’The roller coaster of happiness: An investigation of interns' happiness variability, LMX, and job-seeking goals

Abstract

In the context of internships, we develop and test theory regarding the relationship between interns' happiness and their perceptions of leader-member exchange (LMX). Adopting a discrete and dynamic emotions perspective, we examine interns' happiness that is elicited by the most memorable daily interactions with their supervisor and bring attention to the construct of happiness variability (i.e., between-person differences in the fluctuation of happiness over time). Integrating Affective Events Theory and Feelings as Information Theory, we theorize and investigate how interns' happiness variability interacts with their psychological resources (i.e., optimism and core self-evaluation) to inform their perceptions of LMX, and ultimately, is indirectly associated with interns' job-seeking goals related to future employment with the organization. Findings from our daily field study reveal a positive relationship between happiness variability and LMX among interns low in optimism and interns low in core self-evaluation. The findings also provide evidence of a conditional indirect relationship between interns' happiness variability and a key employment outcome, job-seeking goals, via their perceptions of LMX. Extending our results, we discuss theoretical and empirical implications for future research and practice.

Keywords: happiness variability; emotions; leader-member exchange; internships

The roller coaster of happiness: An investigation of interns' happiness variability, LMX, and job-seeking goals

Organizations globally have developed internship programs as a mainstream means for attracting and leveraging potential talent (Forbes Human Resources Council, 2019). There is rising pressure on college students to participate in multiple internships before graduation in order to develop their skills and knowledge, create robust resumes, and secure future employment–"the summer internship is seen less as a rite of passage to gain some skills and much more of a necessary requirement for students to land a job after college" (Selingo, 2015). Thus, internships are mutually important periods during which organizations and college students begin to build meaningful relationships that, for many, evolve into longer-term employment. At the same time, internships are uncertain situations, especially at the beginning of the work arrangement. Interns enter a new organization and, as such, have insufficient knowledge of relationships and norms (van den Bos & Lind, 2002). Importantly, the extent to which interns develop high-quality exchange relationships with key organizational agents (i.e., supervisors), can shape their desire for post-internship employment with the organization.

Broadly, positive relationships in the workplace can significantly impact the well-being of organizations and their employees (Ragins & Dutton, 2007). The relationship between employees and their supervisors is arguably one of the most influential relationships in organizational life (Graen & Uhl-Bien, 1995; Sparrowe & Liden, 1997). Extant research points to the salience of supervisor relationships, particularly when employees such as interns are navigating uncertain contexts (Lind & van den Bos, 2002; Thau, Bennett, Mitchell, & Marrs, 2009; van den Bos & Lind, 2002). A high-quality relationship, characterized by mutual trust, respect, and obligation, can generate an exchange of a plethora of physical (e.g., financial

compensation) and psychological (e.g., social support) resources (Liden & Maslyn, 1998; Wayne, Shore, & Liden, 1997). In turn, this exchange of resources can profoundly shape employees' work experiences. More than four decades of research on leader-member exchange (LMX) reveals that high-quality relationships are positively associated with employee attitudes and behaviors including fairness, satisfaction, and commitment, and negatively related to stress and turnover (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012; Erdogan & Liden, 2002). While there are many benefits of high LMX relationships, we have limited knowledge of how such connections initially unfold in new employment arrangements such as internships (Cropanzano, Dasborough, & Weiss, 2017; Park, Sturman, Vanderpool, & Chan, 2015).

A growing body of research that examines the intersection of LMX and affect (Tse, Troth, Ashkanasy, & Collins, 2018) offers a promising path for exploration with regard to how positive or high-quality exchange relationships emerge between interns and their supervisors. Recent theorizing by Cropanzano and colleagues (2017) brings attention to the influential role of "affectively tinged interactions" in the LMX development process (p. 235). Drawing upon affective events theory (AET), they propose that employee-supervisor interactions are *events* that can elicit discrete emotions and, importantly, shape the quality of relationship exchanges between the two parties (Cropanzano et al., 2017). Building on this work, we investigate how interns' affective reactions to their initial interactions with their supervisor (i.e., events) can shape their perceptions of relationship quality (i.e., LMX).

