WHAT HAPPENS WHEN EMPLOYEES DO NOT AGREE ON WHAT IS EXPECTED FROM THEM: A MULTILEVEL STUDY

Mieke Audenaert, PhD, postdoctoral researcher
Department HRM and Organizational Behavior, Ghent University

Adelien Decramer, PhD, assistant professor
Department HRM and Organizational Behavior, Ghent University

Alex Vanderstraeten, PhD, full professor
Department HRM and Organizational Behavior, Ghent University

ABSTRACT

Employees may not agree on what the organization expects of them as to the quantity and quality of work, and extra-role behaviours such as helping new colleagues and taking new initiatives. When employees do not agree on what is expected of them, the expectation climate is weak. As a consequence, employees will experience unclarity of the expected behaviours. By experiencing unclarity, employees will also be more dissatisfied with their jobs. The authors use a sample of 1176 employees to test the hypothesis. Hierarchical linear modelling is applied to take into account the nested data of employees in jobs and to test the cross-level relationship of the expectation climate strength (which is situated at the job-level) with job satisfaction (which is situated at the individual-level). The results demonstrate a positive relationship between the expectation climate strength and job satisfaction. This finding provides support for multilevel theorizing on the HRM-performance linkage and for analyzing linkages inside the black box.
7.1. INTRODUCTION

Many organizations face fierce competition, structural changes, and the need for continuous improvement. In that regard, managing the employees by means of the implementation of Human Resource Management (HRM) is crucial to become more successful. HRM affects individual employee attitudes, behaviour and performance. In turn, employees’ performance affects the performance of the organization as a whole (Guest 2011, Boxall et al. 2011, Becker and Huselid 2006).

It is acknowledged that climate plays an important role in relating employee behaviour and performance to organizational performance (Reichers and Schneider 1990). Climate refers to collective employee perceptions. Employees form collective perceptions of what is expected of them in their job (Bowen and Ostroff 2004, Schneider et al. 2002). When employees collectively perceive high expectations, this leads to collective attitudes such as commitment and job satisfaction. When employees believe that certain expectations are highly valued in their job in order to reach the organizational goals, they will display similar attitudes and behaviours in order to meet these expectations. A favourable climate eventually results in a better organizational performance (Schulte et al. 2009; Veld, Paauwe and Boselie 2010). In that regard, recent empirical work found that job incumbents form collective perceptions of the expectations in their job. Job incumbents may have the collective perception that the organization wants them to work very hard, to deliver qualitative work, to be willing to help new colleagues, and to take new initiatives. When that is the case, these job incumbents will perform better, will be more creative and innovative, and will be more committed to their employer. The collective perceptions of job incumbents on the expectations thus shape employee attitudes and performance (Audenaert, 2014).

However, research has also found that the extent to which the perceptions on the expectations are collective, may differ from job to job (Audenaert, 2014). This finding is in accordance with theory on the climate strength (Klein and Kozlowski 2000). The climate strength emerges from the interactions of the individuals in the collective. At the one hand, if job incumbents experience their job similarly, the climate is strong and there is a consensus on the expectations. According to Mischel (1997, 347), this consensus leads employees ‘to construe the particular events in the same way and induce uniform expectancies regarding the most appropriate response patterns’. On the other hand, when job incumbents do not have a common experience of the expectancies, the
climate is weak. In this case, there is a dissensus on the expectations (Bowen and Ostroff 2004). In accordance with this theory on climate strength, we use the term ‘expectation climate strength’. The expectation climate strength refers to the degree to which job incumbents agree on what the expectations are. Jobs differ in the degree to which employees have built a consensus on the expected contributions from the job incumbents. This should affect employee outcomes and organizational performance (Bowen and Ostroff 2004). Although other facets of climate strength have been empirically studied (e.g., service climate strength) (Schneider et al. 2002), we are not aware of any empirical studies on the expectation climate strength. We specifically focus on the relationship between the expectation climate strength and job satisfaction. By doing so, we contribute to our understanding of multilevel linkages in the black box of HRM and performance (Guest 2011, Paauwe 2009).

In this paper, we first develop the theoretical arguments for linking the expectation climate strength to job satisfaction. Subsequently, we provide a description of the method used for testing this linkage and conduct the analysis. Finally, in the discussion and conclusion section the key findings are summarized and the importance to the HRM-performance field is stated.

