace of work; is willing to trade off opportunities for promotion to have more freedom.

6. Service and Dedication to a Cause: Primarily motivated to improve the world in some fashion; wants to align work activities with personal values about helping society; more concerned with finding jobs which meet their values than their skills.

7. Pure Challenge: Primarily motivated to overcome major obstacles, solve almost unsolvable problems, or win out over extremely tough opponents; define their careers in terms of daily combat or competition in which winning is everything; very single-minded and intolerant of those without comparable aspirations.

8. Lifestyle: Primarily motivated to balance career with lifestyle; highly concerned with such issues as paternity/maternity leaves, day-care options, etc.; looks for organizations that have strong pro-family values and programs.

Source: Schein, E. H. 1990. *Career Anchors: Discovering Your Real Values.* San Diego, CA: Pfeiffer & Company.

It is important for organizations to create a fit between employees' career related values and desires because research has indicated that a good fit has a positive relation with job satisfaction, career satisfaction, commitment and a negative relation with intent to leave (Igbaria, Kassicieh and Silver, 1999).

Unlike Schein, several authors have argued that a person can have more than one career anchor (Feldman and Bolino, 1996; Delahaye, 2005). For example, Feldman and Bolino (1996: 99) refer to the possibility that individuals can hold one career anchor that is primarily talent-based and one that is primarily value-based or need-based. They also state that some people might experience a high level of personal ambivalence – that is people may have two equally appealing goals. Delahaye (2005: 162) goes even further by arguing that generally a person has 'a combination of several of these career anchors'.

In his later work, Schein (1996) discusses the implications for career development in the 21st century. He argues that in today's turbulent environment the needs of one career anchor can be easier to fulfill than the needs underlying another career anchor. Several career anchors have shown and are predicted by Schein to show radical changes in both their structure and content. For example, Schein suggests that people who nowadays hold a *security/ stability* anchor will experience severe difficulties because organizations no longer promise life time employment security. At best, organizations offer their employees learning opportunities to increase their employability. On the other hand, recent changes in the *autonomy/ independence* anchor make it only easier for individuals who hold these anchors. Individuals holding an autonomy anchor find their needs fulfilled by most organizational policies of promising employability only. Schein (1996: 83) concludes that occupational structure will continue to change and that this affects both the individual and the organization:

'Organizational position and advancement is increasingly defined in terms of what one knows and what skills one possesses, and is based less and less on seniority or loyalty. But knowledge workers are also more mobile and autonomous. To retain the best employees, organizations must therefore be able to challenge them and meet their needs. No longer is it desirable or feasible to use golden handcuffs or promises life time security'.

This fragment also reflects the assumption underlying Schein's theory on career anchors, namely, the assumption that chances for positive career outcomes are higher when congruence exists between a person's career anchor and his or her work environment (Feldman and Bolino, 1996). Career outcomes that are particularly mentioned by Schein are work effectiveness (related to quantity and quality of work), job satisfaction and job stability. Thus, congruence benefits both the individual and the organization.

Again, Parsons (1909) idea about matching persons with jobs in both a humane and economic favorable is clearly reflected.

2.3.3. Careers in the 21st century

The way organizational careers are viewed today, differs greatly from the way researchers were looking at careers 20 to 30 years ago. Traditionally, career development was seen as an 'onward and upward' process (Beardwell and Claydon, 2007). The dominant thinking in research then, was that an individual's career was evolving in just one or two organizations, and progress was only thought of as a vertical upward process. Promotions and pay rise were used as indicators for success (Sullivan, 1999). However, since the 1980's this traditional career model is changing. Organizations are facing an increasingly dynamic business environment due to economic and technological developments. To become more flexible and to be able to respond more quickly to these changes, (large) organizations started to revise their organizational structures by means of downsizing and delayering (Hall, 2004; Beardwell and Claydon, 2007). These flatter organizational structures do not support the traditional career as well as the hierarchical structures did. Consequently, new theories on careers started to emerge. Two important concepts dominate these theories and will be explained in further detail.

The first concept is the *protean career.* This concept was introduced by Hall (1996: 8). He describes a protean career as 'a career that is driven by the person, not the organization, and that will be reinvented by the person from time to time, as the person and the environment change'. The protean career differs from the traditional career in several ways. For instance, the protean career is being driven by psychological success as opposed to objective success such as pay, status or power. Psychological success can be described as one ultimate personal goal in life. This can be rising to a top management position but it can also include inner peace or family happiness. Hall (1996) further argues that continuous learning will be central to the protean career. He predicts that this learning process will no longer take place through formal training and education. Instead, people will learn from challenging job assignments and from other people in their work environment. Finally, pursuing a protean career brings along a shift in responsibility. Whereas the responsibility for career management in traditional careers was usually in hands of the organization, with the protean career orientation the individual is responsible for its own career path and career choices. Thus, following a protean career path involves high levels of self-awareness and great own responsibilities (Hall, 1996: 10).

Briscoe and Hall (2006: 6) state that a person can hold higher or lower levels of the protean career orientation, thereby emphasizing that the protean career orientation is not suggesting a particular type of behavior but rather entails an 'attitude toward the career that reflects freedom, self-direction, and making

choices based on one's personal values'. They argue there are two factors underlying the protean career orientation. The first factor – *values driven* – is the extent to which a person's career choices are motivated by personally held values, as opposed to extrinsic values such as money. The second factor – *self-directed* – refers to a person's ability to continuously learn and adjust oneself to be able to live up to new performance demands (Briscoe and Hall, 2006: 8). A person who scores high on both factors has a high level of the protean career orientation.

The second influential concept in career development research was introduced in 1996 by Arthur and Rousseau and is called the *boundaryless career*. Boundaryless careers are 'not bounded, not tied to a single organization, not represented by an orderly sequence, marked by less vertical coordination and stability' (Arthur and Rousseau in Briscoe and Hall, 2006: 6). Although Arthur and Rousseau describe six detailed emphases of the boundaryless career, most of the time researchers associate boundaryless career with careers transcending organizational or occupational boundaries (Briscoe and Hall, 1996; Arthur, 1994).

There is little agreement on the significance of the boundaryless career. Arthur (1996: 297) claims that the old picture of stable employment and related organizational (or vertical) careers is fading and will be replaced by a new picture of dynamic employment and boundaryless careers. He bases his claim, among other things, on the average employment tenure of workers. Employment or job tenure refers to 'the length of time a worker has been continuously employed by the same employer' (Auer and Cazes, 2000: 380). This can indeed be a good indicator to examine whether employment relationships have changed in the past years, but only when numbers are compared *over time*. Arthur (1996), however, based his claim on employment tenure numbers from one single year. Furthermore, the sources he used stem from the early 90's and are therefore outdated. Research of the International Labor Office (2005) offers a more accurate analysis on the supposed changing employment relationship. Based on Eurostat data and on national data for the US and Japan, it was found that overall the average tenure has hardly changed over the 90's. As table 2 shows, US, UK, Denmark and the Netherlands are the countries with lower average tenure. However, the report does indicate that that younger workers 'face systematically shorter employment spells, and flexibility is very much concentrated on young people' (International Labor Office, 2005: 7). Another significant change that has occurred over the past years is a lengthening of women's tenure (International Labor Office, 2005).

Table 2: Average employment tenure 1992-2002
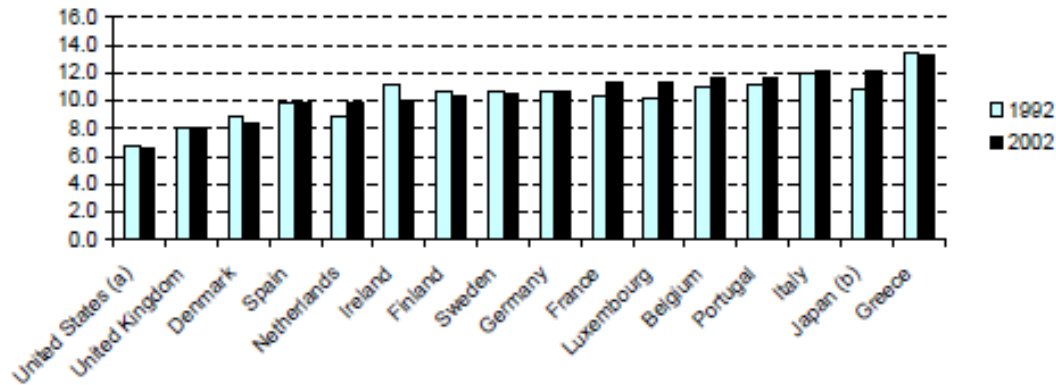
Source: International Labor Office (2005: 7).

In some cases, academics have used the concepts *protean career* and *boundaryless career* almost synonymously (Briscoe and Hall, 2006). However, when comparing the concepts, one has to conclude that despite their similarities, the concepts are fairly distinct. The protean career is described as a mindset and is particularly concerned with one's personal life goals, while the boundaryless career is generally associated with the actual physical (job) mobility. Hence, Briscoe and Hall (2006: 7) suggest that both career orientations need better conceptual precision.

In sum, career development is a dual process between the individual and the organization (Delahaye, 2005). On the one hand, an individual's career is directed by one's personal values, goals, talents and abilities. In fact, theorists supporting the protean and boundaryless career orientation, claim that the career of the 21st century is increasingly determined by the individual. On the other hand, careers are also managed by organizations. In the end, the contributions of an individual should always be in line with the organization's overall business strategy. The challenge for organizations then, is to create the best possible fit between the organization's strategy and the individual's career expectations.

2.4. A reflection of the presented theory: Prospects on the preferences of Philips high potentials

In the previous paragraphs, theories on generations, leadership, and career development have been described and discussed. In this concluding paragraph, an attempt will be made to combine these theories with the purpose of making (cautious) predictions on the preferences of Philips high potentials.

As stated in the introduction of this thesis, Philips believes a new generation with different needs and wants than previous generations is now entering their workforce. Literature has referred to this generation as Generation Y. Because of the scarcity of top talent and the upcoming retirement of the Baby Boomers,

it is important for Philips to gain insights in the expectations of their top talents. Do Philips talent development programs suit their needs and preferences? Empirical research that has been conducted on Gen Y's work values and preferences indicate that Gen Y does not like hierarchical structures (Broadbridge et al, 2007; Van Steensel, 2007) but places high importance on work autonomy instead (Cennamo and Gardner, 2008). Furthermore, it was found that Gen Y prefers regular feedback and appreciation and places high emphasis on personal development (Van Steensel, 2007). When combining these work preferences with the presented leadership and career development theory, a few predictions on the preferences of Philips high potentials can be made.

First, regarding leadership, it is expected that Philips' HPs tend to prefer a transformational leadership style over a transactional leadership style. Bass (1999: 10-11) argued transformational leadership can raise the subordinate's concerns for achievement, self-actualization, and the well-being of others, including the organization and society. In this way, transformational leadership encourages work autonomy and facilitates personal development. Moreover, the transformational dimension *individualized consideration* reflects other preferred work values of Gen Y, such as feedback and appreciation, which also advocates Philips' HPs to prefer a transformational leadership approach over a transactional one.

Second, regarding career development, it is expected that the career anchors *autonomy/ independence* and *pure challenge* will prevail. Individuals with an *autonomy/ independence* career anchor prefer to do things their own way and dislike to be restrained by organizational rules. Individuals holding a *pure challenge* career anchor are excited by solving tough problems and situations (Schein in Feldman and Bolino, 1996: 92). These career orientations are best reflecting Gen Y's preferred work values as found by empirical research. On the contrary, based on protean and boundaryless career theories it is expected that very few of Philips' HPs will hold either the *technical/ functional competence* career anchor, or the *geographical stability* career anchor. Movements between organizations and occupations are quite common these days, especially among the highly educated adolescents (Van Steensel, 2007: 102). Furthermore, a shift in responsibility with respect to career management is apparent. Individuals no longer expect an organization to offer them life time employment security. Rather, they seek personal development opportunities (Van Steensel, 2007).

In sum, based on the various theories discussed the following predictions on the main findings are made:

1. *Philips' HPs will prefer a transformational leadership style over a transactional leadership style.*
2. *Career anchors 'autonomy/ independence' and 'pure challenge' will be held most among Philips' HPs and career anchors 'technical/ functional competence' and 'security and stability' will be held least.*

3. *Methodology*

In this chapter methodology used for data collection and data analysis will be explained. First, the central question of this study is recalled. Second, the research domain and sample procedure is described. In the third paragraph the quantitative research method is described, including the conceptualization and operationalization processes of the main concepts. Fourth, the data analysis procedure is described. Lastly, the validity and reliability issues of this research are extensively addressed.

3.1. Central question

Based on extensive literature research and the societal developments that have been described in the previous chapters, the following central question has been formulated:

What expectations do Philips high potentials– belonging to Gen Y – hold with regard to leadership and career development and to what extent are these expectations met by Philips?

To answer this question, three sub questions have been formulated:
1. What expectations do Philips high potentials hold with regard to leadership style?
2. What expectations do Philips high potentials hold with regard to career development?
3. To what extent are the expectations of high potentials met by Philips?

3.2. Research domain and sample procedure

The research domain of this thesis is formed by the Philips' global talent pool. This talent pool consists of approximately 2.000 highly educated employees from a number of countries. To keep the data collection logistically manageable, the main areas for Philips – North America, the Netherlands, China, India, Brazil, Singapore and Hong Kong – were covered in this research. To verify the actual research population, the Philips high potential database was searched on both location (position basic country) and year of birth. Everyone meeting the location and year of birth requirements was included in the sample. In this way, 427 talents belonging to Gen Y were indentified. 10 email addresses turned out to be invalid, which brings the total research population to 417.

3.3. Quantitative data collection

The objective of this study is to explore the needs, wants and preferences of Philips high potentials (HPs), specifically with respect to leadership style and career development, in order for Philips to maintain an attractive and effective talent development program. To accomplish this objective, survey research was used. Within Philips, quite some qualitative (non-scientific) research has already been conducted to

explore the topic of Gen Y. Philips aims to elaborate on these research by extending the scope. Survey research allows questioning a large number of respondents and emphasizes representativeness and frequencies of certain phenomena (rather than offer insights in the complexity of a problem) which suit the objective of this research project. Constructing a valid and reliable survey is critical to the success of this type of research. In this paragraph the steps are described that were taken to construct a survey. First, the most important definitions with regard to this study are formulated. Second, the main concepts of this study – leadership and career development – are operationalized. Finally, response rates are described.

3.3.1. Conceptualization

The Philips global talent pool forms the research domain in this thesis. The research population will consist of those *high potentials* (HPs) that both belong to Gen Y and are located in North America, the Netherlands, China, India, Brazil, Singapore, or Hong Kong. Gen Y will encompass those who are born between 1978 and 1995.

For *leadership*, a distinction is made between two (complementary) leadership styles: transactional leadership and transformational leadership. 'Transactional leadership refers to the exchange relationship between leader and follower to meet their own-self interests' (Bass, 1999: 10). 'Transformational leadership refers to the leader moving the follower beyond the immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration (Bass, 1999: 11).

Career development is the process of identifying the career related needs of an individual and compare them to the needs of the organization (based on Delahaye, 2005). Current study focuses particularly on the first part of this definition – the process of identifying the career related needs of HPs – and less on the needs of the organization. However, this focus suits the objective of this thesis.

Expectations refer to work-related needs, wants and preferences.

To determine *to what extent* expectations regarding leadership and career development *are met* by Philips' policies and programs, an online questionnaire has been constructed. The first section of the questionnaire focuses on how talents belonging to Gen Y think about leadership and career development in general. The second section of the questionnaire asks participants on their view of their current manager, as well as their experiences with regard to Philips career development support.

3.3.2. Operationalization

Leadership

To gain insights in the preferences of the Philips´ HPs regarding leadership style, 24 items from the Multifactor Leadership Questionnaire (MLQ, Appendix II) – reflecting Bass (1985) transactional – transformational theory – were adopted in a survey. These 24 items cover 2 transactional leadership dimensions and 3 transformational leadership dimensions. The third dimension of transactional leadership, *passive management-by-exception* was not included in the survey. Items reflecting this dimension would have included 'I prefer my manager to avoid involvement' or 'I prefer a manager who is absent when needed' (Avolio et al., 1999). These items are considered too leading and therefore are believed to have minimum contribution to this study. Moreover, Den Hartog et al. (1997) did not found empirical evidence for Bass' assumption that *passive management-by-exception* is a dimension of transactional leadership. They found that *passive management-by-exception* and *laissez-faire* leadership are positively correlated with each other and negatively with all other dimensions of transactional and transformational leadership. Therefore, *passive management-by-exception* has been excluded from the survey.

In the second part of the questionnaire, participants were asked to rate their own manager according to the same 24 leadership items to explore to what extent their expectations are met. For this purpose, the statements were adjusted slightly. For example, *I find it important for my manager to recognize my achievements* – which was used to measure the participant's preference – was transformed into *My manager recognizes my achievements* to measure the participant's satisfaction. Similar items were used to make comparison reliable.

Career Development

Career development is the process of identifying the career related needs of an individual and compare them to the needs of the organization (based on Delahaye, 2005). To gain insights in the preferences of Philips' global talents, 24 items retrieved from Schein's (1985) Career Orientation Inventory (COI, Appendix III) – reflecting 9 career anchors – were adopted in the survey. These career anchors refer to someone's self-concept. In line with theory of Feldman and Bolino (1996), and Delahaye (2005) participants were not forced to choose only one career anchor. They were asked to their degree of agreement with the content of each statement.