Acknowledging the importance of positive relationships (Colbert, Bono, & Purvanova, 2016; Ragins & Dutton, 2007), we focus our attention on interns' happiness that is elicited by intern-supervisor interactions, specifically interns' most memorable daily interactions with their supervisor. Happiness is a pleasurable emotion that is distinct from general employee attitudes or

positive affective states (Barsade & Gibson, 2007; Tracy & Randles, 2011), which can shape individuals' experiences in social relationships (Lyubomirsky, King, & Diener, 2005). In the context of our study, we suggest that the extent to which the initial series of intern-supervisor interactions (i.e., affective events) elicit happiness (or not), can create affective resources that aid in the development of a high-quality exchange relationship (LMX) between the two parties (Cropanzano et al., 2017; Nahrgang, Morgeson, & Ilies, 2009).

At the same time, it is also important to consider that happiness, as a discrete emotion, is an intense and short-lived experience that can differ with each supervisor interaction (Elfenbein, 2007; Fisher, 2010). Acknowledging that not all intern-supervisor interactions may be positive, the extent to which each interaction elicits happiness will vary (i.e., some will elicit happiness, others will not). From this dynamic perspective, we propose that interns' LMX perceptions are not only related to how happy they feel (i.e., level of happiness) but also related to the *fluctuations* in happiness that result from different daily interactions with their supervisors. In adopting this nuanced view, we bring attention to the important role of happiness variability– defined as *between-person differences in the fluctuation of happiness over time* (Matta, Scott, Colquitt, Koopman, & Passantino, 2017). Beyond average levels of interaction-based happiness, variability in happiness across a series of affective events can provide interns with unique information about their supervisor and the organization overall. Schwarz's (2012) Feelings as Information Theory (FIT) explains that momentary or discrete emotions are sources of information that prompt individuals to reflect and form judgements. When feelings of happiness vary widely across interactions, interns are prompted to process contradictory information about their interactions with their supervisor, which impact the quality of the relationship.

Accordingly, the ways in which interns view the world and themselves can influence how they react to events, navigate uncertain situations, and process conflicting information (van den Bos & Lind, 2002). In this study, we focus on two key individual differences: trait optimism and core self-evaluation (CSE). Optimism broadly refers to a favorable view of the *world* (Alarcon, Bowling, & Khazon, 2013). Those high in optimism "expect things to go their way, and generally believe that good rather than bad things will happen to them" (Scheier & Carver, 1985, p. 219). In comparison, CSE is comprised of one's self-esteem, generalized self-efficacy, emotional stability, and locus of control and those high in CSE generally hold a favorable view of *themselves* (Judge, Locke, & Durham, 1997). While optimism and CSE are often categorized as desirable psychological resources that can positively shape employees' experiences at work (Carver & Scheier, 2014; Ferris et al., 2011), we consider how each trait interacts with happiness variability to influence its relationship with interns' perceptions of LMX and, ultimately, its relationship with their desire for post-internship employment with the organization.

In conducting this research, we aim to contribute to understanding of positive relationships in the workplace by investigating how happiness variability, resulting from interns' initial supervisor interactions, influences LMX development, and in turn, internship outcomes. First, we offer greater insight into the affective processes that can shape the development of LMX. Indeed, research has theorized and examined LMX through an affective lens, which is built upon the core ideas of: (1) emotions are embedded in employee-supervisor interactions (e.g., Ashkanasy & Tse, 2000; Tse, Troth, & Ashkanasy, 2016); and (2) such affective interactions shape relationship quality (e.g., Cropanzano et al. 2017; Tse et al., 2016). Yet, by focusing on emotional fluctuations (i.e., happiness variability) from intern-supervisor interactions, our study contributes to understanding the "dynamic nature of the affect-LMX

nexus," which Tse and colleagues (2018) argue offers unique insights in understanding leader-member relationships. Second, from a positive organizational lens, we focus our attention on the discrete emotion of happiness as a way to further our knowledge of how particular emotional experiences (vs. positive affect more broadly) shapes relationships. Importantly, we consider not only interns' levels of happiness but also the variability across a series of affective interactions with their supervisors. Integrating AET and FIT, we examine the potentially contradictory information or cues that can accompany this variability and the role of interns' individual psychological resources (i.e., optimism and CSE) as boundary conditions in navigating the ebbs and flows of these interactions. Third, we expand our understanding of the importance of high-quality exchange relationships at work by providing evidence of their relationship with employment desires in the critical yet uncertain and understudied context of internships. Given that organizations and managers globally invest money, time, and energy into internship programs, this research advances practical knowledge of how the intern-supervisor relationship can influence interns' desire for post-internship employment.