7.2. EXPECTATION CLIMATE STRENGTH, ROLE AMBIGUITY AND JOB SATISFACTION

In this section, we build on theory to develop arguments for the relationship between the expectation climate strength and job satisfaction.

The concept of job satisfaction is a general attitude that employees have towards their job (Harrison, Newman and Roth 2006). It encompasses different facets of job satisfaction, including the nature of the work itself, the compensation and benefits, the promotion opportunities, and the satisfaction with colleagues. Scholars have stated that measures of job satisfaction provide "one of the most useful pieces of information an organization can have about its employees" (Harrison et al. 2006: 320). Job satisfaction refers to the positive emotional state that someone has resulting from the appraisal of one’s job (Locke 1969). Put simply, employees that are satisfied with their job ‘like’ their jobs, they experience fulfilment and find pleasure in their job (Spector 1997). The nature of many jobs has changed and jobs have generally become more demanding (Tsui and Wu 2005). This explains the strong scholarly and practice interest in job satisfaction. Satisfied employees are more likely to be
productive employees (Harter et al. 2002) which provides a utilitarian argument for organizations to foster job satisfaction. Additionally, job satisfaction is also important from a humanitarian viewpoint. Employees deserve to be treated with respect and should have a satisfying job (Spector 1997). For these reasons, it is important to understand how job satisfaction is fostered. It is recognized that Human Resource Management (HRM) is related to job satisfaction (Boselie et al. 2005, Combs et al. 2006). However the mechanisms by which HRM operates requires further inquiry. This is commonly referred to as the black box of HRM (Guest 2011, Boxall et al. 2011, Becker and Huselid 2006). Focusing on the multilevel linkages in this black box, our interest goes to the expectation climate strength.

The choice for studying the expectation climate strength is derived from the relevance to study how HRM is perceived rather than how it is intended (Nishii and Wright 2008). In that regard, it has been theorized that performance outcomes follow from a consensus and clarity about the expectations (Bowen and Ostroff 2004). This consensus can be referred to as the ‘expectation climate’. A climate is formed on what behaviours are expected among job incumbents. Examples of these expectations are the quantity and quality of work, and extra-role behaviours such as helping new colleagues and taking new initiatives. The expectation climate plays a central role in the HRM-performance linkage (Bowen and Ostroff 2004). In some jobs there is more consensus on the expected behaviour than in others (Schneider et al. 2002). The degree to which there is a consensus on the expectation climate can be labelled as the ‘expectation climate strength’.

The expectation climate strength may be positively related to job satisfaction. We build on the theory about role ambiguity to argue for this linkage. According to the theory on role ambiguity, clarity on the expected behaviours is satisfying. Job roles are rarely fixed. The job roles are the expected behaviours when doing the work. Employees form perceptions of their roles as a result of employee interactions (Graen 1976). Because organizations are role-based systems, this clarity is important for the functioning of the organization. This clarity is required to provide continuity to organizations. It is not only important for the functioning of the organization, but also for the functioning of the employees. When the expectations are unclear, role ambiguity occurs. This role ambiguity may be due to a lack or inefficient communication on the expectations and standards of behaviours (Katz and Kahn 1978). When employees experience role ambiguity, they feel uncertain about the key requirements of their jobs and the expected behaviours. Employees do not have a clear
direction in their jobs. They are uncertain about what their tasks are and how to accomplish them. They feel unsure about how they are expected to behave in their jobs (Baron 1986). These feelings of uncertainty are detrimental for job satisfaction. Because it is less clear to employees what is expected from them, employees will be less satisfied with their job. Employees are more likely to feel negative about their job role when their job is characterized by role ambiguity (Jackson and Schuler 1985; Tubre and Collins 2000).

When there is role ambiguity, employees do not know what the most effective job behaviours are. This is not satisfying since it lowers effort-to-performance expectancies. Employees do not feel that they know how they should behave to perform well. It also lowers effort-to-reward expectancies. Employees do not know what to do in order to be appreciated and rewarded in their jobs (Jackson and Schuler 1985). This makes their jobs less satisfying. Based on the theories about the expectation climate strength and role ambiguity, we expect that employees will communicate about the clarity of the expectations in their jobs. When they cannot reach a consensus on the job requirements, the expectation climate will be weak in their job. Employees in these jobs will be more likely to experience role ambiguity. As a consequence, they will also be less satisfied with their job.