Contrary to the leadership items, the statements that were used to measure HPs preferred career orientation could not be transformed into similar items to explore their satisfaction. Items from Schein's (1985) Career Orientations Inventory are constructed with the purpose of measure someone's inner self-

concept. Transforming the original items with the purpose of measuring HPs satisfaction would have resulted in very different items. In other words, comparison would not have been reliable.

Instead, 8 additional items were constructed to explore the extent to which Philips meets the career related preferences of HPs. More specifically, 6 items ask participants about their satisfaction with the development opportunities the High Potential program offers them. 2 items ask participants what role they want their manager to play in their career. Do young talents want to manage their own career or do they want their manager to manage their career for them? Analysis of previous (non-scientific) research within Philips on this topic, showed some discrepancies on this matter. Taken together, these questions help Philips to maintain a development program that lives up to their talent's expectations.

Finally, all selected items from Bass' (1985) MLQ and Schein's (1985) COI were compiled into one survey (Appendix IV). Participants were asked to the extent they agreed or disagreed with a number of statements regarding leadership and career development on a *Likert scale* (five-point scale). The survey was designed with www.surveymonkey.com, a program most Philips employees are familiar with.

3.3.3. Response

Participation

Van der Velde et al. (2004: 77) have pointed to the problem that survey research depends on 'the willingness and the ability of respondents to answer'. To encourage participation, several measures were taken:

- The country talent managers were informed about the upcoming survey two months prior to the survey release through a global conference call.
- The survey was pre-tested by 9 people (from which 4 people were native English speakers) to check the clarity of the statements and the time that it would take participants to complete the survey. On average, the survey took 8-12 minutes to complete which is considered not too long.
- The survey was distributed by e-mail which made it easier for the respondents to participate.
- The country talent managers from the participating countries/ areas, as well as several (Senior) Vice Presidents were put in the distribution list which emphasized the importance of the study.
- A progress bar was included in the survey. In this way, participants were able to see the percentage of the questionnaire they already completed at the top of each page.
- A reminder was sent out twice.

Response

The survey was distributed to 417 HPs meeting the pre-set location and year of birth requirements. The

participants were given two weeks to complete the survey. A reminder has been sent out twice. This resulted in a 78% response rate – 325 participants started the survey. 13 surveys were rejected because they were completed by respondents born before 1978 or because of missing data. Thus, a total of 312 surveys were used in the data analysis – a 75% response rate. This high response rate is encouraging. Moreover, a representativeness test (3.5.1) has shown that the response group is an excellent representation of the total research population.

Table 3 presents some of the demographic characteristics of the sample. Of the 312 respondents, 64 per cent is male (n=199) and 36 per cent is female (n=113). The majority of the respondents is located in the Netherlands (n=220), followed by the United States (n=44). Of all the respondents, over 60 per cent is working in Marketing (n=76), Finance (n=57) or Research &Technology (n=55). On average, respondents first started working for Philips in 2006, with a standard deviation of 2 years.

Table 3: Some Demographic Statistics

Variables	N	%
Gender		
Male	199	64
Female	113	36
Location		
Netherlands	220	70.5
United States	44	14.1
China	21	6.7
Asia-Pacific	21	6.7
Brazil	2	0.6
Belgium	1	0.3
Missing	*3*	*1.0*
Function		
Industry	4	1.3
Marketing	76	24.4
Info. & Comm. Technology	16	5.1
Purchasing & Supply Mng.	13	4.2
Sales	17	5.4
Supply Chain Management	24	7.7
Business Management	8	2.6
Research & Technology	55	17.6
Quality	2	0.6
Human Resource Mgn.	16	5.1
Finance	57	18.3
Service	3	1.0
Other	21	6.7

Total	312	100

Missing values

Participants were forced to answer all items on one page before proceeding to the next. In this way, needless errors on a page were prevented. However, there were some respondents (20) who did not complete the survey completely. This could have been caused by lack of interest or lack of time. Of these 20 respondents, 13 were excluded from further data analysis because they skipped too many questions. 7 respondents who did not fully complete the survey were included in the data analysis. These respondents completed at least the introduction part and all 24 items relating leadership preference. Therefore, N varies from 312 in the first statistics to 305 in the latter.

3.4. Data analysis

Once the online survey was closed, raw data from SurveyMonkey has been downloaded to an Excel-file. This Excel-file was transported to SPSS 16.0, the program that has been used for statistical analysis. Next, variables were labeled and assigned to their appropriate measurement level (nominal, ordinal, scale).

Before running all the statistical tests necessary to answer the central question and sub questions of this thesis, several tests have been executed to ensure the validity and reliability of this research project. First, a *Chi² test* (3.5.1.) has been conducted to see if there are significant differences between the research population and the response group. Second, a *Cronbach's alpha* (α) (3.5.2.) analysis was performed with SPSS to check the internal consistency of the components of the survey. Since the alpha's for some leadership components were not completely satisfactory, two more detailed tests were performed to validate the survey. The explorative factor analysis was performed with SAS and the confirmative factor analysis (3.5.3.) with Lisrel. The confirmative factor analysis showed that a (leadership) model without the component *contingent reward* and without item *IC4* has the best possible fit. Therefore, IC4, ICA4 and all items covering contingent reward have been excluded from further analysis with SPSS.

Subsequently, new variables were composed. For example, for 'charismatic leadership – preference' a new variable 'CL' was composed from CL1, CL2 – CL10 and for 'charismatic leadership – satisfaction' a new variable 'CLA' was composed from CLA1, CLA2 – CLA10. Lastly, the tests concerning the main questions of this thesis were run. These included descriptive statistics such as frequencies and means to determine what leadership style and career orientation is preferred. Also, a *t-test* and multiple regressions were run to see if there are significant differences in means between groups. Finally, cross-tabs were

calculated to determine to what extent the expectations of the HPs are being met. Results of these statistical analyses are reported in Chapter 4. However, in order to draw conclusions from the statistical calculations, some statistical decisions needed to be made. These decisions will be explained next.

Re-allocation of answer categories

To show the allocation of the various answers given, frequency distributions are often used. However, when the concepts measured are made up of several subscales (i.e. leadership is made up of items reflecting charismatic leadership, individualized consideration and intellectual stimulation), a frequency distribution would contain almost every value between 1 and 5 and therefore would not be very useful. For that reason, answer categories need to be re-allocated. In this thesis, the following three categories are constructed:

$1 = < 2.5$	disagree
$2 = 2.5 \leq x \leq 3.5$	not disagree/ not agree
$3 = > 3.5$	agree

Determine to what extent expectations are met

To explore to what extent expectations (or preferences) are met by Philips, a different method has been used for leadership than for career development. For leadership, similar statements were used to measure both preference and perceived leadership. The level of satisfaction can thus be determined by comparing the scores on these statements. The extent to what expectations are met regarding leadership has been explored using two indicators:

- Determine the difference between the average preference and the average perceived leadership. Ideally, this difference would be 0 (or even negative). The standard deviation of transformational leadership_satisfaction is .62. Therefore, a slightly greater difference of .70 between preference and perceived leadership is perceived satisfactory.
- Generate cross tabulations using the re-allocation of answer categories. It is perceived satisfactory when 60 per cent of the HPs perceive their manager to display their preferred leadership style.

To explore the level of satisfaction with regard to career development, other indicators have been used since the statements reflecting the different career orientations could not be used to explore the extent to which HPs career development related preferences. Specifically, the 6 items at the end of the questionnaire will be used as an indication of the HPs level of satisfaction:

- When reallocating the means scores of these 6 items to three answer categories, it is perceived satisfactory when 60 per cent of the HPs is satisfied (category 3) with the High Potential program.

3.5. Validity and reliability

3.5.1. Representativeness test

To ensure the response group is a good reflection of the research population, a representativeness test has been conducted. The *Chi² test* calculates whether there are significant differences between the research population and the response group. Table 4 shows that for gender, location and function the Chi² is non-significant (n.s.) which means that the response group accurately represents the research population Therefore, these demographics can also be used as independent variables in further statistical analysis. Furthermore, with this test it has been proven that conclusions can be drawn for the entire research population. A detailed calculation of representativeness can be found in Appendix V.

Table 4: Representativeness

Characteristics	Categories	Frequency in research population (N=417)	Frequency in response (N=312)	Chi² (a=0.05)*
Gender	Male	268	199	
	Female	149	113	n.s.
	Total	417	312	
Location	Netherlands	285	220	
	United States	63	44	
	China	29	21	
	Asia Pacific	34	21	n.s.
	Brazil	6	2	
	Belgium	0	1	
	Missing		3	
Function	Industry	12	4	
	Marketing	94	76	
	Info.& Comm. Technology	23	16	
	Purchasing & Supply Mng.	17	13	
	Sales	31	17	
	Area & Country Mng.	0	0	n.s.
	Supply Chain Management	23	24	
	Business Management	4	8	
	Research & Technology	79	55	
	Quality	8	2	

	Human Resource Mng.	19	16	
	Finance	72	57	
	Service	5	3	
	Legal	0	0	n.s.
	Other	20	21	
	No information available	10		

3.5.2. *Cronbach's alpha* (α)

The survey used in this study contains items from the MLQ, the COI and a few self-developed items to measure the satisfaction about the Philips High Potential program. Using mainly established instruments has two major advantages. First, since many scholars tested and retested the instrument, it gives you more confidence in the validity and reliability. Second, the research results are easier to compare with other research results when using established instruments (Van der Velde et al., 2004).

However, even though established instruments are used, it is still important to test the reliability of the survey because each research population is unique. There are a number of methods to determine reliability, however the *Cronbach's alpha* (α) is the most widely used. Van der Velde et al. (2004: 53) have indicated that an alpha coefficient of '.60 is considered a minimum, .70 is acceptable and .80 or higher is good'. Table 5 and 6 show the alpha (α) of all the components of the survey.

Table 5: Cronbach's alpha - Leadership

	Component/ scale	Number of items	Alpha (α)	(N)
TFL	Preference Charismatic Manager	10	.732	312
	Satisfaction Charismatic Manager	10	.921	306
TFL	Preference Indiv. Consid. Manager	5	**.442**	312
	Satisfaction Indiv. Consid. Manager	5	.721	306
TFL	Preference Intel. Stimul. Manager	3	**.516**	312
	Satisfaction Intel. Stimul. Manager	3	.794	306
TCL	Preference Conting. Rwrd Manager	3	**.387**	312
	Satisfaction Conting. Rwrd. Manager	3	.596	306
TCL	Preference Mngmnt by Exception	3	**.544**	312
	Satisfaction Mngmnt by Exception	3	**.553**	306

Table 6: Cronbach's alpha – Career development

Component/ scale	Number of items	Alpha (α)	(N)
Geographical Security	2	.886	311
Pure Challenge	3	.599	311
Functional Competence	3	.762	309
Entrepreneurial Creativity	2	.797	311
Economic Security	2	.787	311
Service or dedication to a cause	3	.726	309
General Management	3	.603	309
Lifestyle	3	.623	311
Autonomy and Independence	3	.733	309
Satisfaction HP program*	6	.861	305

*Satisfaction HP Program: HPP1+HPP2+HPP5+HPP6+HPP7+HPP8

The components of career development all have an alpha coefficient of .60 or above. There are five components relating to leadership, however, which alpha is considered too low. Remarkable is the fact that the components measuring leadership satisfaction all have a higher alpha coefficient than the components measuring leadership preference. Possibly, this is because the items are very similar and participants found it easier to rate the items the second time they read them. When a component has an alpha (α) < .60, the items within the component do not consistently measure the same concept and therefore cannot be used for further statistical analysis. However, the Cronbach's alpha has some disadvantages that can affect the coefficient. First, the value of α depends on the number of items on the scale. The top half of the equation for Cronbach's alpha requires the number of items to be squared. As a consequence, α will increase as the number of items increases (Field, 2005). Therefore, when using Cronbach's alpha one should always strive for the highest α possible with the smallest possible number of items. For the career development components, this holds true. Second, Cronbach's alpha is less suitable for ordinal data. Although the Likert-scale (used in this study's survey) is very often used as an interval scale, essentially it is an ordinal scale – that is the differences between numbers are not equal. Since the alpha's for leadership are not completely satisfactory, a more accurate test has been run to validate the measurement instrument, called a *factor analysis*.

3.5.3. *Factor analysis*

Another way to validate a measurement instrument is to conduct a *factor analysis*. A factor analysis is a method to indentify groups or clusters of variables. The factor analysis is very relevant to this study because both leadership and career development are so-called *latent variables*. Latent variables cannot be measured directly because these types of variables consist of many aspects. A factor analysis helps to

detect these underlying dimensions or factors by 'looking for variables that correlate highly with a group of other variables, but do not correlate with variables outside of that group' (Field, 2005: 621).

In general, there are two types of factor analysis. With *explorative factor analysis*, the analysis program determines the number of factors and also which variables are 'loading' on these different factors. Loading refers to the correlation between a particular variable and a factor. With c*onfirmative factor analysis* the researcher already has an assumption (based on for example theory) about which variables are loaded on which factors The confirmative factor analysis then calculates the extent to which the actual data fits the model the researcher has proposed (Van der Velde et al., 2004).

For leadership, both an explorative factor analysis (EFA) and a confirmative factor analysis (CFA) were performed. The EFA was performed twice with SAS. (For all EFA tables see Appendix VI). For the first analysis, SAS determined the number of factors underlying leadership based on the loadings. 'A high loading means that the relevant factor is important for the variable: a minimum value of .30 is used, and .40 or .50 is considered normal' (Van der Velde et al., 2004: 159). Here, a minimum value of .35 was used though most of the variables had factor loadings around .50. The program detected 7 factors, instead of 5. Thus, the EFA did not group the variables as they were intended. Therefore, the second EFA that was run was forced to detect only 2 factors. This time a clear division was shown between the transformational leadership variables and the transactional leadership variables. Factor 1 contained only variables reflecting charismatic leadership, intellectual stimulation or individual consideration whereas factor 2 only contained variables from the contingent reward and management-by-exception dimension. EFA has demonstrated that management-by-exception is indeed a unique dimension, contrary to the conclusion drawn using the Cronbach's alpha formula. Indeed, management-by-exception is internally consistent and can thus be used for further statistical analysis. Yet, there were still 3 variables that did not load on either factor, and one variable loaded on both factors. With a confirmative factor analysis one can assign each variable to a factor so that no variable is excluded.

The CFA was performed with Lisrel 8.71. (For all CFA calculations see Appendix VII). First, a CFA for all variables regarding leadership preferences was performed. All variables correlated fairly high with the factor they were assigned to, except for IC4. IC4 correlated only 0.09914 on individualized consideration. This is in sharp contrast with the .73 factor loading Avolio et al. (1999) found. The IC4 contains the following statement: *I find it important for a manager to differentiate between his/ her subordinates.* This statement is an indicator of the transformational leadership dimension *individualized consideration.* A manager displays individualized consideration when they attend to the developmental needs of each individual subordinate in order to develop them to their full potential (Avolio et al., 1999). However,

considering the low correlation that was found in this study, participants probably misinterpreted this particular statement. Possibly, participants have interpreted 'differentiate' negatively. In this way, the statement is about a manager who favours one subordinate over another or discriminates between subordinates. This could explain the low factor loading. As a result, IC4 was excluded from all further analysis.

The initial CFA showed another difficulty. Lisrel declared that the Correlation Matrix of independent variables was 'not positive definite'. This was caused because CR (*contingent reward*) showed a correlation of 1.0702 with IC. Probably, this is because CR has strong but inconsistent correlations with other dimensions, which results in an overestimated correlation. Since CR not only correlates with transactional leadership but also with dimensions of transformational leadership, contingent reward does not fit the model well. Therefore, CR was excluded from analysis regarding transactional leadership. The following graphical figures show the adjustments that were made based on the CFA. The red boxes represent the variables that were excluded from further statistical analysis.

Figure 7: Adjustments to the original model – Transformational leadership
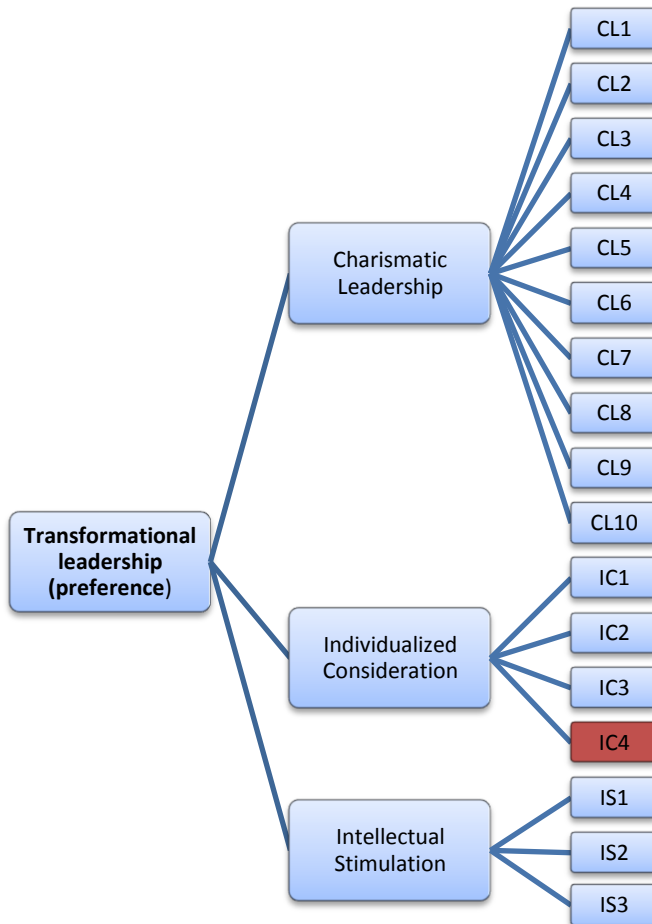
Figure 8: Adjustments to the original model – Transactional leadership
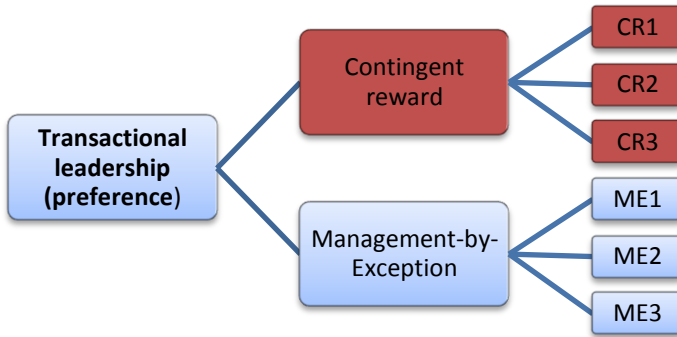
To confirm the adjustments to the model, a second CFA was performed. Here, IC4 and all CR variables were not included. As expected, the reduced model showed an even better fit than the full model. The following table (9) shows the most important fit statistics – Root Mean Square Error of Approximation (RMSEA); Comparative Fit Index (CFI); Goodness of Fit (GFI) - for both the reduced and full model for all leadership preferences variables. These fit statistics all measure how well the proposed model represents the actual data. The RMSEA-index below .06 is considered to indicate a good fit and a value above .90 for the CFI, and above .95 for the GFI also indicate a good fit (Hu and Bentler, 1999). Thus, the reduced model shows a good fit which confirms the exclusion of CR and IC4.