Theory & Development of Hypotheses

Internships simultaneously can provide interns' valuable work experiences and the opportunity to develop positive workplace relationships that can shape the trajectory of their careers. The extent to which interns develop high-quality exchange relationships with key organizational agents, especially their supervisors, likely influences their desire for post-internship employment with the organization. At the same time, internships are contexts of uncertainty. van den Bos and Lind (2002) characterized uncertain situations as those when "one does not really understand important features of the situation or that one does not have sufficient information about relationships, agendas, or norms" (p. 4) or when "definitive trust information

is lacking" (p. 10). When beginning an internship, interns are likely to navigate this uncertainty by focusing their attention on key workplace events including memorable daily supervisor interactions.

Affective Events Theory

Affective Events Theory (AET) provides a useful framework for examining the affective nature of intern-supervisor interactions and their impact on relationship development and outcomes. AET focuses on the proximal causes of employees' affective reactions (Weiss & Cropanzano, 1996), conceptualizing events as "instigators of changes in emotional states" (Weiss & Beal, 2005, p. 4). In the context of work, AET explains that events generate emotional reactions which have consequences for employees' attitudes and behaviors (Weiss & Cropanzano, 1996). Affective events have been conceptualized broadly to include daily (e.g., Rothbard & Wilk, 2011) and anchoring events (e.g., Cropanzano et al., 2017); positive and negative events (e.g., Wegge, van Dick, Fisher, West, & Dawson, 2006); and interactions with a range of actors including supervisors (e.g., Chi, Tsai, & Tseng, 2013; Eissa & Lester, 2017; Rupp, Silke McCance, Spencer, & Sonntag, 2008). These interactions can unfold in many different ways, including in-person (e.g., office meetings), virtually (e.g., email), through writing or vocal speech, and in one-on-one or group settings.

AET also brings attention to the crucial component of time and patterns of emotions (Weiss & Beal, 2005; Weiss & Cropanzano, 1996). By their very definition, discrete emotions are momentary or of limited duration (Frijda, 1988) –there are ebbs and flows (Frijda, 1993; Weiss & Cropanzano, 1996). In comparison to affective traits that are relatively stable (e.g., trait positive affect), emotions can fluctuate based upon the events employees experience (Ashkanasy & Ashton-James, 2007). Accordingly, a single data-point of one's emotions offers limited insight

into individuals' reactions. In comparison, capturing individuals' emotions at multiple time points enables us to identify potential fluctuations and examine their experiences more holistically (Weiss & Beal, 2005; Zelenski & Larsen, 2000). In the present study, the most memorable daily interactions between interns and their supervisors serve as affective events and, depending on their content, will elicit different levels of happiness among interns.

Feelings as Information Theory

Building upon the core concepts of AET, we integrate it with Feelings as Information Theory (FIT) (Schwarz, 2012; Schwarz & Clore, 1983; Schwarz & Clore, 2003) to theorize how intern-supervisor interactions (i.e., affective events) shape interns' perceptions of LMX. The fundamental premise of FIT is that people use discrete emotions, which are context dependent, as sources of information when developing judgments. This work is grounded in the idea that, "emotions exist for the sake of signaling states of the world that have to be responded to, or that no longer need response and action." (Frijda, 1988, p. 354). Broadly, positive (negative) emotions can generate positive (negative) judgments about the perceived sources of our emotions (Schwarz & Clore, 2003). Yet, given the fluctuating nature of discrete emotions, there is also the need to consider the unique informational value of variability in emotions (Schwarz, 2012). In the context of highly variable emotional experiences, individuals are prompted to navigate contradictory information which serves as valuable data points that influence their judgments. Moreover, individual differences likely shape the lens through which individuals process and interpret this information. In the uncertain context of internships, we propose that interns' levels and fluctuations in happiness that are elicited by the most memorable daily supervisor interactions will serve as valuable pieces of information that influence their judgments of LMX.

Happiness and LMX

Happiness is a pleasurable feeling that has been broadly conceptualized as an indicator of subjective well-being (Fisher, 2010; Russell, 1980). It is categorized as a "basic" emotion which means it is discrete, physically distinguishable from other emotions (e.g., facial expressions), neurologically distinct, and has evolved over time as a means of survival or motivation (Ekman & Cordaro, 2011; Tracy & Randles, 2011; Vytal & Hamann, 2010). Happiness has been described as "fundamental to the human experience" (Fisher, 2010, p. 384) because it is often a common part of people's everyday cognitive processing (Tracy & Randles, 2011). As a discrete emotion, it is elicited from positive events or interactions in one's environment (Frijda, 1988). Happiness is not universally experienced based on the particular content of an event (e.g., promotion) but, instead, depends on how the event is appraised relative to the individual's environment and desires (Fisher, 2010).

