CHAPTER 5

HOW LEADERS CAN COMPENSATE FOR YOUNGER AGE: CONTINGENT REWARD AND PARTICIPATIVE LEADERSHIP AS MODERATORS OF THE LEADER AGE-TURNOVER LINK

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ABSTRACT

Young leaders cannot rely on their age or experience as natural cue of status and authority. The challenges arising from young leaders’ low age-based status ask for research on compensatory leadership behaviors that help them successfully influence their team. Conceptualizing successful leadership influence as dependent on the approval of leaders by their team members and the organization, we focus on two types of leadership behaviors that will differentially affect voluntary and involuntary turnover within teams led by younger (as compared to older) leaders. We propose that contingent reward’s reliance on rewards as a status-independent power base helps younger leaders diminish a team’s voluntary turnover but increases involuntary turnover. Participative leadership’s reliance on status-dependent personal power should decrease younger leaders’ successful influence on teams in a way that voluntary turnover is increased but involuntary turnover is reduced. Results based on a sample of 83 teams in general confirmed these strategies’ complementary effect. These findings point to the importance of adapting younger leaders’ behaviors to the challenges of leading an increasingly older workforce.

KEYWORDS:

Leader age
Leader power and status
Contingent reward leadership
Participative leadership
(In)voluntary turnover
INTRODUCTION

„A man can only lead when others accept him as their leader, and he has only as much authority as his subjects give to him.“ (Brandon Sanderson, The Well of Ascension). In fact, successful leadership influence is not at all self-evident. Rather, there are individuals who – despite holding a formal supervisory position – are not perceived as leaders (Bedeian & Hunt, 2006; DeRue & Ashford, 2010). This undermines their capacity to effectively influence their team, which may seriously harm team and organizational functioning (cf. Sauer, 2011; Yukl, 2013). Understanding why some leaders are successful in influencing their followers while others are not is therefore crucial.

Contrasting prior research’s mostly narrow focus on either leader influence (e.g., Burke et al., 2006) or follower influence (e.g., Collinson, 2006), we emphasize successful leadership influence as dependent on both leader and followers. Drawing on the theory of leadership identity construction as a social process in organizations (DeRue & Ashford, 2010), an individual’s identity as a leader is not only constructed in the person itself, but also in the followers (i.e., relational recognition through followers) and the organization (i.e., collective endorsement through peers, upper management, etc.). For being affirmed as a leader, leaders therefore do not only need to claim, but also be reciprocally granted the identity of leader. In sum, successful leadership influence requires leaders to be afforded the legitimation to do so.

The prototypicality of a leader (Hogg, 2001; Hogg, van Knippenberg, & Rast, 2012; Van Knippenberg & Hogg, 2003) is a crucial antecedent of a leader’s ability to establish a strong leadership identity that is mutually agreed on with followers and endorsed by the organizational collective (DeRue & Ashford, 2010). Leaders are more likely to being accepted as a leader when having prototypical attributes that match followers’ beliefs of what characterizes an effective leader (implicit leadership theory; Lord, 1985; Lord & Maher, 1991). Although research has shown that other non-prototypical leaders, such as women and non-white people, indeed suffer from devaluation and perceptions of lower competence (Eagly, Makhijani, & Klonsky, 1992; Ridgeway, 2003; Rosette et al., 2008), research has been silent regarding the role of younger age in this respect.

This is striking as age becomes more important in nowadays’ organizations: Demographic shifts in many industrialized countries cause the workforce to become gradually older (Collins et al., 2009; Leibold & Voelpel, 2006), but individuals nevertheless enter managerial positions early on (Jackson et al., 1995). As a result, a turnaround of traditional age-hierarchy relations (Lawrence, 1984, 1997) becomes more and more common in organizations.
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(Collins et al., 2009; Shore et al., 2003). Such violation of age norms is potentially harmful for the relationship between leader and the led (Shore et al., 2003) as these younger, non-prototypical leaders may not be perceived as leaders according to team members’ implicit beliefs about leadership prototypes. Whereas leaders of older age may thus more easily attain team members’ approval (Kearney, 2008) on the basis of attributions of higher status and competence to older individuals (Berger et al., 1977; Nishii & Mayer, 2009), younger leaders are – similar to female or non-white race leaders – more at risk to suffer from a lack of legitimation by their team and the organizational collective.

However, we propose that whether this lowered likelihood of being recognized and endorsed as leader actually translates into a denial of leadership influence depends on a leader’s actions (cf. DeRue & Ashford, 2010). While, in general, a leader’s behaviors are crucial for successful leadership influence (e.g., Burke et al., 2006), research has also shown that the adequacy of leader behaviors is particularly relevant for non-prototypical leaders, as the social environment tends to specifically focus on these individuals (Miller, Taylor, & Buck, 1991). Hence, we argue that the specific behaviors of younger leaders may critically affect their legitimation as a leader and their success in influencing their team.

Extrapolating from research evidence on other non-prototypical leaders (i.e., female gender; Eagly & Johannesen-Schmidt, 2001), we argue that behaviors allowing for equitable, mutual influence relationships with followers (cf. Pearce & Sims, 2002; Wayne, Shore, Bommer, & Tetrick, 2002) will also be especially suitable for younger leaders as these may increase their chance to obtain others’ approval despite their lack of age-based status. There may be two different ways of achieving such equitable forms of mutual influence: On the one hand, younger leaders may establish a social exchange with team members in which both parties need to adhere to the implicitly agreed rules of the exchange and reciprocate received benefits (Hollander & Offermann, 1990; Yammarino, Dubinsky, Comer, & Jolson, 1997). On the other hand, younger leaders may share decision-making power and give team members the possibility to contribute (Hollander & Offermann, 1990).

However, we question whether both ways of instigating equitable relationships will be conducive to younger leader’s success. We rather argue that only one of these two actions is appropriate for younger leaders, and underline our reasoning by the differential power bases related to these two influence forms (Bass, 1960; French & Raven, 1959; Yukl & Falbe, 1991). Influence in terms of reward-based social exchange, i.e. by contingent reward leadership, is based on position power which younger leaders can rely on by virtue of their assigned leadership position. Influence in form of joint decision-making and consultation (i.e., participative
leadership) draws on personal power for which leaders require attributed status, expertise, and competence based on personal characteristics (Bass, 1960). Only contingent reward may thus increase younger leaders’ chance of approval by their team and the organization, as this leader action enables equitable, mutual influence while also clarifying their leadership position.