Table 9: Fit Statistics Validation Model – Leadership preferences

	RMSEA	CFI	GFI
Full*	.042	.964	.956
Reduced	.035	.981	.967

* Correlation Matrix is not positive definite

The same procedure was repeated for all variables covering leadership satisfaction. Although not as low as leadership preference, ICA4 – *My manager differentiates between his/ her subordinates* – correlated still too low (0.2870) with individualized consideration, using a minimum factor loading of .35. In addition, the Correlation Matrix of independent variables turned out 'not positive definite' because contingent reward – satisfaction (CRA) showed a 1.0570 correlation which is again > 1.0. Therefore, further statistical analysis with regard to leadership satisfaction has been performed without including variable ICA4 and without all CRA variables. (Figures 7 and 8 are thus also representative for leadership preference.) Again, table 10 shows the reduced model has a better fit which confirms the exclusion of CRA and ICA4.

Table 10: Fit Statistics Validation Model – Leadership satisfaction

	RMSEA	CFI	GFI
Full *	.054	.987	.991
Reduced	.054	.989	.993

* Correlation Matrix is not positive definite

4. Results

In this chapter, the results of this empirical study are presented. First, the overall results of the preferences regarding leadership and career development are described. Next, results are specified for gender, location and function. Then, results relating to the extent to which preferences are met by Philips are presented. The final paragraph reflects on the theoretical prospects on the preferences of Philips´ HPs that were stated at the end of chapter 2.

4.1. Leadership

One objective of this study is to explore the expectations of the Philips´ HPs with regard to leadership style. Table 11 shows that Philips´ HPs strongly prefer a transformational management style over a transactional management style. (Recall that transactional leadership only reflects *active management-by-exception* because *contingent reward* was excluded from further analysis). On average, items reflecting transformational leadership were rated 4.31 on a five-point scale. Moreover, the minimum mean score for transformational leadership is 3.19 which indicate that none of the participants finds transformational leadership behavior unimportant. Transactional leadership is less preferred with a mean of 2.20 but has a remarkable higher standard deviation (.74) than transformational leadership (.33). Thus the scores on transformational leadership are clustered close to the mean whereas scores on transactional leadership are more spread out. This indicates that the results on transformational leadership apply better to the entire population than the results on transactional leadership.

Table 11: Leadership preference

	N	Minimum	Maximum	Mean	Std. Deviation
Transformational leadership	312	3,19	5,00	4,3071	,33113
Transactional leadership	312	1,00	5,00	2,1987	,73719
Valid N (listwise)	312				

Transformational leadership consists of three dimensions: charismatic leadership, individualized consideration and intellectual stimulation. Ratings on these individual dimensions can be found in table 12. All dimensions show very high means. However, *intellectual stimulation* shows a slightly lower minimum and a slightly higher standard deviation than the other two dimensions. In other words, HPs are a more divided about the importance of intellectual stimulation than about the importance of the other two transformational dimensions. This results in a slightly lower mean score.

Table 12: Transf. lead. preference

	N	Minimum	Maximum	Mean	Std. Deviation
Charismatic leadership	312	3,30	5,00	4,3362	,35258
Intellectual stimulation	312	2,67	5,00	4,2436	,48389
Individualized consideration	312	3,25	5,00	4,3413	,39141
Valid N (listwise)	312				

The extent to which participants perceive their manager to be transformational and thus the extent to which expectations are met by Philips will be described in paragraph 4.4.

4.2. Career anchors

This study also aims to explore the preferences of Philips´ HPs regarding career development. Table 13 shows the overall ratings of the nine career anchors that were included in the survey. On average, *general management* is rated highest (M=4.1), closely followed by *service and dedication to a cause* (M=3.99), and *lifestyle* (M=3.67). Career anchors that are rated lowest are *functional competence* (M=2.11) and *geographical stability* (M=2.13). The ratings for *entrepreneurial creativity* and *geographical stability* show the most variance (s=1). This implies that some participants rated these orientations much higher (or lower) than others. Because of this high variability in the individual scores, the mean is not a very accurate representation of the data.

Table 13: Career anchors

	N	Minimum	Maximum	Mean	Std. Deviation
General management	309	2,00	5,00	4,0809	,61569
Service and dedication to a cause	309	1,67	5,00	3,9860	,59473
Lifestyle	311	2,00	5,00	3,6699	,64950
Pure challenge	311	1,67	5,00	3,4780	,70645
Autonomy/ independence	309	1,00	5,00	3,4315	,73419
Economic security	311	1,00	5,00	3,3987	,82611
Entrepreneurial creativity	311	1,00	5,00	3,2588	1,00067
Geographical stability	311	1,00	5,00	2,1286	,98759
Functional competence	309	1,00	5,00	2,1090	,70812
Valid N (listwise)	309				

4.3. Comparing groups

In this paragraph, results are differentiated for three groups: gender, location and function. For all these groups, the *Chi² test* was found non-significant (n.s.). Therefore, it is valid to use these demographics as independent variables in further statistical analysis. For gender, a *t*-test has been performed to see if there are significant differences in preferences men and women hold regarding leadership style and career development. Preferences are also compared for different locations and functions, only here multiple regressions using dummy variables were run because both location and function contain more than two categories.

Gender

A *t*-test has been performed to explore if differences exist between gender regarding leadership. Another *t*-test has been performed to see if men and women hold different career orientations (Appendix VIII).

Regarding leadership, the following significant differences are found:

- On average, women hold a stronger preference regarding transformational leadership (M=4.3668, SE=0.02967), than men (M=4.2731, SE=0.02381). This difference is significant $t(310)$= -2.421, p<.05.
- On average, the extent to which HPs perceive their manager to be transformational is higher for women (M=3.7424, SE=0.05296), than for men (M=3.5592, SE=0.04592). This difference is significant $t(304)$= -2.501, p<.05.

Regarding career orientations, the following significant differences are found:

- On average, men hold the pure challenge (PC) anchor more frequently (M=3.6077, SE=0.04740), than women (M=3.2507, SE=0.06764). This difference is significant $t(309)$= 4.412, p=<.05.
- On average, men hold the entrepreneurial creativity (EC) anchor more frequently (M=3.4141, SE=0.07017), than women (M=2.9867, SE=0.09118). This difference is significant $t(309)$= 3.696, p=<.05.
- On average, men hold the general management (GM) anchor more frequently (M=4.1431, SE=0.04278), than women (M=3.9700, SE=0.05950). This difference is significant $t(307)$= 2.390, p=<.05.

- On average, women hold the lifestyle (LS) anchor more frequently (M=3.7788, SE=0.06023), than men (M=3.6077, SE=0.04606). This difference is significant $t(309)$= -2.248, p=<.05.

- On average, women hold the functional competence (FC) anchor more frequently (M=2.2222, SE=0.06790), than men (M=2.0455, SE=0.04959). This difference is significant $t(307)= -2.117$, p=<.05.

In sum, the findings of this study indicate that career orientations vary notably for gender. Of the nine career orientations measured, five show significant differences for gender. On average, women are less managerially, pure-challenge and entrepreneurial orientated than man. On the contrary, it was found that females are more functional orientated and have higher average scores on the lifestyle orientation.

Location

Considering the cultural differences that may exist between countries/ areas, it is interesting to see if there are differences in preferences regarding leadership style and career development between locations. For this purpose, a multiple regression was run. Since most participants are located in the Netherlands (n=220), this group was used as reference group. Brazil (n=2) and Belgium (n=1) were excluded from this analysis because the number of participants is considered too small. For the other groups – USA (n=44), China (n=21) and Asia-Pacific (n=21) – dummy variables were created. (Outputs showing significant differences for location are included in Appendix IX.)The beta values in the *coefficients* table show the differences in group means between the individual dummy variables. For example, where location was used as a predictor for transactional leadership preference, the coefficients table shows that the mean score of the Netherlands is 2.187 and that the mean score of the US is 1.966 (2.187 - 0.221). The beta values of all dummy variables are converted to *t*-statistics and the significance of these *t´*s is reported by SPSS (Field, 2005). The *t*-statistic tests the hypothesis that all group means are equal. If *t* is significant ($p < .05$), this means that the dummy variable is significantly different from the reference group. In previous example, the *t*-test is significant and the beta value has a negative value which means that the preference for a transactional leadership style decreases for HPs located in the US compared to those located in the Netherlands.

Regarding leadership, the following significant differences are found:

- The extent to which a transactional leadership style (TCL) is preferred *decreases* significantly for HPs located in the US, compared to HPs located in the Netherlands.
- The extent to which a transactional leadership style (TCL) is preferred *increase*s significantly for HPs located in China, compared to HPs located in the Netherlands.

- The extent to which HPs *perceive* their manager to be transformational *decreases* significantly for HPs located in the United States, compared to HPs located in the Netherlands.
- The extent to which HPs *perceive* their manager to be transactional *decreases* significantly for HPs located in the United States, compared to HPs located in the Netherlands.

Regarding career orientations, the following significant differences are found:

- The extent to which HPs hold a pure challenge (PC) anchor *increases* significantly for HPs located in the Asia-Pacific area, compared to HPs located in the Netherlands. Thus, HPs located in the Asia-Pacific prefer to solve tough problems in their work environment more than HPs located in the Netherlands.
- The extent to which HPs hold an economic security (ES) anchor *increases* significantly for HPs located in the United States, compared to HPs located in the Netherlands. Thus, HPs located in the US are more concerned about job security and long-run stability than HPs located in the Netherlands.

Function

Philips´ HPs are working in a variety of functions. Therefore, it is also interesting to see if preferences regarding leadership style and career development differ between functions. Again, a multiple regression was run. For the four largest groups – Marketing (n=77), Finance (n=57), Research & Technology (n=55) and Supply Chain Management (n=24) – dummy variables were created. All other possible functions were joined into one reference category to avoid missing values. The *coefficients* table shows the differences in mean scores between the reference group and the four dummy variables. (Outputs showing significant differences are included in Appendix X.)

Regarding leadership, the following significant difference is found:

- The extent to which a transformational leadership style (TFL) is preferred *increases* significantly for HPs whose function is in Marketing. Thus, HPs whose function is in Marketing prefer a transformational management style more strongly than HPs of the reference category.

Regarding career orientations, the following significant difference is found:

- The extent to which HPs hold a functional competence (FC) anchor *increases* significantly for HPs whose function is in Marketing. Thus, HPs whose function is in Marketing are primarily more excited by the actual content of their job than HPs of the reference category.

4.4. Satisfaction

A final aim of this thesis is to explore the extent to which the expectations of Philips' HPs with regard to leadership and career development are currently met. Hence, this paragraph will first describe the extent to which participants perceive their manager to be transformational. Second, the extent to which Philips meets the career related development needs of the HPs is analyzed.

Leadership

As shown in paragraph 4.1., Philips' HPs strongly prefer a transformational leadership style (M=4.31) over a transactional leadership style (M=2.20). To what extent do Philips´ HPs perceive their manager to be transformational? Table 14 shows that on average, HPs rated their (line) manager with 3.62. Thus, the difference between preference and perceived display is .69 which is satisfactory according the set boundary of .70. However, this number is based on means and is therefore not sufficient.

Table 14: Leadership satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Transformational leadership satisfaction	306	1,82	5,00	3,6244	,61879
Transactional leadership satisfaction	306	1,00	4,67	2,5773	,71569
Valid N (listwise)	306				

To gain more insight in the distribution of the answers, a cross tabulation is generated. Table 15 shows that 99.3 per cent of the participants (strongly) prefer a transformational leadership style and that 63.2 per cent of the participants perceive their manager to be (strongly) transformational. Handling a 60 per cent boundary, this is a fairly good score.

Table 15: Crosstab transformational leadership

			TFLsatisfaction			
			1,00	2,00	3,00	Total
TFLpreference	2,00	Count	0	0	2	2
		% of Total	,0%	,0%	,7%	,7%
	3,00	Count	12	100	190	302
		% of Total	3,9%	32,9%	62,5%	**99,3%**
	Total	Count	12	100	192	304
		% of Total	3,9%	32,9%	**63,2%**	100,0%

A closer look at the transformational leadership dimensions will give a more detailed view on the outcomes (Appendix XI). Although all dimensions are highly preferred, more detailed information shows that *charismatic leadership* has the highest percentage: 98 per cent of the HPs prefer a manager to be charismatic and out of all HPs 59.5 per cent actually perceive their manager to be charismatic. Although still not an alarming score, *intellectual stimulation* scores the lowest: 93.8 per cent of the HPs prefer a manager who stimulates and encourages innovation and creativity, and out of all HPs 54.9 per cent per cent perceive their manager to act accordingly.

Career development

To explore the extent to which Philips meets the career related preferences of the HPs a different method is used since the items reflecting the career anchors could not be used to measure the HPs level of satisfaction. At the end of the questionnaire, 8 items were added. 6 of these ask participants specifically about their satisfaction with the development opportunities the High Potential program (HPP) offers them. The Cronbach's alpha test (3.5.2) has proven these 6 items are internal consistent (α=. 861). Table 16 shows – when reallocating the means scores to three answer categories – that 45.2 per cent of the participants is satisfied with the High Potential program and that 12.1 per cent is dissatisfied. The rest of the HPs is neither satisfied nor dissatisfied.

Table 16: Satisfaction High Potential program

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	37	11,9	12,1	12,1
	2,00	130	41,7	42,6	54,8
	3,00	138	44,2	**45,2**	100,0
	Total	305	97,8	100,0	
Missing	System	7	2,2		
Total		312	100,0		

A more detailed view on the mean scores of the separate statements regarding the level of satisfaction on the High Potential program can be found in table 17.

Table 17: Descriptive statistics High Potential program

		HPP1	HPP2	HPP5	HPP6	HPP7	HPP8
N	Valid	305	305	305	305	305	305
	Missing	7	7	7	7	7	7
	Mean	3,70	3,73	3,08	2,89	3,32	3,92
	Std. Deviation	,850	,828	,951	,995	1,005	,785
	Minimum	1	1	1	1	1	1
	Maximum	5	5	5	5	5	5

Encouraging are the results on HPP8, HPP2 and HPP1. These items show the highest mean scores. The majority of the participants agree with these statements:

- HPP8: I believe that within Philips it is highly likely that I will be promoted.
- HPP2: I believe the talent program suits my career aspirations.
- HPP1: I believe the High Potential talent program allows me to develop my talents and skills.

On the other hand, HPP6 respectively HPP5 have the lowest mean scores.

- HPP6: The High Potential talent program provides me with enough function-related development opportunities.
- HPP5 states: The High Potential talent program satisfies my learning needs.

In sum, Philips´ HPs are moderately satisfied with the career related development opportunities the High Potential program offers them. However, an overall level of satisfaction of 60 per cent has not yet been reached. Thus, current study has found that the level of satisfaction among HPs with regard to career development is not completely satisfactory.

The other two items – HPP3 and HPP4 – were added to ask participants what role they expect their manager to play in their career. HPP3 represents a preference for a 'self-managed career', whereas HPP4 represents a preference for a 'managed career'. These two items were supposed to be contradictory but table 18 shows that HPs almost equally value them. This could indicate that HPs want their manager to help them manage their career but at the same time, they also want to play a big role in managing that process themselves.

Table 18: Career management

		HPP3	HPP4
N	Valid	305	305
	Missing	7	7
	Mean	3,43	3,63
	Std. Deviation	,933	,742
	Minimum	1	1
	Maximum	5	5

5. *Conclusion and discussion*

In this chapter, conclusions and implications of current study´s findings are presented. The first paragraph contains an overall conclusion in which the central question of this thesis is answered. In the second paragraph, implications from the main findings are drawn and more detailed findings relating leadership and career orientations are discussed. The third paragraph considers the limitations of this research project and consequently proposes some directions for future research. The final paragraph contains a personal reflection on the process of writing this thesis.