We propose that the extent to which happiness is elicited (or not) across a series of intern-supervisor interactions will contribute to interns' perceptions of their relationship with their supervisor. Leader-member exchange (LMX) theory contends that leaders and followers develop distinct dyadic relationships through their ongoing interactions and exchange of resources (Dansereau, Graen, & Haga, 1975; Graen & Uhl-Bien, 1991, 1995; Tse et al., 2018). A follower's perceived LMX is based upon evaluations of *affect* or liking of the leader; *professional respect* or reputation of the leader; the leaders' *loyalty* or public support for the follower; and the *contributions* or goal-directed behaviors of both parties (Liden & Maslyn, 1998). Extant empirical research on LMX development is limited, likely due to the need for longitudinal research designs involving new leader-follower relationships. In particular, followers' emotions resulting from interactions with their leader over time and the impact of these emotions on the *development* of LMX is an underexplored area. As noted in their review,

Tse et al. (2018) indicate a dearth of research on the interplay between affect and LMX during daily interactions over a brief period of time. Positive emotions such as happiness may be particularly important during LMX development due to findings highlighting the impact of follower liking of the leader on initial LMX (Bauer & Green, 1996).

We propose that an intern's level of happiness generated from supervisor interactions (i.e., affective events) serves as a key piece of information that shapes their LMX perceptions. Especially when starting an internship, interns face a great deal of uncertainty and as a result, emotions that arise from the most memorable daily supervisor interactions over the first few weeks are likely to be perceived as particularly valuable insights about their relationship (Schwarz, 2012; van den Bos & Lind, 2002). Considering multiple interactions with the supervisor over time, when an intern's average level of happiness is high, those feelings serve as a signal that interactions with the supervisor have been primarily positive and suggest that the relationship is developing in a positive direction (Tse et al., 2018). Alternatively, when an intern's average level of happiness from supervisor interactions is low, those affective reactions serve as indicators that the relationship may be of low quality. Thus, we propose that the average level of happiness elicited from interns' initial interactions with their supervisor will impact interns' later perceptions of LMX.

H1: Interns' mean happiness will be positively associated with their perceived LMX.

Happiness Variability and LMX

Due to the dynamic nature of happiness, interns' LMX perceptions are not only informed by the extent to which they feel happy (or not) across a series of memorable interactions (i.e., mean level of happiness) but also by the *fluctuations* or variance in happiness. Variability in interns' happiness captures the notion that not all intern-supervisor interactions are perceived as

equally positive. Simply, some interactions among the same intern-supervisor dyad will elicit a high level of happiness while others will not. Through the lens of FIT (Schwarz, 2012), greater variability in happiness means that interns will need to process contradictory information (some positive and some negative supervisor interactions).

On the one hand, interns' happiness variability may prolong their uncertainty about the quality of their supervisor relationships (Brashers, 2007) and later be associated with lower perceived LMX. Or, from a different perspective, happiness variability may serve as favorable relational information or "uplifts" depending upon how the fluctuations are perceived (Tse et al., 2018). Drawing on aligned AET scholarship (Weiss & Kurek, 2003), we propose that the relationship between happiness variability and interns' perceived LMX (above and beyond average happiness) is influenced by individual differences in psychological resources. Specifically, the ways in which interns view the world and themselves will likely shape the way in which they process happiness variability and leverage it as a source of information when reflecting upon the quality of their supervisor relationship. Here we propose how interns' trait optimism and CSE can interact with happiness variability, associated with early supervisor interactions, to influence the development of their later perceptions of LMX.

Intern trait optimism. Tiger (1979) explains that optimism is ‘‘associated with an expectation about the social or material future—one which the evaluator regards as socially desirable, to his [their] advantage or his [their] pleasure’’ (p. 18). It shapes an individual's outlook toward expectancies of perceived good versus bad outcomes (Scheier & Carver, 1987). High levels of optimism denote positive individual expectancies for the future, whereas reduced levels of optimism denote less desirable future expectancies (Chang, 1998; Scheier, Carver, & Bridges, 1994). Optimism also influences how individuals explain the causes both of positive

and negative events (Buchanan & Seligman, 1995; Seligman, 1998). Those high in optimism attribute positive events to internal causes (vs. attribute negative events to external causes) and expect positive interactions to continue in the future (Kluemper, Little, & DeGroot, 2009). Pessimists, on the other hand, expect negative interactions, blame themselves when they occur, and search for an external cause when they experience positive interactions (Buchanan & Seligman, 1995). Additionally, extant research suggests that optimists may put forth greater effort to develop and maintain relationships and are more likely to succeed in a range of different social contexts (Carver & Sheier, 2014).