In sum, this research sets out to examine how contingent reward and participative leadership differentially impact younger (as compared to older) leaders’ success in influencing organizational teams. We conceptualize successful or unsuccessful leadership influence as time-lagged (in)voluntary turnover in teams. According to Nishii and Mayer (2009), team member turnover is indicative of how well a team functions in the long run. Given leadership’s crucial role in ascertaining team functioning (Zaccaro et al., 2001), turnover may thus very well reflect the degree to which leadership is effective or not, both in terms of relational recognition by the team members and the organization’s endorsement.

THEORETICAL BACKGROUND AND HYPOTHESES

EFFECTIVE TEAM LEADERSHIP

With the increasing importance of teams for organizational effectiveness, the need for powerful levers of these teams’ potential becomes more and more prominent (Cohen & Bailey, 1997). Effective team leadership has been acknowledged to be one of the, if not the most important, drivers to attain this goal (Zaccaro et al., 2001). Effective team leaders are those who are able to provide their team with what it needs to successfully accomplish its task, and to safeguard team functioning (Morgeson et al., 2010). While ensuring team effectiveness is essential for leaders to succeed (Zaccaro et al., 2001), effective leadership does not only depend on the leader, but also on the responsiveness of the led (Hollander, 1992; Van Vugt et al., 2008). In fact, the powerful role of followers’ perceptions in authorizing leader influence has been impressively demonstrated (Lord, 1985; Lord & Maher, 1991). Only when leaders are allowed to do so, leaders can successfully influence their team and thereby promote team effectiveness.

IMPLICIT LEADERSHIP THEORY IN THE FRAMEWORK OF THE LEADERSHIP CONSTRUCTION PROCESS

Following DeRue and Ashford’s (2010) leadership identity framework, effective leadership develops on the basis of “reciprocal and mutually reinforcing identities as leaders and followers [that are] endorsed and reinforced within a broader organizational context” (p. 627). The attribution of leadership to an individual is influenced by the implicit beliefs of those that
need to affirm an individual’s identity of leader (DeRue & Ashford, 2010). According to implicit leadership theory (Bryman, 1987; Eden & Leviatan, 1975; Lord, 1985; Lord & Maher, 1991), individuals who resemble followers’ prototype of an effective leader are seen as more successful and are more likely attributed leadership.

**Younger leader age as non-prototypical leader characteristic.** We contend that a leader’s (older as compared to younger) age is an important personal characteristic that affects the legitimation as a leader (cf. Ridgeway, 2003). Besides the actual correlation of older age with more job-related experience (Avolio, Waldman, & McDaniel, 1990), it is also perceived as being associated with more knowledge, higher competency, advanced careers (Lawrence, 1988; Pelled et al., 1999), and status (cf. Nishii & Mayer, 2009). As individuals hold culturally formed beliefs that assume higher competence for individuals with status characteristics such as older age (status characteristics and expectation states theory; Berger et al., 1972; Berger et al., 1977), older (compared to younger) leaders thus already possess personal characteristics that are associated with more status and prestige (cf. Ridgeway, 2003). They may thus better match the beliefs that others have of effective leaders and more easily attain team members’ and the organization’s approval as a leader.

Younger leaders cannot rely on older age as a prototypical leader characteristic that facilitates the attribution of age-based status and competence to them. Their early appointment to a supervisory position might rather offend organizational members’ implicit age-related career tables that prescribe age norms for certain career steps (Lawrence, 1984, 1988). As a result, younger leaders may encounter greater difficulty in being affirmed as a leader. In line with this, research on non-prototypical leaders has shown that non-white leaders are seen as less likely to succeed than white leaders (Rosette et al., 2008). Female leaders are evaluated less favorably and examined more critically than male leaders (Eagly et al., 1992; Ryan & Haslam, 2007). Given the lower attributed status and competence for leaders with non-prototypical characteristics such as younger age (cf. Ridgeway, 2003), the resulting status incongruence, i.e., the inconsistency between a leader’s younger age and followers’ and the organizational members’ expectations of an older, more experienced leader, may lead to a denial of successful leadership influence (cf. DeRue & Ashford, 2010). The question becomes whether there are strategies younger leaders can use to tip the balance toward successful rather than unsuccessful leadership influence.

**Younger leaders’ actions.** According to DeRue and Ashford (2010), the way by which leaders attempt to exert influence (i.e., a leader’s actions) can influence whether leaders are able to establish successful influence relationships or not. In fact, individuals do not only hold assumptions on attributes of effective leaders, but also on effective leadership behaviors (cf.
Kenney, Schwartz-Kenney, & Blascovich, 1996). Whereas certain behaviors may be judged as appropriate for one group of leaders, they may be deemed ineffective for others (cf. Hersey & Blanchard, 1984). Among other factors (e.g., context demands; Den Hartog & Koopman, 2005), a leader’s status has emerged as playing an influential role in whether leader behavior is perceived as appropriate (Sauer, 2011). Similarly, the styles of non-prototypical (female) leaders affect how favorable they are perceived and evaluated (Eagly et al., 1992), and in a study by Kearney (2008), leaders required older age (relative to the team) to benefit from certain leadership behavior.

Younger leaders’ ability to attain relational recognition and collective endorsement may thus depend on whether their behaviors are compatible with their team’s and other organizational members’ beliefs regarding behaviors that are adequate and effective for these non-prototypical, low-status leaders. In fact, studies suggest that non-prototypical leaders are better accepted by others in the organization when being less commanding, dominant, and controlling and thus acting in accordance with their low status (Eagly et al., 1992; Morrison & von Glinow, 1990). Rather than attempting “to take charge in a clear-cut, traditionally hierarchical manner” (Eagly & Johannesen-Schmidt, 2001, p. 794), they draw more on interpersonal, relational, and cooperative leader actions (Bartol, Martin, & Kromkowski, 2003; Eagly & Johannesen-Schmidt, 2001; Ragins & Sundstrom, 1989) to “smooth” followers’ resistance to their influence (Ridgeway, 2001) and promote their and other organizational members’ self-worth (Eagly & Johannesen-Schmidt, 2001). Interestingly, prior research (Eagly & Johannesen-Schmidt, 2001) has illuminated that these actions provide followers with a certain amount of control and influence over work-related issues, thus enabling a more equitable, mutual relationship with followers (cf. Wayne et al., 2002).

This suggests that younger, non-prototypical leaders may also be more successful in obtaining others’ approval by using behaviors that allow for constructing such equitable, mutually agreed influence between leader and team members (cf. Pearce & Sims, 2002; Wayne et al., 2002). Following a more integrative approach to leadership (Burke et al., 2006; DeRue et al., 2011) and along with the reasoning of functional team leadership theory (Morgeson et al., 2010), we contend that a boundary-spanning approach across leadership taxonomies is needed to identify behaviors that are inherently linked with such notion of mutually engendered influence on an equalized basis (DeRue & Ashford, 2010; Hollander, 1992).