5.1. Conclusion

The objective of this study was to explore the needs, wants and preferences of Philips high potentials (HPs), specifically with respect to leadership style and career development, in order for Philips to maintain an attractive and effective talent development program. The following question was central to this research:

What expectations do Philips high potentials– belonging to Gen Y – hold with regard to leadership and career development and to what extent are these expectations met by Philips?

Based on Bass' (1999) theory, it was predicted that Philips´ HPs would prefer a transformational manager over a transactional manager. Current findings support this prediction. On average, items reflecting transformational leadership were rated 4.31 on a five-point scale against a mean score of 2.20 on items reflecting transactional leadership. Moreover, the minimum mean score for transformational leadership is 3.19 which indicate that none of the participants finds transformational leadership behavior unimportant. Thus, Philips´ HPs strongly favor a transformational leadership style. Findings also reveal that Philips meets these expectations to a fair extent as presently 63.2 per cent of the HPs perceive their manager to be (strongly) transformational.

Based on previous empirical findings on Gen Y's work values and preferences, it was predicted that the career anchors *autonomy/ independence* and *pure challenge* would be held most and that the career anchors *technical/ functional competence* and *security and stability* (divided into *economic security* and *geographic stability*) would be held least. Current findings partly support this prediction. When ranking the mean scores on the items reflecting 9 different career anchors, *technical/ functional competence* and *geographical stability* are positioned last. *Economic security* is placed 6th, just before *entrepreneurial creativity,* which is placed 7th. However, in this research there was no support found for the prediction that *autonomy/ independence* and *pure challenge* are the career anchors that are held most. Instead, *general*

management has the highest mean score, followed by *service and dedication to a cause* and *lifestyle. Pure challenge* is ranked 4th and *autonomy/ independence* 5th.

HPs level of satisfaction on the development opportunities the High Potential program offers them varies somewhat. Results show that 45.2 per cent of the participants is satisfied with the High Potential program and that 12.1 per cent is dissatisfied. The rest of the HPs is neither satisfied nor dissatisfied.

5.2. Discussion

Leadership

As predicted, current study shows that Philips´ HPs strongly prefer a transformational leadership style over a transactional leadership style. They want an inspirational manager who has an energizing vision of the future. In addition, they want their manager to stimulate innovation and creativity, and to consider the developmental needs of each individual subordinate. Philips meets these expectations to a fair extent as presently 63.2 per cent of the HPs perceive their manager to be (strongly) transformational. This result is encouraging, particularly because a considerable amount of literature has found evidence that transformational leadership positively relates to leadership effectiveness criteria such as job satisfaction, performance and motivation (Lowe et al., 1996; Judge and Piccolo, 2004), and to *affective commitment* (Bycio et al., 2005). It is important for organizations to realize that (line) managers play an important role concerning the retention of high potentials.

Results with regard to preferred leadership style were specified for gender, location and function. Two remarkable findings are considered useful discussing. For gender it was found that on average, women hold a stronger preference regarding transformational leadership than man. In addition, the extent to which HPs perceive their manager to be transformational is higher for females. This is consistent with research of Bass, Avolio and Atwater (1996), who suggested that females might be more lenient in their evaluations. For location, it was found that the extent to which HPs perceive their manager to be transformational decreases significantly for HPs located in the United States, compared to HPs located in the Netherlands. This could indicate that HPs located in the US are less satisfied with their line manager than HPs located in the Netherlands because all locations almost equally prefer transformational leadership. However, further research is necessary to confirm this.

Career orientations

Current study reveals that *general management*, *service and dedication to a cause,* and *lifestyle* are the preferred career orientations among Philips´ HPs. Thus, inconsistent with the predictions based on previous empirical research, *autonomy/ independence* and *pure challenge* were not among the three

highest scores. The predominance of general management might be explained by the fact that the survey was distributed among highly educated employees who are in the High Potential program. The key objective of this program is to develop talent into future business leaders. Selected are those who have shown a lot of potential to become future leaders in the first five or more years of their career. For this reason it is not surprising that general management orientation scored the highest. The second highest career orientation is service and dedication to a cause. This suggests that Philips´ HPs find it important to align their work activities and skills with their personal values to contribute to society (Schein, 1985). Lifestyle is the third most held career anchor among Philips´ HPs. This suggests that they strongly value flexibility in their job in order to balance their work life with their personal/ family life (Schein, 1985). An explanation for the higher ranking of the lifestyle orientation can be found in the protean career theory. According to this theory of careers in the 21st century, a person's career is driven by the person – as opposed to the organization – and will change as the person and his environment changes. Furthermore, the protean career is driven by psychological success or someone's 'ultimate goal in life' (Hall, 1996). This can be anything - from a leadership position to family happiness. The high ranking of the lifestyle orientation is in line with this theory.

As predicted in paragraph 2.4, *technical/ functional competence* and *security and stability* (economic security and geographical stability) were the least preferred career anchors. This is consistent with the *boundaryless career* theory that states that careers of the 21st century are 'not bounded, not tied to a single organization, not represented by an orderly sequence, marked by less vertical coordination and stability' (Arthur and Rousseau in Briscoe and Hall, 2006: 6). Movements between organizations and occupations are quite common these days, especially among highly educated adolescents (Van Steensel, 2007: 102). This only re-emphasizes the need for organizations to evaluate the current retention policies of highly educated talent.

HPs level of satisfaction on the development opportunities the High Potential program offers them varies somewhat. Results show that 45.2 per cent of the participants is satisfied with the High Potential program and that 12.1 per cent is dissatisfied. The rest of the HPs is neither satisfied nor dissatisfied. Detailed results show that HPs particularly feel that the High Potential program lacks function-related development opportunities. This indicates there is some room for improvement regarding the High Potential program. Moreover, detailed results also show that HPs almost equally value a self-managed career and a managed-career. This could implicate that the concepts are not contradictive, but complementary instead and that HPs want both clear requirements for career advancement and to self-manage their career. However, further research – preferably qualitative – is necessary to attain more detailed information on this matter.

As with results regarding leadership, results with regard to career development were specified for gender, location and function. The findings of this study indicate that career orientations vary notably for gender. Of the nine career orientations measured, five show significant differences for gender. On average, women are less managerially, pure challenge and entrepreneurial orientated than man. On the contrary, it was found that females are more functional orientated and have higher average scores on the lifestyle orientation. Related to these differences in career anchors are the findings of a study of Sturges (1999). In a qualitative study on how managers define career success, she found important differences between the male and female managers' conceptions of career success. Overall, the women managers interviewed valued internal criteria for success, such as achieving a high level of competency at their job and receiving some kind of personal recognition. In addition, women viewed career success as only one part of the success they want to achieve in life (Sturges, 1999). This finding is reflected by current study since female participants rated functional competence and lifestyle higher than their male counterparts. On the contrary, Sturges (1999) found that male managers often described career success with reference to external criteria, such as pay and position. Men's higher ranking of general management might be an indication of that.

The results of this study were also specified for location. Previous research on career orientations has not explored the possible relationship between career orientation and nationality. Current study reports two significant differences in career orientations for location. First, the extent to which HPs hold a pure challenge orientation increases significantly for HPs located in the Asia-Pacific area, compared to HPs located in the Netherlands. In this study, the Asia-Pacific area included India, Singapore and Hong Kong. In Asia, there is a lot of emphasis put on the education level attained. Especially in India, high educational attainment is considered a ticket to success and is seen as a privilege enjoyed by the higher castes. In fact, Filmer and Pritchett (2001) found that in India a 'rich' child is on average 31 percentage points more likely to be educational enrolled than a 'poor' child. The pure challenge orientation might be associated with good quality education. In addition, countries like India and China have huge populations and are consequently highly competitive. Since opportunities are few, everyone strives to shine above the rest in order to take advantage of them. Being able to win intellectual challenges is therefore a mark of advancement and an indication of being a higher caliber than the rest. Thus, cultural and demographic factors in the Asia-Pacific area might explain the difference in preference found with regard to the pure challenge orientation.

Second, the extent to which HPs hold an economic security orientation increases significantly for HPs located in the United States, compared to HPs located in the Netherlands. From a theoretical perspective,

this is quite surprising considering the Netherlands and the US have similar scores on Hofstede´s (1983) widely used culture dimensions *Individualism vs. Collectivism*, *Power Distance* and *Uncertainty avoidance*. Their scores are most different with respect to the *Masculinity vs. Feminity* culture dimension, which concerns the division of roles between t199he sexes in society (Hofstede, 1983). However, it is unlikely this explains why in present study it was found that HPs located in the US rate economic security significantly higher than HPs located in the Netherlands. Possibly, the difference found is caused by the recent economic recession. In September 2009, the unemployment rate in the US was over 10 per cent (Bureau of Labor Statistics, 2010), whereas the unemployment in the Netherlands was over 5 per cent (CBS, 2010). Although the employment situation in both countries was disturbing, the unemployment rate in the US was twice as high. This might be an explanation for the observation that at this time HPs located in the US value job security more strongly than HPs located in the Netherlands.

Finally, the results of this study were specified for function. It was found that the extent to which HPs hold a functional competence anchor increases significantly for HPs whose function is in marketing. This means that HPs who's function is in marketing are relatively more excited by the actual content of their work and that they prefer to be promoted within their specialism. However, despite this observation, on average HPs in marketing still do not rate functional competence very high (M=2.24).

5.3. Limitations and directions for future research

Despite the high response rate and the measurements taken to ensure the validity and reliability of this study, some limitations rest upon the results. First, because of time restrictions there was no reference group included in this research. Including a reference group would have made it possible to determine whether preferences of Philips´ HPs belonging to Gen Y are indeed distinct to preferences of other relevant groups such as a non-Gen Y group, a non-talent group or a non-Philips group. However, this can still be done in the future by sending the survey used for this research to a sample of one of the above groups.

Second, with regard to the results of this research there are some things that need to be taken into account. First, Schein (1996) has argued that a person's career anchor develops during the first few years out of school, when a person gains occupational and life experience and discovers what their talents, motives and abilities are. Considering their age, it is possible that some of the participants just began their careers and therefore do not have a stabilized career orientation yet. This may have affected the outcomes. Second, a number of researchers who studied generations have point to the possibility that age or life-stage could also be an explanation for some work-related preferences (Bontekoning, 2007; Wong et al., 2008; Cennamo and Gardner, 2008). Both issues could be addressed by developing a longitudinal

research. This may show if and how preferences change once Gen Y grows older. A final limitation relates to the reported findings specified for location. Because of insufficient information it was not possible to select participants on their nationality. Instead, they were selected on their position basic country. However, a participant's location does not have to be similar to their nationality. In fact, 36.2 per cent of the respondents have stated that they are not born in the same country as they are currently located. This may also have affected the results.

A final direction for future research concerns the role of reward in leadership. The confirmative factor analysis (CFA) that was performed demonstrated that in current study *contingent reward* (CR) a 1.0702 correlation shows with *individual consideration*. It is likely that CR has strong but inconsistent correlations with other dimensions of transformational leadership. Therefore, CR has been excluded from further analysis. Other studies have also addressed this problem (Judge and Piccolo, 2004; Den Hartog et al., 1997). This raises the question how people actually view the role of reward. Possibly, Philips´ HPs think of reward as recognition or appreciation for work well done but this may also vary for different levels of education. Future research has to examine this in further detail.

5.3. *Personal reflection*

Few alumni would disagree with me as I say, writing a master thesis comes with its ups and downs. However, I am being serious when I say there were more ups than downs in the process for me.

Overall, I really enjoyed writing my master thesis. I recommend that everyone should conduct their research within an organization, whether it is profit or non-profit. It made me feel strongly attatched to my project because it had a purpose other than graduation and I also got the chance to meet with a lot of interesting people.

With big assignments like these, getting started is usually the hardest part. What really helped me designing the research was something my assessor said to me in our first meeting: keep in mind what the problem is exactly, and what it is that Philips wants to know. In the beginning, when everything is still fuzzy, you can easily get distracted by details. But once I decided on my focus, the process went relatively smoothly. I did not experience many difficulties finding good quality literature. The concepts *leadership* and *career development* have both been widely studied in the past years. The feedback I received from my assessor sometimes left me with some big question marks but at the same this also challenged me to reconsider my work myself. Sending out the survey was the most exciting part of the process. After all, success of survey research depends for a great part on the willingness of participants to fill in the questionnaire. Fortunately, the response rate was really good. Of all stages in the process, I most

enjoyed the interpretation and discussion of the results. Some findings were expected, others were quite surprising. This made the analysis of the results a creative and challenging process.

Keeping myself motivated has not been an issue. I find talent management a very interesting side of HRM and specifically looked for an internship that would give me an opportunity to explore this field. In addition, the business environment also kept me engaged as Gen Y is a very ´hot topic´ within Philips. I felt people were genuinely interested in my research project. Especially after I sent out the survey, I received many emails from people all over the world asking for the first results. This, too, encouraged me to finish my thesis.

Of course I have also experienced some difficulties during the process. One of the biggest challenges for me was to combine academic requirements with practical use. Next to proving my academic skills, I really wanted my research to be useful for Philips. Particularly when constructing the survey I found it difficult to find validated questions that exactly measure what Philips wanted to know. However, from the start I made it very clear to my supervisor at Philips that meeting academic requirements was my number one priority. Fortunately he was very understanding and in the end I believe this research project definitely offers Philips some interesting insights in their next generation high potentials.

Another challenge were the statistical choices that needed to be made after the survey was closed. Because of the relatively large research population and a response rate of 75 per cent, there were many interesting statistical tests I could run. My excitement caused me to lose my focus for a moment. However, by recalling the main objectives of this research I was able to set my priorities straight again. Once it became clear how much time and effort the necessary tests would cost me, it also became possible to run some additional statistical tests to strengthen the research project.

Despite the difficulties I experienced, I have never considered writing my thesis an impossible or terrible process. I neither would have done something different if I would have given the chance. Difficulties give one an opportunity to learn something and I believe offer one the most valuable insights afterwards.

6. Practical recommendations

In this final chapter, an attempt is made to convert the empirical findings into practical recommendations. As part of my Masters degree, this research has been based on scientific theory and methodology. A neutral and more general framing of recommendations would be appropriate and only if this can be supported by a sufficient amount of evidence (Bouwmeester, 2008). However, there are several reasons why a more practical and problem-solving approach is believed to be suitable here. First, the motive for this research stems from a practical problem as opposed to a theoretical problem, namely the scarcity of top talent. A practical problem requires not only plain information on the outcomes but also information on how this information could be used beneficially. Related to this, the topic of this research project is very modern. Information about the preferences of the new generation talents – Generation Y – is only interesting for a limited period of time. In other words, the knowledge that was generated by this research is not timeless. This also points to a more practical way of recommending (Bouwmeester, 2008). Third, I consider it an extra challenge to put the empirical findings into practical advice so that this report might actually motivate to improve. Next, some practical recommendations concerning the main findings of this research will be discussed.

Regarding leadership it was found that Philips´ HPs strongly prefer a transformational leadership style over a transactional leadership style. Results also show that Philips meets these expectations to a fair extent: 63.2 per cent of the HPs perceive their manager to be (strongly) transformational. Since transformational leadership positively contributes to the satisfaction and affective commitment of employees, this is considered a strength. Nevertheless, it is important for Philips to realize these benefits of transformational leadership and thus the role line managers play concerning the retention of high potentials.

Regarding the High Potential program there is definitely some room for improvement as results show that 45.2 per cent of the participants is satisfied with the High Potential program, 12.1 per cent is dissatisfied and the rest are neither satisfied nor dissatisfied. HPs have particularly indicated that they seek more function-related development opportunities and more learning opportunities in general. Philips could address this need by offering HPs a broader range of courses and seminars on subjects that relate to the various functions they are operating in.

Findings regarding preferred career orientations were quite surprising and are believed to offer Philips some very interesting opportunities. It was found that after general management, service and dedication to a cause, and lifestyle are the preferred career orientations among Philips´ HPs. Philips needs to recognize

that the new generation talents finds it important to serve the community and spend more time with their families. Recruitment as well as labor marketing should be aware of the fair possibility that this may even influence the new generation's choice for a particular employer and act accordingly. Thus, Philips should incorporate these values in its policies and also its business strategy. In my opinion, the service and dedication to a cause orientation is already well reflected in both Philips' business strategy and products and services:

'Our health and well-being focus extends beyond our products and services to include the way we work: engaging our employees; focusing our social investment in communities on education in energy efficiency and healthy lifestyles, reducing the environmental impact of our products and processes; and driving sustainability throughout our supply chain' (Philips Annual Report 2009: 12).

Policies supporting the lifestyle orientation include flexible working hours, maternity leave, paternity leave and day-care options. Generally, Philips provides flexible leave and working hours. Maternity and paternity leave policies vary per country and are largely determined by law. For example, the duration of the paid maternity leave period varies from three weeks in the US to four months in the Netherlands. Thus, Philips employees holding a lifestyle career anchor are better off in some countries than in other. Finally, Philips does not organize day-care options itself but it does sometimes compensate for it.

Overall, although some improvements concerning the life style orientation could be made, both the service and dedication to a cause anchor and the lifestyle anchor are relatively well reflected in Philips business and policies. Nevertheless, I believe Philips could benefit their sustainable and lifestyle orientated culture even more by integrating it into their labor marketing activities – thus effectively communicating it to young talent. Despite the fact that both service and dedication to a cause and lifestyle values are incorporated in Philips' way of working, I doubt whether Philips is perceived as such among graduates. To increase the inflow of young talent, Philips should make its business and its strengths more visible to graduates by often attending career events, organizing business courses and even by presenting at universities. Moreover, these activities should particularly pay attention to Philips' sustainability focus and to the more intangible things – such as the Philips culture – that cannot be found directly on the Internet. Now the global economy is showing signs of recovery, the labor market will tighten further. An active approach towards the attraction of graduates, while addressing the things that are of value to this new generation, is necessary to maintain the inflow of talented people.