The arguments stated above lead to the hypothesis that when the expectation climate strength is weak, employees will have less clarity on what is expected in their job. Consequently due to feeling unsure as to what is expected from them, they will feel less satisfied in their jobs compared to employees in jobs that are characterized by a strong expectation climate. Conversely, this implies that when the expectation climate strength is strong, employees will have more clarity on what is expected in their job. By feeling confident about what is expected of them, employees will be more satisfied in their jobs. Thus it is hypothesized that the expectation climate strength will relate positively to job satisfaction.

\[ Hypothesis: \text{Expectation climate strength has a positive relationship with job satisfaction.} \]

7.3. METHOD

7.3.1. Sample
The data are based on a survey in a large Flemish service organization. We collected data from 1176 employees in more than 80 jobs. The jobs in this sample are quite diverse such as administrative employees, sales people, and IT engineers. The sample is stratified in job strata. Within these strata, an ad random sample was created. In jobs that employed 4-20 employees, all employees were approached. In jobs that employed more than 20 employees, an ad random selection of employees was created. This led to a sample of more than 1100 respondents in 80 jobs. A total of 15 percent of the respondents were managers, and half of the respondents worked less than 7 seven years in their job. By using a diverse sample, variance in climate strength should be fostered (Meyer et al. 2014). All the data are collected at the individual level although a multilevel model is tested of employees nested in jobs. In the analysis, the data that are collected on the climate strength will be analyzed at the job-level.

7.3.2. Measures

All data on the continuous variables were collected on a five-point Likert scale going from strongly disagree to strongly agree. For internal validity reasons all items were translated to Dutch and back-translated (Podsakoff et al 2003).

Expectation climate strength. We used a scale of 13 items by Jia et al. (2013) on job requirements. Examples of items are ‘Contribute to the future development of the company or department’, ‘Conscientiously complete extra assignments at a moment’s notice’, ‘Actively promote the company’s image and reputation’, and ‘Actively adopt new ideas and methods to improve work’. In order to make sure that the employees keep the job referent in mind when filling out the questionnaire, the employees were first asked to fill out their job title, and the employees’ job title was inserted in each of the items (see Klein and Kozlowski 2000). In accordance with previous research we operationalized climate strength based on the standard deviation of employee perceptions (Schneider 2002).

Job satisfaction. It was made clear in the questionnaire that job satisfaction focuses on another referent, namely the employee himself. It was stressed that these items refer to the employee personally. This was important for methodological reasons in order to create a ‘psychological separation’ between the items that dealt with the job and the items that dealt with the individual employee (Podsakoff et al. 2003). We used the
scale of Cammann, Fichman, Jenkins (1983) which exists of three items: ‘All in all, I am satisfied with my job’, ‘In general, I don’t like my job (reverse coded)’, and ‘In general, I like working here’. Cronbach alpha was .84.

Controls. At the job-level, we controlled for the managerial level. About 20 percent of the employees was at the managerial level. Arguments could be made for managers having a more satisfying job. At the individual level, we controlled for gender and job tenure. Gender may provide a control for different kind of jobs, as some jobs in the organization were more occupied by females and others more by males. Also an employees’ maturity in the job may affect their job satisfaction.

7.4. RESULTS

Table 1 shows the means, the standard deviations, and the correlations. Table 2 delineates the results of the Hierarchical Linear Modeling (HLM). HLM was used to test the multilevel linkage in the hypothesis. HLM is an extension of regression analysis to account for the multilevel structure in the data. HLM is also referred to as the multilevel regression, the variance component model, or the random coefficient model. In HLM, models are tested where the outcome variable is at the lowest level. In this study, employees are nested within jobs. The independent variable is situated at the job-level and the dependent variable is situated at the individual level (Hox 2010, Klein and Kozlowski 2000).

In Table 2, we first tested an intercept-only model. The between-job errors showed significant variance (p<0.05) which implies that we could proceed to examine a multilevel model. The intercept-only model estimates the intercept as 4.14, which is the average job satisfaction across all jobs in the sample.
TABLE 7.1. Descriptive Statistics and Correlations

<table>
<thead>
<tr>
<th></th>
<th>Means</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Job tenure</td>
<td>8.17</td>
<td>6.80</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2. Job satisfaction</td>
<td>4.14</td>
<td>0.65</td>
<td>0.03</td>
<td>1</td>
</tr>
<tr>
<td><strong>Job level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expectation climate strength</td>
<td>0.09</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes.
** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).
Pearson correlations were estimated. Gender and managerial job level were not included in the estimations because these are categorical variables.