As introduced earlier, we focus on contingent reward and participative leadership in this respect as both can be understood as leader actions that allow for establishing mutually engendered influence. Contingent reward is a form of social exchange (Hollander & Offermann,
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1990; Homans, 1958) that comprises a dyadic relation of transactions “contingent on rewarding reactions from others” (Blau, 1964, p. 6). Via a process in which leader and team members negotiate rewards and compliments in exchange for future efforts (Goodwin, Wofford, & Whittington, 2001), and team members expect and receive something in return for their work, it explicitly includes the element of mutual influence. Participative leadership engenders mutual influence by involving followers into decision-making, being considerate of their suggestions, and solving problems on the basis of consultation and joint discussions (Sagie & Koslowsky, 2000).

Accordingly, both contingent reward and participative leadership have the “tools” to establish strong mutual influence relationships (cf. DeRue and Ashford 2010), as both involve a certain degree of influence on side of followers (Hollander & Offermann, 1990). While one may assume both actions to be equally suitable for younger leaders, we posit that the differences in the way by which this mutuality of influence is accomplished yields differential degrees of consistency with the behaviors expected of them. Hence, only one of these behaviors should be effective for this group of non-prototypical leaders.

Although enabling a rather equitable (exchange-based) form of influence relationship, contingent reward makes the source of rewards and recognition very salient (cf. Yammarino et al., 1997). Derived from a leader’s access to resources that followers desire to have (Bass & Bass, 2008), it emphasizes the leader’s position without requiring to adhere to “the more traditional command-and-control leadership styles” (Eagly & Johannesen-Schmidt, 2001, p. 794). In other words, the resulting equitable influence is built upon rewards that are legitimate for younger leaders to use (cf. French & Raven, 1959), which may enhance their credibility. A leader’s credibility is proposed to be essential in the process of claiming and being accepted as a leader (DeRue and Ashford 2010). Leaders who are able to make leadership claims that are not only visible and clear, but also credible, will be better affirmed as a leader. This permits them to build stable, well-functioning influence relations with their team that are endorsed by the organization. Increasing credibility by contingent reward may thus be especially beneficial for younger leaders that are more at risk of being perceived as incredible on the basis of their low age-based status. Indeed, non-prototypical (female) leaders’ contingent reward has been shown to positively affect follower commitment and performance (Yammarino et al., 1997), and described as especially qualified for these leaders as it also involves being considerate and attentive to followers (Eagly & Johannesen-Schmidt, 2001).

Mutual influence in participative leadership, by contrast, arises from joint decision-making, consultation, and incitation of suggestions, thus relying on personal power (Sauer,
Derived from the leader’s personal characteristics (Bass, 1960), this form of power requires recognition, appreciation, or even identification with the leader. As this may result from attributed status, expertise, and competence (cf. Bass & Bass, 2008), personal power is less under a leader’s control than position power. When leaders who cannot build on team members’ attributions of age-based status and competence (cf. Ridgeway, 2003) make use of such influence strategy, team members may not recognize this behavior as a serious offer for creating an equitable influence relationship with them, but an insecure, inexperienced leader’s request for advice and informational resources. In other words, these attempts to create balanced relationships may even result in perceptions of an unbalanced influence to the disadvantage of the leader. As the way by which participative leadership establishes mutual influence may not be deemed acceptable for younger leaders, this may further undermine their credibility in the eyes of the followers and the organization. In line with this, Sauer’s (2011) study revealed that low-status leaders’ use of participative leadership (i.e., reliance on personal power) resulted in a further loss of status and lower effectiveness. In sum, given these two actions’ difference in the employed power base and the implications related to non-prototypical leaders, younger leaders’ chance to obtain approval from their team and the organizational collective is likely to be increased with contingent reward, but decreased with participative leadership.

(In)voluntary turnover within teams. In line with the above reasoning, we argue that the differential effectiveness of contingent reward and participative leadership for younger leaders is reflected in both the relational recognition by their team and the endorsement by the organizational collective (cf. DeRue & Ashford, 2010). As crucial outcome of leadership influence by younger (as compared to older) leaders, we focus on (in)voluntary turnover in teams. We suggest that the way in which younger leaders behave toward their team affects team members’ decisions to quit (relational recognition perspective) and leaders’ dismissal decisions (collective endorsement perspective; DeRue and Ashford, 2010). Albeit leadership is one of the most decisive factors of a team’s functioning and success (Zaccaro et al., 2001), the role of leadership in predicting turnover in teams has only been studied rarely (Nishii & Mayer, 2009).

**Younger Leaders’ Actions and Voluntary Turnover from a Relational Recognition Perspective**

Voluntary turnover constitutes a “critical organizational problem, given the many costs associated with it” (Nishii & Mayer, 2009, p. 1413). Besides requiring substantial resources to search, select, and train new staff as substitute for the missing employee (Hausknecht & Trevor, 2011; Mobley, 1982), a team’s coordination processes and performance might severely suffer
until a new member can sufficiently fulfill its task component (Staw, 1980). Voluntary turnover thus endangers effective team processes and can harm team and organizational functioning (Hausknecht & Trevor, 2011; McElroy, Morrow, & Rude, 2001).

We assume voluntary turnover to be indicative of whether team members afford relational recognition to their younger leaders. Relational recognition results when leaders’ claiming of the identity of leader is reciprocated by team members’ granting (i.e., authorization) of leadership influence (DeRue & Ashford, 2010). We state that contingent reward helps younger leaders attain relational recognition and thereby diminish team members’ decisions to leave: Similarly to other non-prototypical leaders (Russell, Rush, & Herd, 1988), team members may better accept younger individuals’ leadership and thus be less likely to withdraw from their job when these leaders behave in ways that are congruent with role stereotypes prescribing what is adequate for leaders with low age-based status.