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APPENDICES

Appendix I: Paper Strategic Human Resource Management

The Public Dimension of Philips

Introduction

Philips was founded in 1891 by Anton and Gerard Philips to manufacture incandescent lamps and other electrical products. Since then, the company has made a major shift in focus. Under the management of CEO Gerard Kleisterlee, Philips has undergone a radical transformation ever since 2001. This transformation was intended to make Philips a more stable and predictable company. During this process, Phillips sold his chip division and purchased some large light- and healthcare businesses (Bartjens, 2010). As a consequence, the company reduced its divisions from 6 to 3, namely Healthcare, Lighting and Consumer Lifestyle. The company is no longer a 'consumer electronics groups' but a 'diversified health and well-being company' (Milne and Steen, 2010).

In this essay, I will analyze to what extent Philips' HR policies aim for social legitimacy. Therefore, I will first examine what public aspects Philips as a private organization has. Secondly, I will analyze the current HR objectives and practices of Philips, specifically with regard to talent management. For this purpose, I will use Philips' annual report 2008 and 2009. Finally, I will assess these objectives and practices. Are the objectives concrete and accountable? Are the HR practices directed to talent management successful?

Public dimension of a private company

Rainey (2003) mentions three characteristics of a private enterprise. For a company to be categorized as private, he argues that it has to be privately owned and funded and it has to have relatively little of political authority. Can Philips be labeled as a private enterprise? Philips started in 1891 as a limited partnership but in 1912 the company was converted into a limited liability company. After a number of name changes, the company's name is since 1998 Royal Dutch Philips Electronics N.V. Its shares have been listed since 1913 in Amsterdam and since 1987 in the United States (Philips Annual Report 2009: 143). Therefore, ownership and funding are private. Also, Philips' political authority is limited. Because of its large size, it can be argued that Philips does have some political influence. However, Philips does not have the full capacity to exert means of social control, such as legislation. Thus, Philips formally is a private enterprise.

However, some private enterprises also have some sort of public dimension. Noordegraaf and Teeuw (2003: 9) compose a classification of four organizational positions. One axis stands for the type of organization, the other axis for identity. On the organization axis, one end represents a public organization and the other a private enterprise. On the identity axis, one end represents public identity and one end private identity. Nonetheless, both axes need to be interpreted as a continuum (Noordegraaf and Teeuw, 2003). Where can Philips be placed in this classification? Since I just identified Philips as a private enterprise, the question remains what identity Philips has. Does it have a more private identity whereby performance and sales are the main objectives of the company? Or does

Philips have a more public identity whereby sustainability and responsible management are also business goals?

In my opinion, Philips' business strategy clearly has a public dimension. Sustainability and social responsibility are core elements of Philips' business strategy:

'Our health and well-being focus extends beyond our products and services to include the way we work: engaging our employees; focusing our social investment in communities on education in energy efficiency and healthy lifestyles, reducing the environmental impact of our products and processes; and driving sustainability throughout our supply chain (Philips Annual Report 2009: 12).

Sustainability and social responsibility are reflected both in Philips' products and services and in the way the company works. With regard to their products and services, Philips sets both financial targets and 'EcoVision4 targets'. One of these targets over the period 2007-2012 was to 'double revenues from Green Products to 30% of total sales' (Philips Annual Report 2009: 14). Recently, Philips announced that they reached this green sales target three years early. In 2009, 31% of its sales came from 'green products'. Another EcoVision4 target – 'to double investment in Green Innovations to a cumulative EUR 1 billion' – will be reached this year. Therefore, Philips has now committed to new targets for 2015 (Philips corporate website, 2010). Philips' social responsibility focus also becomes apparent in their HRM policies. The company not only sets clear objectives with respect to employee engagement, diversity, and the number of female executives for example, they also develop measurement instruments to see if targets are met.

Social legitimacy
Long time researchers in the area of HRM have put too much emphasis on the pursuit of economic goals. The performance of HRM was only measured in terms of profitability and efficiency (Paauwe, 2004: 66-67). Recently, however, researchers such as Boxall and Purcell (2008) and Paauwe (2004) argue that strategic HRM should also strive for social legitimacy. '*Legitimacy refers to the relationship between the organization and society at large'* (Paauwe, 2004: 70). Thus, since a company operates in a society or even various societies (i.e. Philips), it should assign some of its resources back to its stakeholders (Boxall and Purcell, 2008: 17). However, the concept of social legitimacy is very broad. Companies implement legitimacy practices in their HRM policies in very different ways. Some only comply with the social legislation in society; others actually aim to support particular interests of society through their HRM policies, such as life-long learning programs or diversity and inclusion initiatives.

Paauwe (2004: 91) has developed a framework which incorporates both the *economic rationality* and the *relational rationality* of HRM. The concept economic rationality of HRM relates to efficiency and profitability and is in Paauwe's model reflected by the Product/ Market/ Technology (PMT) dimension. HRM policies and practices are partly determined by '*demands arising from relevant product market combinations and the appropriate technology'* (Paauwe, 2004: 90). The 'relevance' of these demands is determined by the markets in which a company operates and by the competition a company faces. The concept relational rationality relates to *'the development and maintenance of sustainable relations with all the relevant stakeholders, not just customers and shareholders'* (Paauwe, 2004: 67). In the model the

concept is reflected by the Social/ Cultural/ Legal (SCL) dimension. HRM policies and practices are also influenced by societal values and norms, such as fairness and legitimacy with regard to work. Paauwe (2004: 91-92) mentions one final dimension that impacts on the structuring of HRM policies and practices: the organizational/ administrative/ cultural heritage. A company's present configuration inevitably has been influenced by its unique administrative heritage. This administrative heritage includes the *'structures, methods, competences, and values that originated in the past'* (Paauwe, 2004: 92). However, I will not address this dimension in further detail.

How can Paauwe's (2004: 91) model – the Contextually Based Human Resource Theory – be applied to Philips' HRM policies? I now will describe how Paauwe's PMT dimension and SCL dimension in Philips' environment look like and how both dimensions are being reflected by Philips' HRM policies and practices.

Philips' HRM strategy is partly determined by *economic rationality*, or PMT dimension. Philips' PMT dimension is heavily influenced by the strategy transformation Philips has undergone. This major shift in focus has led to the entering of new markets, primarily the healthcare market. As a consequence, Philips now has to deal with major new competitors like General Electric (GE) and Siemens (Philips Annual Report, 2008). Another development that falls under the PMT dimension is the rise of the emerging markets in the global economy. The BRICs (Brazil, Russia, India and China) are having the fastest growing economies in the world. The economic crisis has not affected these countries as bad as for example the United States. Between 2000 and 2008, the BRICs contributed almost half (46.3%) of the total global growth. It has been predicted that this percentage will be 61.3% between 2008 and 2014 (Beattie, 2010). The increased prosperity in these countries creates new opportunities for businesses like Philips. In 2008, Philips has strongly expanded his business activities in the Healthcare and Lighting area in India, Brazil and China (Philips Annual Report 2008: 75, 87). An appropriate technology is the final aspect of the PMT dimension. The markets Philips is operating in – Healthcare, Lighting and Consumer Lifestyle – all require an innovative approach, especially with the tough competition the company experiences. One of Philips' objectives for 2009 reflects this: '*creating meaningful innovations based on validated user insights'* (Philips Annual Report 2009: 13).

As Paauwe (2004) argued, the HRM strategy of a company is also determined by the SCL dimension which reflects *relational rationality.* Because Philips is a multinational enterprise, the company is facing the interests of both national and international institutions. The Organisation for Economic Co-operation and Development (OECD) for example, is an international institution where 30 member states are united. The mission statement of OECD includes – among other things – supporting a sustained economic growth, to stimulate employment and to raise living standards (OECD, retrieved on February 25 from http://www.oecd.org/pages/0,3417,en_36734052_36734103_1_1_1_1_1,00.html). To accomplish these goals, OECD cooperates with companies, trade unions and other representative social organizations. The OECD is of particular meaning for Philips, because it sets a number of rules for multinationals (OECD Guidelines for Multinational Enterprises, 2008). The primary goal of these rules is formulated as follows:

'The common aim of the governments adhering to the Guidelines is to encourage the positive contributions that multinational enterprises can make to economic, environmental and social progress and to minimize the difficulties to which various operations may give rise' (OECD Guidelines for Multinational Enterprises, 2008: 13).

The OECD also recommend multinationals on HRM policies:
'The recommendation of human capital formation is an explicit and forward-looking recognition of the contribution to individual human development that MNE's can offer their employees, and encompasses not only hiring practices, but training and other employee development as well. Human capital formation also incorporates the notion of non-discrimination in hiring practices as well as promotion practices, life-long learning and other on-the –job training' (OECD Guidelines for Multinational Enterprises, 2008: 42).

Although Philips is not legally obliged to comply with these rules, they are very stringent indeed. For example, in the Netherlands the Netherlands National Contact Point (NCP) monitors the Dutch multinationals.

Obviously, Philips HRM policies are also influenced by Dutch values and laws. The government and trade unions collaborate to increase the employability of the Dutch labor force. A knowledge economy like the Netherlands heavily relies on technological innovation for its economic growth. However, knowledge is rapidly progressing. It is therefore very important to constantly develop and create new knowledge. During the negotiations regarding the Collective Employment Agreement 2008-2009, trade union FNV demanded Philips to increase employability possibilities for every single employee. Philips and FNV agreed to introduce a new labor standard called *E-miles.* Employees can use these *E-miles* to do workshops, tests and *E-checks* to increase their employability (Onderhandelingsresultaat Philips CAO's 2008-2009, 2008: 2).

How do Philips HRM policies and activities reflect these above developments? Partly, Philips HRM policies and activities are designed to pursue economic goals. In order to keep up with GE and Siemens, fully capture the opportunities of the emerging markets, create meaningful innovations and ultimately to become 'the leading brand in Health and Well-being', Philips has to select highly educated talents and develop their leadership skills. After all, a stock market listed company like Philips has to secure its economic viability. In this respect, Boxall and Purcell (2008: 11) argue that 'it is not essential for a firm to 'maximize' profits but it *is* essential to sustain the commitment of key investors or the firm will fail, be restructured or sold off'. At the same time, however, these talent programs such as *Inspire* and *Octagon* are contributing to sustainable solutions. For example, one assignment for the talents of the *Octagon* program was to think of ways to bring lighting devices into rural areas in India where electricity is absent (Philips Annual Report 2008: 186).

Furthermore, as we have seen learning opportunities are not solely for talents. '*Develop people*' is one of Philips' four core business values. The company offers two main development programs. The *Core Curriculum* program offers 30 different courses to improve one's skills with regard to personal effectiveness, people management and business acumen. The *Functional Curriculum* program offers job related courses in for example Finance, HRM or Sales. In my opinion, the *Functional Curriculum* program

mainly contributes to the internal employability of Philips employees and the Core Curriculum program also contributes to the external employability of Philips employees because the general competences employees obtain in this program are also applicable in other jobs.

Finally, with the recent introduction of E-miles, every Philips employee can increase his or her employability. Often, firms tend to distinguish between different groups of employees when it comes to training and development. Temporary, low educated and older employees are often excluded from development projects (Thijssen, Heijden and Rocco; 2008; Verbruggen, Forrier, Sels and Bollen, 2008). However, Philips agreed to allocate *E-miles* to every employee which reflects that their HRM practices and activities are also influenced by societal values and norms, such as fairness.

Besides its focus on development and training, Philips conducts a number of other HRM activities and practices that reflect the *relational rationality* HRM. For example, Philips strives for highly engaged employees, sets targets to increase the number of women and under-represented groups in key positions and reports complaints regarding the Philips business principles in their annual report (Philips Annual Report 2009: 222-225).

Assessment of Philips' HRM policies
In my opinion, Philips definitely has a public dimension. In both their business strategy and HRM activities and practices, the company strives for sustainability and social responsibility. Examples are Philips' EcoVision targets and their focus on training and development programs for their employees. What I particularly believe is very convincing here, is that Philips sets itself measurable targets and that the company publicly reports its results on these targets in their annual report. In other words, Philips not only says they value the development of people, but they also act upon it decisively. It is remarkable that Philips reports about its HRM policies and targets in the 'Sustainable Performance' section of their annual report (Philips Annual Report 2009: 222-226). This also indicates Philips' commitment to a responsible HRM policy.

Moreover, Philips' policies towards sustainable goals are quite successful. As mentioned before, Philips reached some of its EcoVision targets three years early. Now, the company has set new ambitious targets for 2015. With regard to Philips HRM policies and activities, the 'Employee Engagement Index (EEI)' forms one indicator of their success. The yearly 'Engagement Survey' among Philips employees contains 43 questions on 'leadership, management capabilities, alignment with the company's vision, identification with the brand, communication, reward and recognition, diversity and inclusion and sustainability' (Philips Annual Report 2009: 222). The response rate of this survey is very high – 91% in 2009 – which means that the results of this survey reflect the overall level of engagement of Philips employees well. Despite the economic downturn, in 2009 68% of the Philips employees rate the above concepts favorable, 18% is neutral and 14% is unfavorable. For 2010, Philips has set a 70% favorable norm (Philips Annual Report 2009: 222).

To conclude, I believe Philips aims to be a social responsible company who highly values a sustainable business approach. Philips' overall business strategy reflects this by not only setting financial targets but also 'EcoVision' targets. As I have indicated, Philips' HRM policies and activities reflect Paauwe's

relational rationality in a number of ways. Most importantly, the company sets itself measurable and concrete targets and accurate policies are designed to meet these targets.

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Appendix II: Multifactor Leadership Questionnaire (MLQ)

Source: Bycio et al. (1995: 473)

			Leadership variance		Error variance	
MLQ-1 item	M	SD	M1	M2	M1	M2
Charismatic Leadership[a]						
1. Makes me feel good to be around him/her	2.10	1.25	.56	.56	.44	.44
12. Commands respect from everyone	2.04	1.36	.41	.40	.59	.60
17. Is a model for me to follow	1.51	1.42	.80	.79	.20	.21
18. In my mind, he/she is a symbol of success and accomplishment	1.51	1.42	.79	.77	.21	.23
22. I am ready to trust his capacity and judgment to overcome any obstacle	1.52	1.29	.67	.66	.33	.34
26. Is an inspiration to us	1.42	1.31	.82	.80	.18	.20
27. Makes me proud to be associated with him/her	1.75	1.36	.82	.81	.18	.19
29. Has a special gift for seeing what is really important for me to consider	1.34	1.26	.70	.71	.30	.29
38. Increases my optimism for the future	1.22	1.24	.66	.66	.34	.34
40. Inspires loyalty to the organization	1.65	1.33	.55	.54	.45	.46
41. I have complete faith in him/her	1.68	1.36	.74	.71	.26	.29
42. Excites us with his/her visions of what we may be able to accomplish if we work together	1.37	1.24	.67	.67	.33	.33
50. Encourages me to express my ideas and opinions	2.22	1.31	.50	.51	.50	.49
60. Encourages understanding of points of view of other members	2.04	1.21	.49	.50	.51	.50
62. Gives me a sense of overall purpose	1.55	1.26	.63	.64	.37	.36
66. Has a sense of mission which he/she transmits to me	1.36	1.25	.56	.56	.44	.44
68. Makes everyone around him/her enthusiastic about assignments	1.26	1.13	.68	.68	.32	.32
Individualized Consideration[b]						
3. Is satisfied when I meet the agreed-upon standards for good work	2.96	1.10	.39	.31	.61	.69
5. Makes me feel we can reach our goals without him/her if we have to	2.45	1.25	.08	.05	.92	.95
6. I earn credit with him/her for doing my job well	2.17	1.35	.51	.41	.49	.59
10. Finds out what I want and tries to help me get it	1.65	1.32	.64	.55	.36	.45
11. You can count on him/her to express his/her appreciation when you do a good job	1.85	1.34	.70	.58	.30	.42
15. Gives personal attention to members who seem neglected	1.35	1.21	.64	.61	.36	.39
43. Treats each subordinate individually	2.15	1.30	.43	.42	.57	.58
Intellectual Stimulation[c]						
19. Has provided me with new ways of looking at things which used to be a puzzle for me	1.30	1.27	.75	.66	.25	.34
30. His/her ideas have forced me to rethink some of my own ideas which I had never questioned before	1.25	1.13	.58	.46	.42	.54
32. Enables me to think about old problems in new ways	1.42	1.17	.73	.63	.27	.37
Contingent Reward[d]						
7. Assures me I can get what I personally want in exchange for my efforts	1.26	1.30	.47	.32	.53	.68
21. Talks a lot about special commendations and promotions for good work	0.77	1.10	.42	.36	.58	.64
48. I decide what I want; he/she shows me how to get it	0.98	1.12	.46	.36	.54	.64
53. Whenever I feel it necessary, I can negotiate with him/her about what I can get for what I accomplish	1.33	1.12	.49	.32	.51	.68
63. Tells me what I should do if I want to be rewarded for my efforts	0.75	1.00	.41	.24	.59	.76
65. Gives me what I want in exchange for showing my support for him/her	0.78	1.04	.17	.07	.83	.93
72. There is close agreement between what I am expected to put into the group effort and what I can get out of it	1.49	1.20	.21	.16	.79	.84
Management-by-Exception[e]						
25. Is content to let me continue doing my job in the same way as always	2.49	1.13	.15	.15	.85	.85
54. Asks no more of me than what is absolutely essential to get the work done	1.51	1.22	.15	.15	.85	.85
58. Only tells me what I have to know to do my job	1.54	1.30	.29	.29	.71	.71
61. As long as things are going all right, he/she does not try to change anything	2.24	1.30	.43	.42	.57	.58
69. As long as the old ways work, he/she is satisfied with my performance	1.91	1.26	.43	.43	.57	.57
71. It is all right if I take initiatives, but he/she does not encourage me to do so	1.55	1.32	.32	.33	.68	.67

Note. N = 1,376. Each item was rated on the following 5-point scale: 0 (*not all all*), 1 (*once in a while*), 2 (*sometimes*), 3 (*fairly often*), and 4 (*frequent/y*). MLQ-1 items are from *Leadership and Performance Beyond Expectations* (pp. 210–212), by B. M. Bass, 1985, New York: Free Press. Copyright © 1985 by The Free Press, a division of Simon & Schuster Inc. Reprinted with permission of the publisher. Active Leadership consisted of the items from Charismatic Leadership, Individualized Consideration, Intellectual Stimulation, and Contingent Reward. Passive Leadership consisted of the items from Management-by-Exception. For Active Leadership, M = 1.57, SD = 0.90, and α = .97. MLQ-1 = Multifactor Leadership Questionnaire; M1 = two-factor Active–Passive model; M2 = five-factor model.
[a] M = 1.62, SD = 1.06, α = .97.   [b] M = 2.08, SD = 0.93, α = .85.   [c] M = 1.32, SD = 1.06, α = .87.   [d] M = 1.05, SD = 0.78, α = .80.   [e] M = 1.87, SD = 0.80, α = .71.