TABLE 7.2. Relationship between Expectation Climate Strength and Job Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Intercept-only model</th>
<th>Model 2</th>
<th>Model 3</th>
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<tbody>
<tr>
<td><strong>Level 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>4.14 ***</td>
<td>4.10 ***</td>
<td>4.17 ***</td>
</tr>
<tr>
<td>Gender (a)</td>
<td>0.04</td>
<td>0.03</td>
<td></td>
</tr>
<tr>
<td>Job tenure</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Level 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial job level (b)</td>
<td>0.08</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td>Expectation climate strength</td>
<td></td>
<td>0.67 **</td>
<td></td>
</tr>
<tr>
<td><strong>Deviance</strong></td>
<td>1846.27</td>
<td>1809.68</td>
<td>1805.09</td>
</tr>
<tr>
<td><strong>Pseudo R² at job level</strong></td>
<td>.17</td>
<td>.28</td>
<td></td>
</tr>
</tbody>
</table>

Notes. N = 1176 individuals (level 1) in 82 jobs (level 2).
a 1 = “female”; 0 = “male”
b 1 = “manager”; 0 = “non-manager”
*** p < .001 ** p < .01 * p < .05
In Model 2, the control variables were entered. No significant results were obtained for the controls. In Model 3, the expectation climate strength is found out to be positively related to job satisfaction, which provides support for the formed hypothesis. This is also the model where the Deviance is the lowest. Since Deviance indicates the model misfit (the smaller, the more fit), this suggests that this model has the best fit of the three estimated models. We use the formula of Snijders and Bosker (1994) to estimate the amount of variance that is explained by the regression model. The pseudo $R^2$ suggests that 28% of the variance of job satisfaction across jobs can be explained by this model. Although the pseudo $R^2$ is not completely comparable to the $R^2$ in classical regression analyses, this does give an indication of the extent to which the model explains job satisfaction across jobs.

7.5. DISCUSSION AND CONCLUSION

This study aims to contribute to our understanding of multilevel linkages in the black box of HRM and performance. Climate theory is built on to study the expectation climate strength which refers to the extent to which job incumbents have built a consensus on what is expected of them in their job as to the quantity and quality of work, and extra-role behaviours such as helping new colleagues and taking new initiatives. By finding that jobs differ in the extent to which employees have built this consensus, we find support for climate theories in which it is recognized that shared unit properties emerge from individual employees’ experiences and perceptions. According to the climate theory, the extent to which shared unit properties emerge depends on the interactional processes and structural context within which the unit is managed. This implies that climate strength varies. Consistent with this theory, we found that the strength of the expectation climate differs from job to job (Bliese 2000, Klein and Kozlowski 2000)

Furthermore, our findings suggest that the expectation climate strength is positively related with job satisfaction. This provides support for acknowledging multilevel linkages in the black box of HRM and performance (Bowen and Ostroff 2004, Guest 2011). Recent research shows that HRM practices that are implemented at the job-level affect individual employees (Kehoe and Wright 2013). This study adds to this research that not only practices at the job-level matter. Also perceptions that employees form about the expectations at the job-level play a role in affecting individual employees. The finding that the expectation climate
strength is positively related with job satisfaction can possibly be explained by the theory on role ambiguity. The latter stresses the need for having clear expectations among the job incumbents (Kahn et al. 1964). It has been demonstrated for decades that role ambiguity is detrimental to job satisfaction and other work behaviours and organizational outcomes (Jackson and Schuler 1985, Tubre and Collins 2000). Also from goal setting literature and employee performance management literature, it is clear that the clarity of goals is important to performance (Decramer et al. 2012). We add to this research that beyond the importance of expectation clarity at the individual level, also the collective consensus of the expectations of the job is important. When the expectation climate is strong, employees will feel sure about what is expected of them and this will make them satisfied with their job.