In line with above reasoning, Porter and Steers (1973) point out the crucial role of met expectations in voluntary turnover, describing decisions to withdraw or not “as a process of balancing received or potential rewards with desired expectations” (p.171). In fact, people evaluate behaviors of female leaders more favorably when these are consistent with sex role stereotypes (Russell et al., 1988). Petty and Miles (1976) found followers to be more satisfied with their leaders and to have a lower intention to leave the organization when their non-prototypical (female) leaders showed stereotype-congruent behaviors and therefore met followers’ expectations of appropriate behaviors for them. In this regard, contingent reward (i.e., recognition and feedback) has not only been shown to be essential in reducing turnover by meeting expectations (Porter & Steers, 1973; Ross & Zander, 1957), but also to be particularly important for non-prototypical leaders (i.e., female leaders; Eagly & Johannesen-Schmidt, 2001) as the allowance of equitable influence (cf. equity and social exchange as underlying rationale of contingent reward; Pearce & Sims, 2002) and reliability of recognition and rewards help them gain team members’ approval. By clarifying expectations and future rewards, these younger leaders are thus likely to fit the team’s behavioral expectations and ease team members’ relational recognition (cf. DeRue & Ashford, 2010), increasing their willingness to remain (Porter & Steers, 1973). In sum, younger leaders’ contingent reward should make decisions to leave the organization less likely. Therefore, we posit the following:

Hypothesis 1a: There is a two-way interactive effect between leader age and contingent reward on team-level voluntary turnover such that the relationship between younger (compared to older) leader age and voluntary turnover in teams is more negative when contingent reward is high rather than low.
Contrasting the favorable effects of contingent reward, we expect younger leaders’ participative leadership to diminish relational recognition of team members (cf. DeRue & Ashford, 2010), promoting their voluntary turnover. Given younger leaders’ low age-based status, attempts to draw on personal power by means of participation (cf. Sauer, 2011) should conflict with followers’ expectations of age-adequate leadership (cf. Bryman, 1987; Eden & Leviatan, 1975), which may produce unfavorable perceptions on side of the team. Consequently, team members likely attribute these leaders’ endeavor to involve them by asking for advice and to accord them certain decision latitude (Sagie & Koslowsky, 2000) as an inexperienced and dependent leader’s help-seeking behavior. Their attempt to build equitable relationships may be seen as sign of weakness, lack of expertise, and reliance on knowledgeable others for decision-making rather than as openness to input and offer to share influence with the team. Further reducing attributed status and competence to younger leaders (cf. Sauer, 2011), participative leadership may thus not constitute a viable means to make credible claims as a leader (DeRue and Ashford 2010).

In line with research showing the importance of adhering to followers’ stereotypic beliefs regarding adequate conduct for non-prototypical leaders (Eagly & Johannesen-Schmidt, 2001; Russell et al., 1988), younger leaders’ participative behavior is unlikely to match members’ expectations of adequate actions for leaders with low status (Sauer, 2011). Unmet expectations decrease satisfaction, hinder approval as a leader (Hollander & Offermann, 1990), and – by impeding relational recognition (DeRue and Ashford 2010) – make decisions to quit more likely (Porter & Steers, 1973). Thus, we posit the following:

*Hypothesis 1b: There is a two-way interactive effect between leader age and participative leadership on team-level voluntary turnover such that the relationship between younger (compared to older) leader age and voluntary turnover is more positive when participative leadership is high rather than low.*

**Younger Leaders’ Actions and Involuntary Turnover from a Collective Endorsement Perspective**

Younger, non-prototypical leaders are likely to be confronted with biased perceptions that are reflected in the beliefs regarding effective leader characteristics on side of followers, but also on side of others in the organizational hierarchy. Underlining this reasoning, non-prototypical leaders have been shown to suffer from enhanced evaluative scrutiny and attributed failure in case of lowered team functioning (e.g., Eagly et al., 1992; Rosette et al., 2008). The
glass cliff phenomenon (Ryan & Haslam, 2007) describes non-prototypical leaders’ diminished potential to succeed and move up the career ladder. In fact, there is not only a tendency to negatively link crisis with a leader’s perceived performance (Pillai & Meindl, 1998), but also to positively link an organization’s poor performance with a non-prototypical (e.g., female) leader. Consequently, these leaders are perceived to be more suitable for “prone-to-failure” positions (Ryan & Haslam, 2007). Related to the more probable appointment of non-prototypical, low-status leaders to precarious glass cliff positions is the risk of failure, unjustified denunciation, and subsequent termination of careers (Ryan & Haslam, 2007).

These biases together with the finding that a team’s failure is - more than a team’s success - attributed to the leader and can result in team members’ request to replace the leader, even when the situation led to the failure (Weber, Camerer, Rottenstreich, & Knez, 2001), uncover younger leaders’ specific vulnerability: As a team’s failure can seriously endanger their position and future career perspectives in the organization, they need to decisively react to arising threats to team functioning. Ensuring well-functioning teams and clearly demonstrating their capability to lead may help younger leaders weaken such biased perceptions, gain collective endorsement, and thereby stabilize their superior position in the hierarchy.

We state involuntary turnover in teams (i.e., dismissal decisions by the organization that may be initiated or agreed on by the leader) to reflect how younger leaders’ actions affect their success in striving for endorsement by other relevant members of the organization, such as upper management or peers. Involuntary turnover has intuitively been theorized to yield unfavorable effects on the affected individual and the organization (Hausknecht & Trevor, 2011). However, a considerable amount of research has also proposed the possibility of beneficial effects on an organization’s functioning (Abelson & Baysinger, 1984; Dalton & Todor, 1979; Staw, 1980), depending on whether dismissed individuals are considered poor performers (Jackofsky, 1984). Dismissals might thus also be used to effectively address low performance or deviant behavior (Jackofsky, 1984; Wanous, Stumpf, & Bedrosian, 1979). Indeed, low employee performance has been found to predict company-induced discharges (Stumpf & Dawley, 1981), and lay-offs might thus help ascertain the effectiveness of teams and organizations (cf. Jackofsky, 1984).

To the degree that younger leaders’ actions match the expectations regarding appropriate behaviors that the organizational collective has for these low-status leaders, they will be better able to attain its approval. Actions that permit to gain the team members’ acceptance, but also to keep team members in check, attain a productive team climate, and if needed, actively counteract potential threats to stability by dismissals, may increase the authorization of younger leaders’
position in the organization. Especially younger leaders may thus benefit from actions that allow for systematically monitoring team functioning.

We contend that contingent reward enables these functions, resulting in an increase in involuntary turnover. Drawing on rewards as power base requires contingency in complementing members who show desirable behavior, while identifying those who compromise team success. In the course of contingently managing their team members’ performance (cf. Den Hartog et al., 2004), these younger leaders may thus be able to use their systematic information from monitoring and feedback for detecting stability risks and lowered functioning in their team (cf. Antonakis & House, 2002). As a result, they may be able to react with dismissals to safeguard stable, well-functioning teams, thereby credibly, clearly, and visibly claiming their leadership position in the organization (cf. DeRue and Ashford 2010) and enhancing their chance to attain collective endorsement. Therefore, we posit the following:

**Hypothesis 2a:** There is a two-way interactive effect between leader age and contingent reward on team-level involuntary turnover such that the relationship between younger (compared to older) leader age and involuntary turnover is more positive when contingent reward is high rather than low.