Source: Avolio et al. (1999: 450)

Bruce J. Avolio et al.

Table 2. Factor loadings of indicators for initial and replication set of samples

Scale		CH	IS	IC	CR	MA	P/A
CH1	'proud of him/her'	.71 (.63)					
CH2	'goes beyond self-interest'	.70 (.74)					
CH3	'has my respect'	.81 (.75)					
CH4	'displays power and confidence'	.63 (.60)					
CH5	'talks of values'	.62 (.62)					
CH6	'models ethical standards'	.75 (.72)					
CH7	'considers the moral/ethical'	.70 (.70)					
CH8	'emphasizes the collective mission'	.71 (.77)					
CH9	'talks optimistically'	.68 (.69)					
CH10	'expresses confidence'	.68 (.72)					
CH11	'talks enthusiastically'	.78 (.79)					
CH12	'arouses awareness about important issues'	.77 (.75)					
IS1	're-examines assumptions'		.71 (.59)				
IS2	'seeks different views'		.74 (.68)				
IS3	'suggests new ways'		.79 (.72)				
IS4	'suggests different angles'		.81 (.79)				
IC1	'individualizes attention'			.59 (.61)			
IC2	'focuses your strengths'			.82 (.78)			
IC3	'teaches and coaches'			.78 (.68)			
IC4	'differentiates among us'			.73 (.73)			
CR1	'clarifies rewards'				.66 (.75)		
CR2	'assists based on effort'				.65 (.55)		
CR3	'rewards your achievement'				.69 (.58)		
CR4	'recognizes your achievement'				.78 (.64)		
MA1	'focuses on your mistakes'					.58 (.49)	
MA2	'puts out fires'					.58 (.57)	
MA3	'tracks your mistakes'					.60 (.66)	
MA4	'concentrates on failures'					.65 (.68)	
P/A1	'reacts to problems, if serious'						.73 (.73)
P/A2	'reacts to failure'						.82 (.74)
P/A3	'if not broke, don't fix'						.57 (.55)
P/A4	'reacts to problems, if chronic'						.86 (.82)
P/A5	'avoids involvement'						.53 (.58)
P/A6	'absent when needed'						.57 (.67)
P/A7	'avoids deciding'						.64 (.74)
P/A8	'delays responding'						.62 (.72)

Note. CH=Charisma/Inspirational; IS=Intellectual Stimulation; IC=Individualized Consideration; CR=Contingent Reward; MA=Management-by-Exception-Active; P/A=Passive/Avoidant.

Appendix III: Career Orientation Inventory (COI)

Source: Bigliardi et al. (2005: 431)

Factors	Loadings
1. Technical-functional competence ($\alpha = 0.87$), variance explained = 13.7 per cent	
Remaining in my specialized area as opposed to being promoted out of my area of expertise	0.91
Remaining in my area of expertise throughout my career	0.84
I will accept a management position only if it is my area of expertise	0.76
2. General managerial competence ($\alpha = 0.83$), variance explained = 11.4 per cent	
The process of supervising, influencing, leading and controlling people at all levels	0.89
Managing human and financial resources within a project or my department	0.78
To rise to a high position in general management	0.74
3. Organizational stability ($\alpha = 0.88$), variance explained = 10.3 per cent	
An employer who will provide security through guaranteed work, benefits, a good retirement program, etc.	0.83
An organization that will give me long-run stability	0.82
4. Geographical security ($\alpha = 0.84$), variance explained = 8.6 per cent	
Remaining in one geographical area rather than moving because of a promotion	0.93
It is more important for me to remain in my present geographical location than to receive a promotion or new job assignment in another location	0.87
5. Entrepreneurial creativity ($\alpha = 0.81$), variance explained = 8.6 per cent	
Building a new business enterprise	0.86
I am always on the lookout for ideas that would permit me to start and build my own enterprise	0.81
I have always wanted to start and build up a business of my own	0.66
6. Service or dedication to a cause ($\alpha = 0.87$), variance explained = 7.4 per cent	
Using my skills to make the world a better place to live and work in	0.81
Being able to use my skills and talents in the service of an important cause	0.77
I want a career in which I can be committed and devoted to an important cause	0.75
7. Autonomy/independence ($\alpha = 0.73$), variance explained = 6.6 per cent	
The chance of do things my own way and not be constrained by the rules of an organization	0.90
A career that is free from organization restrictions	0.89
I do not want to be constrained by either an organization or the business world	0.80
8. Life style ($\alpha = 0.71$), variance explained = 5.1 per cent	
Developing a career that permits me to continue to pursue my own extra-work interests	0.74
A career is worthwhile only if it enables me to lead my life in my own way	0.67
Choosing and maintaining a certain life-style is more important than is career success	0.58
9. Pure challenge ($\alpha = 0.70$), variance explained = 4.1 per cent	
Working on problems that are almost insoluble	0.83
The only real challenge is my career has been confronting and solving tough problems, no matter what area they were in	0.65
I feel successful only if I am constantly challenged by a tough problem or a competitive situation	0.53

Appendix IV: Survey

Gen Y preferences

1. Introduction

Welcome to our Gen Y preferences survey! The purpose of this questionnaire is to explore the needs, wants and preferences of the Philips global talent pool, specifically with respect to leadership style and career development. Section I of this survey is about general Leadership/ Management and Career Development. Section II focuses on how you view your current manager, as well as your experiences with regard to the organization's career development support. Please give us a few minutes of your time. It will take approximately 10-15 minutes to complete the survey.

(Please note: It is important to complete the questionnaire in one go. If you take a long pause while completing the questions, the system may not register your answers and thus, will ask you to complete the page again.)

1. I am...

◯ Male

◯ Female

2. What is your year of birth?

◯ Between 1978-1995

◯ Before 1978

3. In which country or region are you located?

I am located in... [_____]

4. Were you born in the same country/ region?

◯ Yes

◯ No

5. If you answered the previous question with NO, where were you born?

[_____]

Gen Y preferences

2. Introduction

6. In what year did you first start working for Philips?

7. What function are you in?

My function is in...

3. Leadership/ management

8. How strongly do you agree or disagree with the following statements regarding LEADERSHIP/ MANAGEMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I prefer a manager who talks optimistically.	○	○	○	○	○
I find it important for my manager to recognize my achievements.	○	○	○	○	○
I prefer a manager to be a model to follow.	○	○	○	○	○
I find it important that my manager excites us with his/ her visions of what we may be able to accomplish if we work together.	○	○	○	○	○
I find it important that my manager provides me with new ways of looking at things which used to be a puzzle for me.	○	○	○	○	○
I prefer a manager who asks no more of me than what is essential to get the work done.	○	○	○	○	○

4. Leadership/ Management

9. How strongly do you agree or disagree with the following statements regarding LEADERSHIP/ MANAGEMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I find it important to have complete trust in my manager.	○	○	○	○	○
I prefer a manager who finds out what my career ambitions are and helps me achieve them.	○	○	○	○	○
I find it important for a manager to express his/ her appreciation when someone does a good job.	○	○	○	○	○
I prefer a manager who tells me what I should do if I want to be rewarded for my efforts.	○	○	○	○	○
I prefer a manager to teach and coach me.	○	○	○	○	○
I believe it is important that a manager considers the moral and ethical consequences of his/ her decisions.	○	○	○	○	○

5. Leadership/ Management

10. How strongly do you agree or disagree with the following statements regarding LEADERSHIP/ MANAGEMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I prefer a manager who encourages me to express my ideas and opinions.	○	○	○	○	○
I believe it is important for a manager to be an inspiration for his/ her subordinates.	○	○	○	○	○
I prefer a manager who only tells me what I have to know to do my job.	○	○	○	○	○
I find it important that a manager enables me to think about old problems in new ways.	○	○	○	○	○
I find it important for a manager to differentiate between his/ her subordinates.	○	○	○	○	○
I find it important for a manager to have a sense of mission which he/ she transmits to me.	○	○	○	○	○

6. Leadership/ Management

11. How strongly do you agree or disagree with the following statements regarding LEADERSHIP/ MANAGEMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I find it important that a manager treats each subordinate individually.	○	○	○	○	○
I prefer a manager who makes everyone around him/ her enthusiastic about assignments.	○	○	○	○	○
I prefer a manager who does not try to change anything, as long as things are going all right.	○	○	○	○	○
I prefer a manager who's ideas force me to rethink some of my own ideas which I had never questioned before.	○	○	○	○	○
I believe it is important that there is close agreement between what I am expected to put into the group effort and what I can get out of it.	○	○	○	○	○
I find it important that a manager makes me feel good to be around him/ her.	○	○	○	○	○

7. Career Development

12. How strongly do you agree or disagree with the following statements regarding CAREERS and CAREER DEVELOPMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I would rather remain in one geographical area than moving because of a promotion.	○	○	○	○	○
I like to work on problems that are almost insoluble.	○	○	○	○	○
I would like to remain in my area of expertise throughout my career.	○	○	○	○	○
I am always on the lookout for ideas that would permit me to start and build my own enterprise.	○	○	○	○	○
I prefer to work for an organization who will give me long-term stability.	○	○	○	○	○

Gen Y preferences

8. Career Development

13. How strongly do you agree or disagree with the following statements regarding CAREERS and CAREER DEVELOPMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I would like to use my skills to make the world a better place to live and work in.	○	○	○	○	○
I am excited by the process of supervising, influencing, and leading people at all levels.	○	○	○	○	○
I will accept a management position ONLY if it is in my area of expertise.	○	○	○	○	○
I would like to develop a career that permits me to pursue my own personal interests outside the workplace.	○	○	○	○	○
I feel successful only if I am constantly challenged by a tough problem or a competitive situation.	○	○	○	○	○

9. Career Development

14. How strongly do you agree or disagree with the following statements regarding CAREERS and CAREER DEVELOPMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I have always wanted to start and build up a business of my own.	○	○	○	○	○
I would like a career that is free from organization restrictions.	○	○	○	○	○
Choosing and maintaining a certain life-style is more important than is career success.	○	○	○	○	○
It is more important for me to remain in my present geographical location than to receive a promotion or new job assignment in another location.	○	○	○	○	○
I want a career in which I can be committed and devoted to an important cause.	○	○	○	○	○

10. Career Development

15. How strongly do you agree or disagree with the following statements regarding CAREERS and CAREER DEVELOPMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
In my career, I want the chance to do things my own way and not to be constrained by the rules of an organization.	○	○	○	○	○
It is important for me to work for an employer who will provide security through guaranteed work, benefits, a good retirement program etc.	○	○	○	○	○
Ultimately, I want to rise to a high position in general management.	○	○	○	○	○
A career is worthwhile to me only if it enables me to lead my life in my own way.	○	○	○	○	○
The only real challenge in my career has been confronting and solving tough problems, no matter what area they were in.	○	○	○	○	○

11. Career Development

16. How strongly do you agree or disagree with the following statements regarding CAREERS and CAREER DEVELOPMENT?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
In my career, I want to be able to use my skills and talents in the service of an important cause.	○	○	○	○	○
I would rather remain in my specialized area as opposed to being promoted out of my area of expertise.	○	○	○	○	○
I get excited by managing human and financial resources within a project or my department.	○	○	○	○	○
I do not want to be constrained by either an organization or the business world.	○	○	○	○	○

Gen Y preferences

12. Management style own manager

The next statements are about YOUR manager's leadership style. To what extent does he/ she display the behavior as described in the following statements:

17. How strongly do you agree or disagree with the following statements regarding YOUR manager's management style?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My manager talks optimistically.	○	○	○	○	○
My manager recognizes my achievements.	○	○	○	○	○
My manager is a model for me to follow.	○	○	○	○	○
My manager excites us with his/ her visions of what we may be able to accomplish if we work together.	○	○	○	○	○
My manager provides me with new ways of looking at things which used to be a puzzle for me.	○	○	○	○	○
My manager asks no more of me than what is absolutely necessary to get the work done.	○	○	○	○	○

13. Management style own manager

18. How strongly do you agree or disagree with the following statements regarding YOUR manager's management style?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I have complete trust in my manager.	○	○	○	○	○
My manager finds out what my career ambitions are and helps me achieve them.	○	○	○	○	○
My manager expresses his/ her appreciation when someone does a good job.	○	○	○	○	○
My manager tells me what I should do if I want to be rewarded for my efforts.	○	○	○	○	○
My manager teaches and coaches me.	○	○	○	○	○
My manager considers the moral and ethical consequences of his/ her decisions.	○	○	○	○	○

14. Management style own manager

19. How strongly do you agree or disagree with the following statements regarding YOUR manager's management style?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My manager encourages me to express my ideas and opinions.	○	○	○	○	○
My manager is an inspiration for his/ her subordinates.	○	○	○	○	○
My manager only tells me what I have to know to do my job.	○	○	○	○	○
My manager enables me to think about old problems in new ways.	○	○	○	○	○
My manager differentiates between his/ her subordinates.	○	○	○	○	○
My manager has a sense of mission which he/ she transmits to me.	○	○	○	○	○

15. Management style own manager

20. How strongly do you agree or disagree with the following statements regarding YOUR manager's management style?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My manager treats each subordinate individually.	○	○	○	○	○
My manager makes everyone around him/ her enthusiastic about assignments.	○	○	○	○	○
My manager does not try to change anything, as long as things are going all right.	○	○	○	○	○
My manager's ideas force me to rethink some of my own ideas which I had never questioned before.	○	○	○	○	○
There is close agreement between what I am expected to put into the group effort and what I can get out of it.	○	○	○	○	○
My manager makes me feel good to be around him/ her.	○	○	○	○	○

16. Career Development - Expectations

21. How strongly do you agree or disagree with the following statements regarding career management?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I believe the High Potential talent program allows me to develop my talents and skills.	○	○	○	○	○
I believe the talent program suits my career aspirations.	○	○	○	○	○
I prefer to self-manage my career.	○	○	○	○	○
I expect my manager/ the organization to set the requirements for advancement.	○	○	○	○	○
The High Potential talent program satisfies my learning needs.	○	○	○	○	○
The High Potential talent program provides me with enough function-related development opportunities.	○	○	○	○	○
The High Potential talent program provides me with enough personal development opportunities.	○	○	○	○	○
I believe that within Philips it is highly likely that I will be promoted.	○	○	○	○	○

22. If you have any additional comments on the questionnaire, please feel free to put them here.

Gen Y preferences

17. Thank you!

Thank you for participating on this study!

Appendix V: Representativeness

Here, the representativeness – or Chi – is calculated for (1) gender, (2) location and (3) function. In the table below, the frequencies of the research population and the response are displayed.

Characteristics	Categories	Frequency in research population (N=417)	Frequency in response (N=312)
Gender	*Male*	268	199
	Female	149	113
	Total	417	312
Location	Netherlands	285	220
	United States	63	44
	China	29	21
	Asia Pacific	34	21
	Brazil	6	2
	Belgium	0	1
Function	Industry	12	4
	Marketing	94	76
	Info.& Comm. Technology	23	16
	Purchasing & Supply Mng.	17	13
	Sales	31	17
	Area & Country Management	0	0
	Supply Chain Management	23	24
	Business Management	4	8
	Research & Technology	79	55
	Quality	8	2
	Human Resource Mng.	19	16
	Finance	72	57
	Service	5	3
	Legal	0	0
	Other	20	21
	No information available	10	

Tabel van enkele kritieke grenzen voor de X^2 –verdeling.