It should be noted that our findings should be viewed in the light of some limitations. The data were based on cross-sectional data and were gathered from a common source. However, we believe that common-method bias is not a concern as the data on the job requirements were analyzed at the job-level. The methodological benefit of doing so is that it alleviates concerns that common source biases the relationships (Podsakoff et al. 2003). Nevertheless, a time lag between surveying the independent and dependent variable may also be relevant for theoretical reasons. The time-lag allows to establish internal validity (i.e., cause and effect) when it is not possible to conduct an experiment (Cook and Campbell 1979). Future research may thus build in a time lag for both methodological and theoretical reasons. Furthermore, although we rely on the theory about role ambiguity (Kahn et al. 1964), we acknowledge that we did not empirically operationalize it. Future research may focus on the process by which expectation climate strength affects employee outcomes. In the social exchange theory (Blau, 1964; Shore, Tetrick, Lynch, and Barksdale, 2006), it is acknowledged that employees differ in the relationship they develop with the organization. Employees may perceive unnecessary work complications such as unclear job requirements as a sign that the organization does not care for their well-being.

Future research may link the expectation climate strength to the HRM system strength. Bowen and Ostroff’s (2004) theory on the HRM system strength has been operationalized (e.g., Delmote et al. 2012). Reliable constructs of the three meta-features that represent the HRM system strength have been developed (i.e., distinctiveness, consensus and consistency). Building on Bowen and Ostroff’s theorizing, the expectation climate strength could be seen as the consequence of these three meta-features. This reasoning is in accordance with the view that ‘a strong HRM
system can foster similar viewpoints such that the situation leads everyone to "see" the situation similarly [and] induces uniform expectancies about responses’ (Bowen and Ostroff 2004, 213). Therefore, future research could examine the linkage between the meta-features of the HRM system strength and the expectation climate strength to further test the process perspectives on the HRM-performance linkage.

Since job satisfaction is important from both a managerial and an employee perspective, it is important for HRM managers to understand how it is fostered. In this paper, it is shown that clarity of expectations among job incumbents is important to job satisfaction. In other words, job incumbents should agree on the extent to which the organization expects the employees to work hard, and to go the extra mile for the organization. It should be clear to the job incumbents whether the organization wants the employees to excel in quality, in initiative-taking, in doing additional work beyond the job description, and in contributing to the organizational continuous improvement and development. Since role ambiguity may follow from the social interactions among the job incumbents, HRM managers should foster clarity and consistency of the expectations in organizational processes and procedures aimed at the job incumbents. The signaled expectations should be consistent across different HRM systems and tools. More specifically, there should be consistency in the signaled job requirements in job descriptions. When job descriptions are altered, all job incumbents should be informed. Ideally, the job incumbents are consulted when making the job descriptions so that inconsistencies in the perceived expectations may be found. When the organization uses an employee performance management to steer and follow up on the planning of the individual employees’ individual objectives, the need for consistency on perceived job requirements should be taken into account. Finally, also competency-based HRM should signal consistent expectations to the employees. This recommendation echoes the finding that having a clear understanding of the competency requirements is important for competency-based HRM and it fosters employee satisfaction (Audenaert et al. 2014). Information sources that are used by employees to deduct information on the expectations may be idiosyncratically interpreted by job incumbents and drawn on in social interactions. The expectation climate emerges through these social interactions. It is important for job satisfaction that job incumbents make part of a strong expectation climate.

The aim of this study was to examine the effect of the expectation climate strength on job satisfaction. Based on multilevel theories, it was expected that jobs would differ in the extent to which there is a consensus
in the expectation climate. In some jobs, job incumbents have a consensus on the expected quality and quantity of performances in their job, as well as on the need for taking initiatives and continuous improvement. We built on the theory on role ambiguity to expect that the expectation climate strength, which occurs at the job-level, would affect the extent to which employees are satisfied with their jobs. Multilevel data on more than 1000 employees in more than 80 jobs of a Dutch service organization were used. The analysis provides support for an expectation climate that emerges at the job-level. Further, the expectation climate is stronger in some jobs than in others. Hierarchical linear modelling analyzes indicate that the expectation climate strength relates positively with job satisfaction. These results contribute to our understanding of the black box of the HRM-performance linkage. Emerging from HRM procedures and social interactions, employees form a consensus of what is expected of them in their jobs. In jobs where employees experience unclarity of the job demands, employees will be less satisfied with their job.
7.6. REFERENCES


Veld, M., Paauwe, J. and Boselie, P. 2010. “HRM and strategic climates in hospitals: does the message come across at