By contrast, younger leaders are less likely to initiate dismissals of team members when displaying high levels of participative leadership. As a result, they should be less able to defend their fragile position against devaluation tendencies in the organization and to successfully claim the endorsement by the organizational collective (cf. DeRue and Ashford 2010).

Leaders who ask for advice, share their thoughts with their teams, and try to solve work-related issues based on joint decision making (Sagie & Koslowsky, 2000) will be less focused on monitoring and evaluating team member functioning and performance. In teams in which members work in a cross-linked, differentiated manner and each member’s contribution is important for the overall team result, individual performance is less quantifiable, and accountability is lowered (Hollenbeck et al., 2002). This makes such collaborative efforts and team results difficult to use for evaluating and rewarding individual members (cf. Humphrey, Hollenbeck, Meyer, & Ilgen, 2007; Walton, 1985). Adding to this, the leader has an essential share in the joint decision-making, and decisions therefore also reflect the leader’s contribution and approval.
The less systematic and frequent monitoring and lower control over singular members’ actions should lessen these younger leaders’ ability to identify stability risks, and to eliminate them by initiating dismissals of those team members who compromise team functioning. As a result, participative leadership does not allow younger leaders to make credible, clear and visible statements to the organizational collective (by means of dismissals) that may increase their chance to gain organizational endorsement (cf. DeRue & Ashford, 2010). Therefore, we posit the following:

Hypothesis 2b: There is a two-way interactive effect between leader age and participative leadership on team-level involuntary turnover such that the relationship between younger (compared to older) leader age and involuntary turnover is more negative when participative leadership is high rather than low.

ORGANIZATIONAL SETTING

We tested our hypotheses in a large customer communication company with a strong focus on collaboration in teams as basis work units. This required a focus on the team rather than the individual level. Supervisors interacted frequently and collaborated closely with their teams, clearly showing that supervisors could have a crucial impact on their teams. In the customer communication branch in general, and this company in particular, turnover rates were relatively high which made turnover a highly relevant measure for the company. Due to frequent restructures, the company recommended to use a time frame of two (rather than the planned three) months after the team member survey to measure turnover as objective team outcome.

METHODS

SAMPLE AND PROCEDURE

The study presented here is based on 690 individuals grouped in 83 customer service and sales teams and led by 83 supervisors of a customer service company in Germany. Data were gathered as part of a broader employee survey. According to leaders and the HR department, the team members frequently interacted, worked on joint projects in the realm of sales campaigns or service improvements, and truly constituted teams. Three sources provided data for our analyses: The HR department delivered the age of the team leaders; the team members assessed contingent reward and participative leadership in an online survey. We gathered objective team turnover information over two months after the team member survey.
Team sizes ranged from 2 to 35 ($M = 11.17$, $SD = 7.06$). Team members’ average length of collaboration was more than 18 months ($SD = 17.78$). 65.0% of the participants were female, and the mean age was 34.77 years (range: 18-62). 23.4% of the participants had graduated from university, 65.0% had done an apprenticeship, and 11.6% had received no training. Our final sample only consisted of teams from which data from 50 to 100% of the members ($M = 76.77$%) and objective information on leader age was available, and which performed customer service and sales tasks with medium to high performance transparency requirements toward the end customer. As only a few leaders were responsible for more than one team, and this second (supervisor) level was thus only existent for a small number of teams nested under the same leader, multi-level analyses could not be conducted to account for potential influence of the supervisor-level variance on the results. To avoid systematic, but uncontrollable second (supervisor) level variance, only the primary teams of leaders with multiple teams were included in this dataset.

**Measures**

We created German versions of all the scales except contingent reward leadership (see below) by means of the widely used translation-back-translation procedure (Brislin, 1980).

**Leader age.** The HR department provided objective information on team leaders’ age in years. We used this absolute measure of leader age (range: 23-48) to operationalize younger (as compared to older) leader age. On average, leaders had supervised their teams for more than 16 months ($SD = 11.49$).

**Contingent reward leadership.** We assessed contingent reward with a 4- item German version (Heinitz & Rowold, 2007) of a scale by Podsakoff and colleagues (1990). On a response scale from 1 (never) to 5 (always), respondents were for instance asked to indicate how often they felt that their leader “commends me when I do a better than average job” and “gives me special recognition when my work is very good”. Cronbach’s alpha was .86.

**Participative leadership.** Four items adapted from Indvik (1986, 1988) and House and Dessler (1974) were used to measure participative leadership. For instance, team members indicated the frequency of the following behaviors: “My supervisor consults with subordinates when facing a problem” and “My supervisor listens receptively to subordinates’ ideas and suggestions”. Response format ranged from 1 (never) to 5 (always). Cronbach’s alpha was .82.

**Turnover.** Within two months after having collected team member ratings, we gathered objective data on team turnover from company records. Involuntary turnover was operationalized as the proportion of members on a team leaving the company due to employer-
induced dismissal or lapse notice. Voluntary turnover was the proportion of team members leaving the company by their own decision (see Jackson et al., 1991). Please note that both dependent variables were provided at the team level, with no possibility to link turnover data to singular team members, and thus relations could only be analyzed at the team level.

**Control variables.** We controlled for team size and task interdependence because prior research has shown their potential impact on group processes and outcomes (e.g., Kozlowski & Bell, 2003; Pelled et al., 1999). Task interdependence was measured by three items adapted from Van der Vegt and Janssen (2003; e.g., “I need to collaborate with my colleagues to perform my job well”; 1 = completely disagree, 5 = completely agree, Cronbach’s α = .82). To ensure that results were independent of a team’s age composition, we controlled for mean age (based on the company’s archival data) and age diversity. In line with Kearney and Gebert (2009), we operationalized age diversity as the Blau’s (1977) index of heterogeneity (based on age categories of five-year increments), adjusted for differing team sizes (Biemann & Kearney, 2010; Harrison & Klein, 2007). Leader gender was added to ensure that not another status-relevant characteristic was responsible for the effects (Ridgeway, 2001).

**Data aggregation.** As our constructs were conceptualized at the team level, we computed median $r_{wg(J)}$ values (James et al., 1984) to detail the degree of agreement between the individuals within teams. We also calculated intraclass correlation coefficients (Bliese, 2000) to indicate the ratio of between-group to total variance (ICC[1]) corrected for the average team size (Biemann et al., 2012), the respective F-tests, and the reliability of team members’ average ratings (ICC[2]). These values were .76 ($r_{wg(J)}$), .09 (ICC[1]), $F(82, 607) = 1.84$, $p < .001$, and .46 (ICC[2]) for contingent reward, .84 ($r_{wg(J)}$), .18 (ICC[1]), $F(82, 607) = 2.78$, $p < .001$, and .64 (ICC[2]) for participative leadership, and .69 ($r_{wg(J)}$), .08 (ICC[1]), $F(82, 607) = 1.72$, $p < .001$, and .42 (ICC[2]) for task interdependence. Hence, agreement was acceptable 27 for aggregating to the team level (George, 1990; Glick, 1985; James et al., 1984).