Aangegeven zijn:
Grenswaarden g_α met $P(X^2 < g_\alpha) = \alpha$ n is het aantal vrijheidsgraden

n	1	2	3	4	5	6	7	8	9	10
$g_{0,01}$	-	0.02	0.11	0.30	0.55	0.87	1.24	1.65	2.09	2.56
$g_{0,025}$	-	0.05	0.22	0.48	0.83	1.24	1.69	2.18	2.70	3.25
$g_{0,05}$	-	0.10	0.35	0.71	1.15	1.64	2.17	2.73	3.33	3.94
$g_{0,95}$	3.84	5.99	7.81	9.49	11.07	12.59	14.07	15.51	16.92	18.31
$g_{0,975}$	5.02	7.38	9.35	11.41	12.83	14.45	16.01	17.53	19.02	20.48
$g_{0,99}$	6.63	9.21	11.34	13.28	15.09	16.81	18.48	20.09	21.67	23.21

n	12	14	16	18	20	25	30	50	100
$g_{0,01}$	3.57	4.66	5.81	7.01	8.26	11.52	14.95	29.71	70.06
$g_{0,025}$	4.40	5.63	6.91	8.23	9.59	13.12	16.79	32.36	74.22
$g_{0,05}$	5.23	6.57	7.96	9.39	10.85	14.61	18.49	34.76	77.93
$g_{0,95}$	21.03	23.68	26.30	28.87	31.41	37.65	43.77	67.50	124.34
$g_{0,975}$	23.34	26.12	28.85	31.53	34.17	40.65	46.98	71.42	129.56
$g_{0,99}$	26.22	29.14	32.00	34.81	37.57	44.31	50.89	76.15	135.81

* Table shows critical values for X^2 distribution. n represents the number of degrees of freedom (df).

Representativeness Gender

	Population	Sample	Expected Prob.	Expected Frequency (E)	Observed Frequency (O)	ChiSq (E-O)²/E
Male	268	119	0.6427	200.518	199	0.011492
Female	149	113	0.3573	111.482	113	0.02067
Total	417	312				**0.032161**

Degrees of freedom: 2-1 = 1 df
At a 95% confidence interval, a value of 3.84 is appropriate.
0.03 is less than 3.84. Therefore, for gender the response group represents the research population accurately.

Representativeness Location

	Population	Sample	Expected prob.	Expected Frequency (E)	Observed Frequency (O)	ChiSq (E-O)²/E
Netherlands	285	220	.6835	213.237	220	0.214
United States	63	44	.1511	47.137	44	0.209
China	29	21	.0695	21.698	21	0.022
Asia Pacific	34	21	.0815	25.439	21	0.775
Other*	6	2	.0144	4.489	2	1.380
Total	417	312				**2.60**

* Other includes Brazil and Belgium

Degrees of freedom: 6-1 = 5 df
At a 95% confidence interval, a value of 11.07 is appropriate.
2.60 is less than 11.07. Therefore, for location the response group represents the research population accurately.

Representativeness Function

	Population	Sample	Expected prob.	Expected Frequency (E)	Observed Frequency (O)	ChiSq (E-O)²/E
Industry	12	4	0.0287	8.978	4	2.760
Marketing	94	76	0.2254	70.331	76	0.457
I&CT	23	16	0.0552	17.209	16	0.085
P&SM	17	13	0.0408	12.719	13	0.006
Sales	31	17	0.0743	23.194	17	1.654
A&CM	0	0	0	0	0	
R&T	79	55	0.1894	59.108	55	0.286
Quality	8	2	0.0192	5.986	2	2.654
HRM	19	16	0.0456	14.216	16	0.224
Finance	72	57	0.1727	53.870	57	0.182
Service	5	3	0.0120	3.741	3	0.147
Legal	0	0	0	0	0	
Other*	55	53	0.1319	41.151	53	3.412
Total	417	312				**11.867**

* Including Supply Chain Management, Business Management, Other & No information available.

Degrees of freedom: 11-1 = 10 df.
At a 95%, a value of 18.31 is appropriate.
11.867 is less than 18.31. Therefore, for function the response group represents the research population accurately.

Appendix VI: Explorative factor analysis performed by SAS

EFA detected 7 factors

The FACTOR Procedure
Rotation Method: Oblimin (tau = 0)

Rotated Factor Pattern (Standardized Regression Coefficients)

	Factor1	Factor2	Factor3	Factor4	Factor5	Factor6	Factor7
CL10	63 *	14	3	2	9	13	-12
CL7	62 *	0	25	-8	10	-22	-2
CL9	58 *	8	19	-8	-5	14	21
CR3	56 *	-27	-18	21	33	3	19
CL4	45 *	29	1	6	-10	-5	-12
CL6	7	67 *	-3	-10	-5	21	4
CL5	16	62 *	2	10	-4	-2	-14
IS2	-15	57 *	10	12	36 *	-6	8
IS3	2	49 *	3	-13	20	-16	19
CL2	3	-2	66 *	2	10	-6	-23
CL3	24	-1	59 *	5	4	15	15
CL1	12	1	58 *	-3	-27	40 *	7
ME2	-23	6	15	76 *	3	-2	12
ME3	8	-10	-5	69 *	-1	-4	10
ME1	11	10	-3	68 *	-3	8	-22
CR2	2	-11	-1	12	73 *	11	-4
IC3	9	19	5	-15	57 *	-2	-8
IS1	-7	14	37 *	-6	38 *	24	-1
IC1	23	12	0	2	37 *	18	3
CR1	-9	-2	9	5	8	83 *	-8
IC2	8	5	-2	1	33	58 *	18
IC4	-6	-9	-4	3	-5	3	79 *
CL8	4	13	47 *	6	7	-21	51 *
IC5	13	36 *	-25	1	-11	17	47 *

Printed values are multiplied by 100 and rounded to the nearest integer. Values greater than 0.35 are flagged by an '*'.

EFA forced to detect only 2 factors

The FACTOR Procedure
Rotation Method: Oblimin (tau = 0)

Factor Structure (Correlations)

	Factor1		Factor2	
CL9	62	*	13	
CL6	55	*	-10	
CL10	59	*	19	
CL3	58	*	22	
CL7	52	*	2	
IS1	54	*	17	
IS2	52	*	13	
IC3	50	*	6	
IS3	46	*	-12	
CL5	47	*	-3	
IC1	49	*	28	
IC2	50	*	43	*
CL1	44	*	8	
CL8	44	*	11	
CL4	39	*	1	
CL2	35		2	
IC5	31		11	
ME3	-10		62	*
ME2	-5		63	*
ME1	4		56	*
CR3	29		53	*
CR2	33		46	*
CR1	31		38	*
IC4	4		19	

Printed values are multiplied
by 100 and rounded to the
nearest integer. Values
greater than 0.35 are flagged
by an '*'.

Variance Explained by Each Factor Ignoring Other Factors

Factor1	Factor2
4.4561271	2.2375225

Appendix VII: Confirmative factor analysis performed by Lisrel
Leadership preference – full model

Number of Iterations = 12

LISREL Estimates (Robust Diagonally Weighted Least Squares)

   Measurement Equations

CL1 = 0.4595*CL, Errorvar.= 0.7889 , R^2 = 0.2111
  (0.07059)   (0.1446)
   6.5089   5.4541

CR1 = 0.5229*CR, Errorvar.= 0.7266 , R^2 = 0.2734
  (0.08174)   (0.1443)
   6.3966   5.0339

CL2 = 0.3936*CL, Errorvar.= 0.8451 , R^2 = 0.1549
  (0.06531)   (0.1181)
   6.0269   7.1547

CL3 = 0.6558*CL, Errorvar.= 0.5699 , R^2 = 0.4301
  (0.05465)   (0.1357)
   12.0003   4.1985

IS1 = 0.6549*IS, Errorvar.= 0.5711 , R^2 = 0.4289
  (0.08693)   (0.1829)
   7.5338   3.1217

ME1 = 0.5353*ME, Errorvar.= 0.7135 , R^2 = 0.2865
  (0.1278)   (0.1890)
   4.1882   3.7757

CL4 = 0.4263*CL, Errorvar.= 0.8183 , R^2 = 0.1817
  (0.06236)   (0.1170)
   6.8359   6.9918

IC1 = 0.5993*IC, Errorvar.= 0.6409 , R^2 = 0.3591
  (0.07090)   (0.1552)
   8.4526   4.1296

IC2 = 0.6567*IC, Errorvar.= 0.5688 , R^2 = 0.4312
  (0.06363)   (0.1331)

    10.3198   4.2726

$CR2 = 0.5015*CR$, Errorvar.$= 0.7485$, $R^2 = 0.2515$
  (0.07345)   (0.1289)
   6.8272   5.8081

$IC3 = 0.5147*IC$, Errorvar.$= 0.7351$, $R^2 = 0.2649$
  (0.06268)   (0.1245)
   8.2125   5.9058

$CL5 = 0.5001*CL$, Errorvar.$= 0.7499$, $R^2 = 0.2501$
  (0.06356)   (0.1298)
   7.8683   5.7786

$CL6 = 0.5973*CL$, Errorvar.$= 0.6432$, $R^2 = 0.3568$
  (0.05568)   (0.1179)
   10.7273   5.4566

$CL7 = 0.5842*CL$, Errorvar.$= 0.6587$, $R^2 = 0.3413$
  (0.06119)   (0.1428)
   9.5480   4.6138

$ME2 = 0.5967*ME$, Errorvar.$= 0.6439$, $R^2 = 0.3561$
  (0.1008)   (0.1565)
   5.9181   4.1133

$IS2 = 0.6386*IS$, Errorvar.$= 0.5922$, $R^2 = 0.4078$
  (0.07612)   (0.1430)
   8.3892   4.1400

$IC4 = 0.09914*IC$, Errorvar.$= 0.9902$, $R^2 = 0.009829$
  (0.08007)   (0.1135)
   1.2382   8.7217

$CL8 = 0.4793*CL$, Errorvar.$= 0.7702$, $R^2 = 0.2298$
  (0.06746)   (0.1308)
   7.1052   5.8898

$IC5 = 0.3331*IC$, Errorvar.$= 0.8890$, $R^2 = 0.1110$
  (0.07717)   (0.1227)
   4.3165   7.2472

$CL9 = 0.6955*CL$, Errorvar.$= 0.5162$, $R^2 = 0.4838$
  (0.05372)   (0.1315)
   12.9465   3.9267

$ME3 = 0.6022*ME$, Errorvar.$= 0.6374$, $R^2 = 0.3626$
  (0.1096)   (0.1643)
   5.4935   3.8798

IS3 = 0.5011*IS, Errorvar.= 0.7489 , R^2 = 0.2511
  (0.06812)   (0.1266)
   7.3554   5.9168

CR3 = 0.4780*CR, Errorvar.= 0.7715 , R^2 = 0.2285
  (0.06620)   (0.1238)
   7.2207   6.2313

CL10 = 0.6571*CL, Errorvar.= 0.5682 , R^2 = 0.4318
  (0.04708)   (0.1233)
   13.9582   4.6084

Correlation Matrix of Independent Variables

	IC	IS	CL	CR	ME
IC	1.0000				
IS	0.8760	1.0000			
	(0.0811)				
	10.7948				
CL	0.8195	0.7852	1.0000		
	(0.0643)	(0.0732)			
	12.7442	10.7234			
CR	1.0702	0.6476	0.5800	1.0000	
	(0.0976)	(0.1154)	(0.0890)		
	10.9626	5.6134	6.5193		
ME	0.0929	-0.0795	-0.0152	0.5169	1.0000
	(0.1169)	(0.1216)	(0.1156)	(0.1427)	
	0.7952	-0.6536	-0.1310	3.6221	

W_A_R_N_I_N_G: is not positive definite

Goodness of Fit Statistics

Degrees of Freedom = 242
Normal Theory Weighted Least Squares Chi-Square = 790.9052 (P = 0.0)
Satorra-Bentler Scaled Chi-Square = 376.8102 (P = 0.0000)
Chi-Square Corrected for Non-Normality = 2233.8994 (P = 0.0)
Estimated Non-centrality Parameter (NCP) = 134.8102
90 Percent Confidence Interval for NCP = (86.1280 ; 191.4361)

Minimum Fit Function Value = 0.9469
Population Discrepancy Function Value (F0) = 0.4335
90 Percent Confidence Interval for F0 = (0.2769 ; 0.6156)
Root Mean Square Error of Approximation (RMSEA) = 0.04232
90 Percent Confidence Interval for RMSEA = (0.03383 ; 0.05043)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.9398

Expected Cross-Validation Index (ECVI) = 1.5846
90 Percent Confidence Interval for ECVI = (1.4281 ; 1.7667)
ECVI for Saturated Model = 1.9293
ECVI for Independence Model = 14.8391

Chi-Square for Independence Model with 276 Degrees of Freedom = 4566.9590
Independence AIC = 4614.9590
Model AIC = 492.8102
Saturated AIC = 600.0000
Independence CAIC = 4728.7911
Model CAIC = 767.9044
Saturated CAIC = 2022.9010

Normed Fit Index (NFI) = 0.9175
Non-Normed Fit Index (NNFI) = 0.9642
Parsimony Normed Fit Index (PNFI) = 0.8045
Comparative Fit Index (CFI) = 0.9686
Incremental Fit Index (IFI) = 0.9688
Relative Fit Index (RFI) = 0.9059

Critical N (CN) = 245.3865

Root Mean Square Residual (RMR) = 0.07119
Standardized RMR = 0.07119
Goodness of Fit Index (GFI) = 0.9557
Adjusted Goodness of Fit Index (AGFI) = 0.9451
Parsimony Goodness of Fit Index (PGFI) = 0.7709

Leadership preference – reduced model

Correlation Matrix of Independent Variables

```
         IC        IS        CL        ME
      --------  --------  --------  --------
IC    1.0000

IS    0.8979    1.0000
     (0.0750)
      11.9730

CL    0.8411    0.7879    1.0000
     (0.0650)  (0.0652)
      12.9449   12.0803

ME    0.0732   -0.0888   -0.0280    1.0000
     (0.1182)  (0.1232)  (0.1138)
      0.6193   -0.7208   -0.2459
```

Goodness of Fit Statistics

Degrees of Freedom = 164
Normal Theory Weighted Least Squares Chi-Square = 487.2369 (P = 0.0)
Satorra-Bentler Scaled Chi-Square = 228.1659 (P = 0.0006873)
Chi-Square Corrected for Non-Normality = 685.2511 (P = 0.0)
Estimated Non-centrality Parameter (NCP) = 64.1659
90 Percent Confidence Interval for NCP = (28.3692 ; 108.0058)

Minimum Fit Function Value = 0.5423
Population Discrepancy Function Value (F0) = 0.2063
90 Percent Confidence Interval for F0 = (0.09122 ; 0.3473)
Root Mean Square Error of Approximation (RMSEA) = 0.03547
90 Percent Confidence Interval for RMSEA = (0.02358 ; 0.04602)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.9899

Expected Cross-Validation Index (ECVI) = 1.0295
90 Percent Confidence Interval for ECVI = (0.9144 ; 1.1704)
ECVI for Saturated Model = 1.3505
ECVI for Independence Model = 11.6851

Chi-Square for Independence Model with 190 Degrees of Freedom = 3594.0795
Independence AIC = 3634.0795
Model AIC = 320.1659
Saturated AIC = 420.0000
Independence CAIC = 3728.9396
Model CAIC = 538.3440
Saturated CAIC = 1416.0307

Normed Fit Index (NFI) = 0.9365
Non-Normed Fit Index (NNFI) = 0.9782
Parsimony Normed Fit Index (PNFI) = 0.8084
Comparative Fit Index (CFI) = 0.9812
Incremental Fit Index (IFI) = 0.9813
Relative Fit Index (RFI) = 0.9265

Critical N (CN) = 285.9460

Root Mean Square Residual (RMR) = 0.06482
Standardized RMR = 0.06482
Goodness of Fit Index (GFI) = 0.9687
Adjusted Goodness of Fit Index (AGFI) = 0.9600
Parsimony Goodness of Fit Index (PGFI) = 0.7565

Leadership satisfaction – full model

Number of Iterations = 8

LISREL Estimates (Robust Diagonally Weighted Least Squares)

   Measurement Equations

$CL1A = 0.7218 \cdot CLA$, Errorvar.= 0.4790 , $R^2 = 0.5210$
   (0.03755)   (0.1301)
    19.2236   3.6829

$CR1A = 0.8130 \cdot CRA$, Errorvar.= 0.3391 , $R^2 = 0.6609$
   (0.05506)   (0.1509)
    14.7653   2.2466

$CL2A = 0.8715 \cdot CLA$, Errorvar.= 0.2404 , $R^2 = 0.7596$
   (0.02126)   (0.1182)
    40.9855   2.0333

$CL3A = 0.8668 \cdot CLA$, Errorvar.= 0.2487 , $R^2 = 0.7513$
   (0.01989)   (0.1188)
    43.5825   2.0937

$IS1A = 0.8994 \cdot ISA$, Errorvar.= 0.1911 , $R^2 = 0.8089$
   (0.03231)   (0.1292)
    27.8374   1.4787

$ME1A = 0.4078 \cdot MEA$, Errorvar.= 0.8337 , $R^2 = 0.1663$
   (0.1066)   (0.1460)
    3.8242   5.7083

$CL4A = 0.8461 \cdot CLA$, Errorvar.= 0.2841 , $R^2 = 0.7159$
   (0.02327)   (0.1187)
    36.3655   2.3936

$IC1A = 0.7644 \cdot ICA$, Errorvar.= 0.4158 , $R^2 = 0.5842$
   (0.04054)   (0.1327)
    18.8559   3.1342

$IC2A = 0.7100 \cdot ICA$, Errorvar.= 0.4959 , $R^2 = 0.5041$
   (0.04563)   (0.1315)

15.5607   3.7712

CR2A = 0.5478*CRA, Errorvar.= 0.6999 , R^2 = 0.3001
    (0.05031)   (0.1248)
    10.8894   5.6075

IC3A = 0.7756*ICA, Errorvar.= 0.3985 , R^2 = 0.6015
    (0.03665)   (0.1251)
    21.1595   3.1844