**Confirmatory factor analyses.** We conducted confirmatory factor analyses to examine the hypothesized three-factor structure of contingent reward, participative leadership, and task interdependence. Supporting our proposed factor structure, our hypothesized model provided a good fit to our data ($\chi^2_{[41]} = 125.26$; RMSEA = .06; CFI = .98; SRMR = .04). By contrast, a two-factor model combining contingent reward and participative leadership into one factor ($\chi^2_{[43]} = 608.25$; RMSEA = .14; CFI = .84; SRMR = .08), and another alternative model combining all

---

27 While the values indicating ICC(1) and $r_{wg(J)}$ provide sufficient to high support for aggregation, two of the ICC(2) values are only modest. As explicated in previous research (e.g., Liden et al., 2006), results obtained on the basis of variables with modest ICC(2) values represent rather conservative tests of the hypothesized effects.
three measures into one factor ($\chi^2_{[44]} = 1390.63; \text{RMSEA} = .21; \text{CFI} = .63; \text{SRMR} = .14$) yielded a significantly poorer fit to the data ($\chi^2_{[2]} = 482.99, p < .01$, and $\chi^2_{[3]} = 1265.37, p < .01$).

**RESULTS**

Table 5.1 displays the means, standard deviations, and zero-order correlations among the study variables. Only contingent reward and participative leadership were positively associated.

To test our hypotheses positing a moderating effect of contingent reward and participative leadership on the link between leader age and turnover, we conducted hierarchical regression analyses for both turnover forms. Before computing product terms, we standardized our predictor variables. Following Aiken and West (1991), we entered the control variables (team size, task interdependence, mean team age, age diversity, leader gender) in the first step, the main variables (leader age, contingent reward, participative leadership) in the second step, and the interaction between leader age and contingent reward and between leader age and participative leadership in the third step (see Table 5.2).

Supporting Hypotheses 1a and 1b on the interactive effects between leader age and contingent reward and between leader age and participative leadership on voluntary turnover, adding both two-way interactions significantly changed the explained amount of variance ($\Delta R^2 = .07, F = 3.36, p = .04$). The regression coefficients of the interaction between leader age and contingent reward ($B = .34, p = .03$) and between leader age and participative leadership ($B = -.41, p = .01$) were also significant and in the hypothesized direction (see Table 5.2).

Simple slope analyses (Aiken & West, 1991) at one standard deviation above and below the mean revealed that the relation between leader age and voluntary turnover was negative when contingent reward was low ($B = -.38, p = .07$), and positive, but non-significant, when it was high ($B = .32, p = .10$). By contrast, the relation between leader age and voluntary turnover was negative when participative leadership was high ($B = -.39, p = .05$), and positive when it was low ($B = .33, p = .05$). As depicted in Figure 5.1, results were in general supportive of Hypotheses 1a and 1b: Voluntary turnover was more strongly increased when younger leaders’ contingent reward was low rather than high, or when younger leaders’ participative leadership was high rather than low.
### Table 5.1. Means, Standard Deviations, and Correlations

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>s.d.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Team size</td>
<td>11.17</td>
<td>7.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Task interdependence</td>
<td>3.51</td>
<td>0.51</td>
<td>-.25*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Mean team age</td>
<td>34.56</td>
<td>4.47</td>
<td>.21†</td>
<td>-.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Age diversity</td>
<td>0.79</td>
<td>0.18</td>
<td>.32**</td>
<td>-.18</td>
<td>.35**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Leader gender</td>
<td>0.42</td>
<td>0.50</td>
<td>-.02</td>
<td>.12</td>
<td>-.07</td>
<td>-.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Leader age</td>
<td>32.49</td>
<td>5.62</td>
<td>-.21†</td>
<td>.28*</td>
<td>-.09</td>
<td>-.07</td>
<td>.22*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Contingent reward</td>
<td>3.61</td>
<td>0.48</td>
<td>-.00</td>
<td>-.06</td>
<td>.07</td>
<td>.33**</td>
<td>.11</td>
<td>-.06</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Participative leadership</td>
<td>3.78</td>
<td>0.51</td>
<td>.08</td>
<td>.01</td>
<td>.09</td>
<td>.27*</td>
<td>.14</td>
<td>-.03</td>
<td>.67**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Voluntary turnover</td>
<td>0.05</td>
<td>0.07</td>
<td>.04</td>
<td>-.29**</td>
<td>-.15</td>
<td>.03</td>
<td>.05</td>
<td>-.03</td>
<td>-.11</td>
<td>-.10</td>
<td></td>
</tr>
<tr>
<td>10. Involuntary turnover</td>
<td>0.04</td>
<td>0.08</td>
<td>.03</td>
<td>-.35**</td>
<td>.09</td>
<td>.12</td>
<td>-.14</td>
<td>-.21†</td>
<td>.12</td>
<td>-.05</td>
<td>-.04</td>
</tr>
</tbody>
</table>

**Note.** N = 83 teams. Voluntary turnover varies between .00 and .33, involuntary turnover between .00 and .50. Age diversity varies between 0.00 and 1.00. † p < .10. * p < .05. ** p < .01.
With respect to the hypothesized interactive effects between leader age and contingent reward and between leader age and participative leadership on involuntary turnover (Hypotheses 2a and 2b), adding both two-way interactions significantly increased the explained amount of variance ($\Delta R^2 = .07$, $F = 3.58$, $p = .03$). The regression coefficients of the interaction between leader age and contingent reward ($B = -.40$, $p = .01$) and between leader age and participative leadership ($B = .34$, $p = .04$) were significant and in the hypothesized direction (see Table 5.2).