CL5A = 0.6521*CLA, Errorvar.= 0.5748 , R^2 = 0.4252
    (0.04613)   (0.1245)
    14.1352   4.6184

CL6A = 0.6297*CLA, Errorvar.= 0.6034 , R^2 = 0.3966
    (0.04147)   (0.1244)
    15.1868   4.8500

CL7A = 0.8908*CLA, Errorvar.= 0.2065 , R^2 = 0.7935
    (0.01919)   (0.1192)
    46.4232   1.7329

ME2A = 0.6380*MEA, Errorvar.= 0.5930 , R^2 = 0.4070
    (0.1012)   (0.1697)
    6.3051   3.4952

IS2A = 0.7963*ISA, Errorvar.= 0.3659 , R^2 = 0.6341
    (0.04231)   (0.1295)
    18.8208   2.8260

IC4A = 0.2870*ICA, Errorvar.= 0.9177 , R^2 = 0.08234
    (0.07705)   (0.1208)
    3.7244   7.5996

CL8A = 0.7609*CLA, Errorvar.= 0.4210 , R^2 = 0.5790
    (0.03227)   (0.1239)
    23.5794   3.3986

IC5A = 0.5859*ICA, Errorvar.= 0.6568 , R^2 = 0.3432
    (0.05659)   (0.1284)
    10.3527   5.1161

CL9A = 0.8536*CLA, Errorvar.= 0.2714 , R^2 = 0.7286
    (0.02317)   (0.1204)
    36.8376   2.2541

ME3A = 0.6738*MEA, Errorvar.= 0.5461 , R^2 = 0.4539
    (0.1175)   (0.1941)
    5.7324   2.8129

IS3A = 0.6889*ISA, Errorvar.= 0.5255 , R² = 0.4745
   (0.04878)   (0.1349)
    14.1225   3.8960

CR3A = 0.4932*CRA, Errorvar.= 0.7567 , R² = 0.2433
   (0.05804)   (0.1258)
    8.4983   6.0166

CL10A = 0.7600*CLA, Errorvar.= 0.4224 , R² = 0.5776
   (0.04078)   (0.1285)
    18.6364   3.2865

Correlation Matrix of Independent Variables

	ICA	ISA	CLA	CRA	MEA
ICA	1.0000				
ISA	0.8147	1.0000			
	(0.0360)				
	22.6221				
CLA	0.9018	0.8228	1.0000		
	(0.0272)	(0.0352)			
	33.1495	23.3554			
CRA	1.0570	0.7405	0.9218	1.0000	
	(0.0534)	(0.0520)	(0.0395)		
	19.8103	14.2446	23.3588		
MEA	-0.3911	-0.5087	-0.3484	-0.2755	1.0000
	(0.0893)	(0.0763)	(0.0785)	(0.0994)	
	-4.3778	-6.6701	-4.4370	-2.7700	

W_A_R_N_I_N_G: is not positive definite

Goodness of Fit Statistics

Degrees of Freedom = 242
Normal Theory Weighted Least Squares Chi-Square = 941.3503 (P = 0.0)
Satorra-Bentler Scaled Chi-Square = 462.6501 (P = 0.00)
Chi-Square Corrected for Non-Normality = 1810.9342 (P = 0.0)
Estimated Non-centrality Parameter (NCP) = 220.6501
90 Percent Confidence Interval for NCP = (163.7099 ; 285.3972)

Minimum Fit Function Value = 0.8130
Population Discrepancy Function Value (F0) = 0.7095
90 Percent Confidence Interval for F0 = (0.5264 ; 0.9177)
Root Mean Square Error of Approximation (RMSEA) = 0.05415
90 Percent Confidence Interval for RMSEA = (0.04664 ; 0.06158)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.1767

Expected Cross-Validation Index (ECVI) = 1.8606
90 Percent Confidence Interval for ECVI = (1.6775 ; 2.0688)
ECVI for Saturated Model = 1.9293
ECVI for Independence Model = 55.0016

Chi-Square for Independence Model with 276 Degrees of Freedom = 17057.4997
Independence AIC = 17105.4997
Model AIC = 578.6501
Saturated AIC = 600.0000
Independence CAIC = 17219.3318
Model CAIC = 853.7443
Saturated CAIC = 2022.9010

Normed Fit Index (NFI) = 0.9729
Non-Normed Fit Index (NNFI) = 0.9850
Parsimony Normed Fit Index (PNFI) = 0.8530
Comparative Fit Index (CFI) = 0.9869
Incremental Fit Index (IFI) = 0.9869
Relative Fit Index (RFI) = 0.9691

Critical N (CN) = 200.0432

Root Mean Square Residual (RMR) = 0.05529
Standardized RMR = 0.05529
Goodness of Fit Index (GFI) = 0.9905
Adjusted Goodness of Fit Index (AGFI) = 0.9882
Parsimony Goodness of Fit Index (PGFI) = 0.7990

Leadership satisfaction – <u>reduced</u> model

Correlation Matrix of Independent Variables

```
         ICA      ISA      CLA      MEA
       -------- -------- -------- --------
ICA    1.0000

ISA    0.8281   1.0000
      (0.0376)
       22.0216

CLA    0.9170   0.8227   1.0000
      (0.0278) (0.0358)
       32.9670  23.0009

MEA   -0.3875  -0.5093  -0.3477   1.0000
      (0.0931) (0.0758) (0.0798)
      -4.1638  -6.7163  -4.3561
```

Goodness of Fit Statistics

Degrees of Freedom = 164
Normal Theory Weighted Least Squares Chi-Square = 646.2233 (P = 0.0)
Satorra-Bentler Scaled Chi-Square = 312.5993 (P = 0.00)
Chi-Square Corrected for Non-Normality = 510.4310 (P = 0.0)
Estimated Non-centrality Parameter (NCP) = 148.5993
90 Percent Confidence Interval for NCP = (102.5030 ; 202.5042)

Minimum Fit Function Value = 0.5297
Population Discrepancy Function Value (F0) = 0.4778
90 Percent Confidence Interval for F0 = (0.3296 ; 0.6511)
Root Mean Square Error of Approximation (RMSEA) = 0.05398
90 Percent Confidence Interval for RMSEA = (0.04483 ; 0.06301)
P-Value for Test of Close Fit (RMSEA < 0.05) = 0.2288

Expected Cross-Validation Index (ECVI) = 1.3010
90 Percent Confidence Interval for ECVI = (1.1527 ; 1.4743)
ECVI for Saturated Model = 1.3505
ECVI for Independence Model = 42.9772

Chi-Square for Independence Model with 190 Degrees of Freedom = 13325.9162

Independence AIC = 13365.9162

Model AIC = 404.5993

Saturated AIC = 420.0000

Independence CAIC = 13460.7763

Model CAIC = 622.7775

Saturated CAIC = 1416.0307

Normed Fit Index (NFI) = 0.9765

Non-Normed Fit Index (NNFI) = 0.9869

Parsimony Normed Fit Index (PNFI) = 0.8429

Comparative Fit Index (CFI) = 0.9887

Incremental Fit Index (IFI) = 0.9887

Relative Fit Index (RFI) = 0.9728

Critical N (CN) = 208.9818

Root Mean Square Residual (RMR) = 0.05041

Standardized RMR = 0.05041

Goodness of Fit Index (GFI) = 0.9925

Adjusted Goodness of Fit Index (AGFI) = 0.9904

Parsimony Goodness of Fit Index (PGFI) = 0.7751

Appendix VIII: *T*-tests Gender

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TCL_new	Equal variances assumed	7,703	,006	1,568	310	,118	,13581	,08663	-,03465	,30627
	Equal variances not assumed			1,667	276,586	,097	,13581	,08145	-,02454	,29616
TFLnew	Equal variances assumed	,280	,597	-2,421	310	,016	-,09370	,03870	-,16985	-,01754
	Equal variances not assumed			-2,463	245,161	,014	-,09370	,03804	-,16862	-,01878
TCLa_new	Equal variances assumed	,227	,634	1,549	304	,122	,13201	,08524	-,03573	,29975
	Equal variances not assumed			1,530	215,030	,128	,13201	,08630	-,03808	,30211
TFLa_new	Equal variances assumed	2,611	,107	-2,501	304	,013	-,18316	,07324	-,32728	-,03904
	Equal variances not assumed			-2,613	252,733	,010	-,18316	,07009	-,32120	-,04512

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
GS	Equal variances assumed	4,050	,045	,660	309	,510	,07692	,11654	-,15240	,30624
	Equal variances not assumed			,692	267,347	,489	,07692	,11111	-,14185	,29569
PC	Equal variances assumed	,591	,443	4,412	309	,000	,35701	,08091	,19779	,51622
	Equal variances not assumed			4,322	219,008	,000	,35701	,08259	,19423	,51978
FC	Equal variances assumed	,436	,509	-2,117	307	,035	-,17677	,08349	-,34106	-,01248
	Equal variances not assumed			-2,102	223,183	,037	-,17677	,08408	-,34247	-,01107
EC	Equal variances assumed	,945	,332	3,696	309	,000	,42742	,11564	,19988	,65496
	Equal variances not assumed			3,715	236,720	,000	,42742	,11506	,20075	,65408
ES	Equal variances assumed	,602	,438	,293	309	,770	,02856	,09754	-,16337	,22049
	Equal variances not assumed			,296	240,236	,768	,02856	,09657	-,16168	,21880
SD	Equal variances assumed	,988	,321	-,642	307	,521	-,04532	,07059	-,18421	,09357
	Equal variances not assumed			-,635	220,465	,526	-,04532	,07138	-,18598	,09535
GM	Equal variances assumed	,244	,622	2,390	307	,017	,17313	,07245	,03056	,31569
	Equal variances not assumed			2,362	220,249	,019	,17313	,07329	,02869	,31756
LS	Equal variances assumed	,006	,939	-2,248	309	,025	-,17102	,07608	-,32072	-,02132
	Equal variances not assumed			-2,255	235,513	,025	-,17102	,07583	-,32040	-,02163
AI	Equal variances assumed	,592	,442	,790	307	,430	,06884	,08711	-,10256	,24025
	Equal variances not assumed			,777	216,934	,438	,06884	,08856	-,10571	,24339

Appendix IX: Multiple regression – Location

Variables Entered/Removed[b]

Mode l	Variables Entered	Variables Removed	Method
1	Location_Asia Pacific1, Location_ US1, Location_ China1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: TCL_new

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,247[a]	,061	,052	,71956

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10,287	3	3,429	6,622	,000[a]
	Residual	157,917	305	,518		
	Total	168,204	308			

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

b. Dependent Variable: TCL_new

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,187	,043		50,566	,000
	Location_US1	-,221	,102	-,162	-2,170	,031
	Location_China1	,410	,126	,272	3,239	,001
	Location_AsiaPacific1	,092	,126	,061	,729	,467

a. Dependent Variable: TCL_new

- The extent to which a transactional leadership style (TCL) is preferred decreases significantly for HPs located in the US, compared to HPs located in the Netherlands.
- The extent to which a transactional leadership style (TCL) is preferred increases significantly for HPs located in China, compared to HPs located in the Netherlands.

Variables Entered/Removed[b]

Mode l	Variables Entered	Variables Removed	Method
1	Location_Asia Pacific1, Location_ US1, Location_ China1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: TFLa_new

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,136[a]	,018	,009	,61242

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,112	3	,704	1,877	,133[a]
	Residual	112,142	299	,375		
	Total	114,254	302			

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

b. Dependent Variable: TFLa_new

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,638	,037		97,897	,000
	Location_US1	-,180	,088	-,160	-2,049	,041
	Location_China1	,194	,112	,154	1,731	,084
	Location_AsiaPacific1	,014	,111	,011	,123	,902

a. Dependent Variable: TFLa_new

- The extent to which HPs perceive their manager to be transformational decreases significantly for HPs located in the United States, compared to HPs located in the Netherlands.

Variables Entered/Removed[b]

Mode l	Variables Entered	Variables Removed	Method
1	Location_Asia Pacific1, Location_ US1, Location_ China1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: TCLa_new

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,163[a]	,027	,017	,70149

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,006	3	1,335	2,713	,045[a]
	Residual	147,135	299	,492		
	Total	151,140	302			

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

b. Dependent Variable: TCLa_new

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,579	,043		60,582	,000
	Location_US1	-,213	,101	-,164	-2,117	,035
	Location_China1	,214	,128	,148	1,668	,096
	Location_AsiaPacific1	,124	,127	,086	,979	,328

a. Dependent Variable: TCLa_new

- The extent to which HPs perceive their manager to be transactional decreases significantly for HPs located in the United States, compared to HPs located in the Netherlands.

Variables Entered/Removed[b]

Mode l	Variables Entered	Variables Removed	Method
1	Location_Asia Pacific1, Location_ US1, Location_ China1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: PC

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,167[a]	,028	,018	,70102

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,287	3	1,429	2,908	,035[a]
	Residual	149,394	304	,491		
	Total	153,681	307			

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

b. Dependent Variable: PC

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,450	,042		81,715	,000
	Location_US1	-,005	,099	-,004	-,047	,962
	Location_China1	-,025	,124	-,018	-,205	,838
	Location_AsiaPacific1	,262	,125	,181	2,097	,037

a. Dependent Variable: PC

- The extent to which HPs hold a pure challenge (PC) orientation increases significantly for HPs located in the Asia-Pacific area, compared to HPs located in the Netherlands.

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	Location_Asia Pacific1, Location_US1, Location_China1[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: ES

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,170[a]	,029	,019	,80653

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,886	3	1,962	3,016	,030[a]
	Residual	197,747	304	,650		
	Total	203,633	307			

a. Predictors: (Constant), Location_AsiaPacific1, Location_US1, Location_China1

b. Dependent Variable: ES

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,368	,049		69,346	,000
	Location_US1	,310	,114	,206	2,711	,007
	Location_China1	-,091	,142	-,055	-,640	,523
	Location_AsiaPacific1	-,027	,144	-,016	-,189	,850

a. Dependent Variable: ES

- The extent to which HPs hold an economic security (ES) orientation increases significantly for HPs located in the United States, compared to HPs located in the Netherlands.

Appendix X: Multiple regression – Function

Variables Entered/Removed[b]

Mode l	Variables Entered	Variables Removed	Method
1	Dummy_ SupplyChain Mng, Dummy_RT, Dummy_ finance, Dummy_ marketing[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: TFLnew

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,224[a]	,050	,038	,32484

a. Predictors: (Constant), Dummy_SupplyChainMng, Dummy_RT, Dummy_finance, Dummy_marketing

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,706	4	,426	4,041	,003[a]
	Residual	32,395	307	,106		
	Total	34,101	311			

a. Predictors: (Constant), Dummy_SupplyChainMng, Dummy_RT, Dummy_finance, Dummy_marketing

b. Dependent Variable: TFLnew

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,230	,032		130,229	,000
	Dummy_marketing	,189	,049	,245	3,823	,000
	Dummy_finance	,065	,054	,076	1,208	,228
	Dummy_RT	,103	,055	,119	1,886	,060
	Dummy_SupplyChain Mng	,008	,074	,006	,106	,916

a. Dependent Variable: TFLnew

- The extent to which a transformational leadership style (TFL) is preferred increases significantly for HPs who's function is in Marketing.

Variables Entered/Removed[b]

Model	Variables Entered	Variables Removed	Method
1	Dummy_SupplyChainMng, Dummy_RT, Dummy_finance, Dummy_marketing[a]	.	Enter

a. All requested variables entered.

b. Dependent Variable: FC

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,129[a]	,017	,004	,70677

a. Predictors: (Constant), Dummy_SupplyChainMng, Dummy_RT, Dummy_finance, Dummy_marketing

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,589	4	,647	1,296	,272[a]
	Residual	151,854	304	,500		
	Total	154,443	308			

a. Predictors: (Constant), Dummy_SupplyChainMng, Dummy_RT, Dummy_finance, Dummy_marketing

b. Dependent Variable: FC

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,000	,071		28,013	,000
	Dummy_marketing	,244	,108	,148	2,254	,025
	Dummy_finance	,135	,118	,074	1,142	,254
	Dummy_RT	,097	,119	,052	,814	,416
	Dummy_SupplyChainMng	,097	,161	,037	,604	,546

a. Dependent Variable: FC

- The extent to which HPs hold a functional competence (FC) orientation increases significantly for HPs who's function is in Marketing.

Appendix XI: Crosstabs Transformational leadership

Table 1: Charismatic leadership

			CLsatisfaction			
			1,00	2,00	3,00	Total
CLpreference	2,00	Count	0	4	2	6
		% of Total	,0%	1,3%	,7%	2,0%
	3,00	Count	23	97	180	300
		% of Total	7,5%	31,7%	58,8%	**98,0%**
	Total	Count	23	101	182	306
		% of Total	7,5%	33,0%	**59,5%**	100,0%

Table 2: Intellectual stimulation

			ICsatisfaction			
			1,00	2,00	3,00	Total
ICpreference	2,00	Count	0	9	1	10
		% of Total	,0%	2,9%	,3%	3,3%
	3,00	Count	15	101	180	296
		% of Total	4,9%	33,0%	58,8%	**96,7%**
	Total	Count	15	110	181	306
		% of Total	4,9%	35,9%	**59,2%**	100,0%

Table 3: Individualized consideration

			ISsatisfaction			
			1,00	2,00	3,00	Total
ISpreference	2,00	Count	6	7	6	19
		% of Total	2,0%	2,3%	2,0%	6,2%
	3,00	Count	27	98	162	287
		% of Total	8,8%	32,0%	52,9%	**93,8%**
	Total	Count	33	105	168	306
		% of Total	10,8%	34,3%	**54,9%**	100,0%