According to simple slope tests, the relationship between leader age and involuntary turnover was significantly negative when contingent reward was high ($B = -.51$, $p = .009$), and positive, but non-significant when it was low ($B = .33$, $p = .10$). Moreover, the association between leader age and involuntary turnover was significantly negative when participative leadership was low ($B = -.38$, $p = .02$), and positive, but non-significant, when it was high ($B = .20$, $p = .29$). Figure 5.2 shows that results were in general consistent with Hypotheses 2a and 2b: Involuntary turnover was more strongly increased when younger leaders’ contingent reward was high rather than low, or when younger leaders’ participative leadership was low rather than high.
### Table 5.2. Results of Hierarchical Regression Analyses

<table>
<thead>
<tr>
<th>Variable</th>
<th>Voluntary Turnover (Team)</th>
<th>Involuntary Turnover (Team)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Step 1</td>
<td>Step 2</td>
</tr>
<tr>
<td><strong>Step 1: Control</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team size</td>
<td>-.02</td>
<td>-.03</td>
</tr>
<tr>
<td>Task interdependence</td>
<td>-.30**</td>
<td>-.31**</td>
</tr>
<tr>
<td>Mean team age</td>
<td>-.17</td>
<td>-.17</td>
</tr>
<tr>
<td>Age diversity</td>
<td>.04</td>
<td>.10</td>
</tr>
<tr>
<td>Leader gender</td>
<td>.08</td>
<td>.10</td>
</tr>
<tr>
<td><strong>Step 2: Main effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader age</td>
<td>.01</td>
<td>-.03</td>
</tr>
<tr>
<td>Contingent reward</td>
<td>-.15</td>
<td>-.15</td>
</tr>
<tr>
<td>Participative leadership</td>
<td>-.02</td>
<td>.05</td>
</tr>
<tr>
<td><strong>Step 3: Interaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader age × contingent reward</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader age × participative leadership</td>
<td></td>
<td>-.41*</td>
</tr>
</tbody>
</table>

| $R^2$                         | .12    | .14    | .22    | .15    | .19    | .26    |
| $\Delta R^2$                  | .12†   | .02    | .07*   | .15*   | .04    | .07*   |
| $F$                           | 2.08†  | 1.54   | 1.98*  | 2.66*  | 2.12*  | 2.53*  |

*Note.* $N = 83$ teams. Standardized coefficients ($\beta$s) are reported. Voluntary turnover varies between .00 and .33, involuntary turnover between .00 and .50. Age diversity varies between 0.00 and 1.00. † $p < .10$. * $p < .05$. ** $p < .01$. 

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FIGURE 5.1. Contingent Reward and Participative Leadership as Moderators of the Relationship between Leader Age and Voluntary Turnover within Teams.
**Figure 5.2.** Contingent Reward and Participative Leadership as Moderators of the Relationship between Leader Age and Involuntary Turnover within Teams.
**DISCUSSION**

In their struggle for approval and stability, younger leaders need to safeguard team success by avoiding team members’ costly decisions to quit, but also by reacting to risks of instability and inadequate functioning by dismissals. In a theoretical framework of leader approval as a social process, we examined two leadership actions in their ability to help younger leaders successfully handle the twofold challenge of obtaining relational recognition and collective endorsement, as evidenced by differential effects on (in)voluntary turnover. Contingent reward supported younger leaders’ effort in attaining approval and ascertaining team functioning: Voluntary turnover in teams was only increased when contingent reward was low. When younger leaders contingently rewarded team members’ efforts, involuntary turnover in teams was increased. Participative leadership did not provide these benefits to younger leaders: Whereas involuntary turnover was not increased, team members decided to quit their job more frequently when younger leaders encouraged more participation.

**THEORETICAL IMPLICATIONS**

First and foremost, our research contributes to the leadership literature. Modeling successful leadership influence as dependent on approval by the team, but also the organizational collective (DeRue & Ashford, 2010), we report on a leadership behavior that helps younger leaders accomplish both. Drawing from implicit leadership theory (Bryman, 1987; Eden & Leviatan, 1975; Lord & Maher, 1991) and the role of non-prototypical leader characteristics, we argue that contingent reward resembles others’ beliefs and expectations of adequate behaviors of a low-status leader, thereby helping younger leaders debilitate the offence of age-graded norms (Lawrence, 1984, 1988). Participative influence attempts seem to intensify the perceived mismatch between followers’ leader prototype and their actual leader. This undermines younger leaders’ chance to obtain approval and lessen their ability to influence the team (Sauer, 2011). In the framework of DeRue and Ashford’s (2010) leadership identity construction model, our examination of turnover as indicator of younger leaders’ success or effort in dealing with various foci of organizational approval provides a first step towards an empirical test of hypotheses derived from the model’s basic assumptions of follower-afforded relational recognition and collective endorsement in an organizational setting.

Both contingent reward and participative leadership have been shown to positively relate to satisfaction and performance (Judge & Piccolo, 2004; Sagie & Koslowsky, 2000), and are markedly positively associated with each other (Bartol et al., 2003). Nevertheless, their influence
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on a younger leader’s capacity to lead is nearly diametrically opposed. This intriguing finding deserves more attention given that these two styles appear to operate similarly (i.e., enabling equitable relations by according a certain amount of influence to team members). In fact, a classification of a leader’s influence attempts as directive and controlling or collaborative and persuasive (Kipnis, 1976) would suggest to locate both styles within the same influence category (Eagly & Johannesen-Schmidt, 2001), leading to – at first sight – similar predictions of their suitability for younger leaders. Only by also accounting for a leader’s age-related status, these actions’ differential power mechanisms become evident. While followers only permit leaders to rely on personal power (i.e., by participative leadership) on the basis of status-related personal characteristics, leaders without such status cues can only establish mutual influence based on position power, which is strengthened by using rewards. In other words, leadership and power are closely linked (Bass & Bass, 2008), and the congruency of a leader style’s power base with a leader’s status seems to be crucial in predicting these two factors’ combined success for younger leaders.

Given this finding and contingent reward’s moderate to high effectiveness, especially when being considered in business contexts (Judge & Piccolo, 2004), it is surprising that contingent reward as such has only received cautious general approval and research attention. This is even more striking as research has pointed out contingent reward’s specific suitability for other non-prototypical leaders (Eagly & Johannesen-Schmidt, 2001). By contrast, the finding that participative leadership is detrimental to younger leaders’ success contrasts the widely held belief that participative leadership is valuable (Yukl 1999), irrespective of a leader’s status and access to personal power bases. Our study refutes this blindfolded assumption that there is no harm in this style, which has important implications for future research on the determinants of successful leadership influence. Interestingly, and in line with Sauer’s (2011) finding on high-status leaders, the older leaders in our sample seem to benefit from this reliance on personal power (see Figure 5.1) as they may be able to make a credible offer for joint decision-making on the basis of participative leadership. Again, this clarifies that leader actions may elicit differential perceptions depending on whether these are displayed by prototypical or non-prototypical leaders (Lord, Brown, Harvey, & Hall, 2001).

Our research also heeds the call for a more integrated approach to leadership across taxonomical boundaries (e.g., Burke et al., 2006; DeRue et al., 2011). Whereas contingent reward as part of the Full-Range of Leadership Model (Avoio & Bass, 2004) represents reward-based social exchange (Hollander & Offermann, 1990), participative leadership as part of Path-Goal Theory (House & Dessler, 1974) conceptualizes mutual influence based on consultation
and participation. Going beyond prior research that merely contrasts transactional and transformational (e.g., Eagly, Johannesen-Schmidt, & van Engen, 2003) or directive and participative leadership (e.g., Sauer, 2011), our research confirms the formulated need to account for similarities between leadership behaviors (e.g., attempt to create an equitable mutual influence) independent of their theoretical origin (DeRue et al., 2011). Indeed, both contingent reward and participative leadership have been shown to be positively correlated in this and prior research (e.g., Bartol et al., 2003), and both have been put forward as leadership styles with high relevance and occurrence in organizations (Bartol et al., 2003). Despite these similarities, these two behaviors however importantly differ with respect to their employed power base which – when considered in its interplay with a non-prototypical leader characteristic – defines these styles’ relative effectiveness. The value of such inclusive approach across theories also becomes apparent in the notions that leaders’ behavioral flexibility (Lord et al., 2001) and adaptive self-regulation of behaviors over time (Sosik, Potosky, & Jung, 2002) also positively affect others’ leadership perceptions, thereby enhancing successful leadership influence. Overcoming the mere focus on either the behavioral or the trait paradigm of leadership (DeRue et al., 2011), this study also adds to the nascent literature on the interplay of leader characteristics and leader behaviors (e.g., Greer et al., 2012; Sauer, 2011).

**PRACTICAL IMPLICATIONS**

As non-prototypical leaders (cf. Ryan & Haslam, 2007), younger leaders need to fight against biases, devaluation, and blaming from within their team and the organization. Facing this dual menace, they need to draw on powerful strategies that allow them to safeguard team success by adequately modulating turnover. Affecting the whole team and its functioning (Hausknecht & Trevor, 2011), turnover is of crucial relevance for organizations’ success (Nishii & Mayer, 2009). When team members decide to quit, valuable resources are needed to substitute them and to cope with disrupted team processes (Mobley, 1982). Discharging employees in the case of performance breaks or dysfunctional behavior, however, helps organizations be adaptive and maintain effective teams. Attaining a well-balanced ratio of both turnover forms is therefore highly functional for younger leaders’ success in organizations.

Serving this aim, three managerial recommendations can be derived from our findings: First, candidates for supervisory positions should be examined with regards to their flexibility to adapt leader behaviors to their own age-based status. Second, leadership trainings may not only help leaders develop contingent reward and participative leadership, but also to make these behaviors’ use dependent on their own age. Third, companies should amplify younger leaders’
understanding of the powerful impact that team members’ needs and implicit leader prototypes and the environment’s reactions toward younger leaders have on their capacity to lead. In sum, showing behaviors that are acceptable to their team and the organizational collective may strengthen younger leaders’ influence and position in organizations.

LIMITATIONS AND FUTURE RESEARCH

We acknowledge certain limitations of this research. Despite basing our hypotheses on well-grounded theoretical assumptions and measuring turnover two months after the other variables, our results are still based on correlations. In order to speak to causality, future research could test these relationships in an experimental setting. It is important to mention that we made use of three independent data sources (i.e., objective turnover information, leader age, team member-rated variables), which limits potential interpretational problems caused by common-method bias (Podsakoff et al., 2003).

We do not have more fine-grained reasons for company-induced dismissals that would allow us to determine whether all of the cases of involuntary turnover were really instigated by the team leader. Although we cannot ultimately know whether in some cases there might have been other causes, a leader’s considerable involvement in initiating and approving dismissals is highly probable in the company studied here. It is also important to note that both turnover forms are not necessarily good or bad (Hausknecht & Trevor, 2011) but might have different implications depending on the situation (McElroy et al., 2001). For instance, involuntary turnover could be dysfunctional when other reasons than lowered performance or dysfunctional behavior caused the discharge (Stumpf & Dawley, 1981). Likewise, if only low performers decided to quit, voluntary turnover could even be functional. Given the performance-intense context of this sample’s teams and supportive evidence from prior turnover research (Stumpf & Dawley, 1981), we however believe that our interpretation of these two turnover types’ effects is valid.

As our study does not provide insight regarding the mechanisms linking younger leaders’ behaviors and turnover, we invite future researchers to directly examine meaningful mediators. With respect to our relational recognition perspective (voluntary turnover), we suggest a leader’s congruency with followers’ leader prototype, their satisfaction with the leader, or the perception of a leader’s possession of position versus personal power as mediators. From an organizational endorsement perspective (involuntary turnover), mediators might be approximated by leaders’ monitoring or performance perceptions, perceived dysfunctional or stability-endangering behaviors of team members, or actual measures of performance.
Research is also needed to study other leadership styles’ effects on the link between leader age and team outcomes. For instance, Path-Goal Theory’s achievement-oriented leadership (House & Dessler, 1974) might provide similar benefits to younger leaders as contingent reward as it also relies on position power and might ensure adequate performance management. Investigating newer approaches such as empowering or authentic leadership (Avolio et al., 2009) may further add to our still limited understanding under which conditions leaders of different age groups can successfully influence their teams.

Situational constraints such as the organizational context, team and task characteristics, or culture may influence the activation of leadership prototypes (Lord et al., 2001), and prior research has for instance shown a strong group identification, competitive versus cooperative intergroup setting, and crisis or change versus stability to be important in this respect (e.g., Hogg et al., 2012; Spisak, Homan, Grabo, & Van Vugt, 2012; Van Vugt et al., 2008). Thus, there may be contexts (e.g., in youth-oriented start-up companies) in which older leaders may be perceived as non-prototypical, and younger leaders as prototypical. Under such situational constraint, older leaders may face the described difficulties in ensuring approval. As our sample was drawn from a hierarchically structured organization in which higher age is most likely perceived as indicating higher status, conceptualizing younger age as non-prototypical leader characteristic seems more appropriate. Similarly, our study is based on a productivity-driven customer service sample in an individualistic culture. As our results might depend on the context (Lord et al., 2001), further research may study younger leaders’ contingent reward and participative behaviors in other team types (e.g., R&D teams), organizational branches (e.g., production industry), and cultural (e.g., collectivistic) settings to ensure generalizability of our findings.

**CONCLUSION**

Actual demographic developments increase teams’ average ages but leave individuals’ young entry ages into managerial positions unaltered (cf. Jackson et al. 1995). The question of how younger leaders can effectively lead their teams despite the absence of higher age as a powerful status cue thus becomes more and more important. Whereas participative leadership seems to hinder their success, younger leaders can utilize contingent reward to favorably influence teams by establishing functional turnover levels.