While optimism is broadly considered a psychological resource that is associated with beneficial social and career outcomes (Carver & Scheier, 2014), we propose a nuanced view as it relates to its interaction with happiness variability. Overall, we expect that interns high in optimism are more likely to anticipate more positive outcomes with their supervisor. However, as happiness variability increases, it introduces uncertainty about the relationship with their supervisor. Because happiness variability is comprised of a mixture of positive and negative daily interactions or events, the occurrence of negative supervisor interactions runs counter to positive expectations of optimists. This may lead the intern to ruminate about (and seek an external cause for) only the negative interactions which may elicit negative feelings toward the relationship (viewing their supervisor as the external cause). As such, we suggest that happiness variability will be negatively associated with LMX for interns higher in optimism (controlling for mean level happiness). In contrast, interns low in optimism (pessimists) will likely expect negative daily interactions with their supervisor. However, as contradictory information associated with happiness variability increases, the supervisor positive interactions may become notable, as they are inconsistent with expectations. In this way, happiness variability can provide

favorable information or "uplifts" (Tse et al., 2018). Thus, we propose that happiness variability is positively related to LMX for interns lower in optimism (controlling for mean level happiness).

H2: Interns' optimism will moderate the effect of happiness variability on their perceived LMX. Specifically, when optimism is high, increased happiness variability will reduce perceived LMX, while when optimism is low, increased happiness variability will enhance perceived LMX.

Intern trait CSE. CSE is a higher-order construct comprised of four core traits: self-esteem (i.e., sense of self-worth), locus of control (i.e., perceived control of events in one's life), emotional stability (i.e., feeling calm and secure), and generalized self-efficacy (i.e., self-ascribed capacity to meet personal challenges). It describes fundamental premises that individuals hold internally about themselves and their functioning in the world (Judge & Bono, 2001). In the context of social relationships, individuals with higher CSE are more likely to experience positive or effective interpersonal interactions (Judge & Kammeyer-Mueller, 2011). Specifically, CSE has been shown to relate positively to LMX (Soane, Booth, Alfes, Shantz, & Bailey, 2018). In comparison, lower CSE individuals are less protective of their social reputations (Bono & Judge, 2003) and therefore less prone to interact in ways that maintain positive impressions others have of them. Additionally, higher CSE individuals see themselves as capable and in control whereas lower CSE individuals are inclined to worry and feel less capable of solving problems or controlling what happens to them.

Overall, we anticipate that when interns with high levels of confidence and competence associated with CSE encounter low happiness variability, they will continue to see themselves as capable in the workplace and thus deserving of leader affect, professional respect, loyalty, and

contributions. Similarly, when happiness variability levels rise, those with high CSE (unlike those high in optimism) are sufficiently confident and feel in control to buffer potential negative effects of the increasing uncertainty associated with high emotional variability. As such, we offer that there will not be a significant relationship between happiness variability and LMX for those high in CSE.

In comparison, interns with low CSE lack internal feelings of self-worth and perceived competence which can lead to negative supervisor interactions (Kluemper et al., 2019) and a more negative self-view. Consistent interactions with the supervisor provide nothing to buoy the negative self-views of those low in CSE, which could result in negative perceptions of affect, respect, loyalty, and contribution that form the perception that the relationship quality is low. However, with increased happiness variability, there is a wider range of positive and negative supervisor interactions. Those interactions eliciting happiness likely contradict the self-schema of those low in CSE, resulting in memorable positive anchoring events (Ballinger & Rockman, 2010) and can serve as favorable informational "uplifts" (Tse et al., 2018). These positive pieces of information can enhance exchange relationship perceptions. Thus, we anticipate that happiness variability is positively related to LMX for interns lower in CSE (controlling for mean level happiness).

H3: Interns' CSE will moderate the effect of happiness variability on their perceived LMX. Specifically, when CSE is low, increased happiness variability will enhance perceived LMX.

Happiness Variability, LMX, and Job-Seeking Goals

Here we consider the importance of high-quality exchange relationships on interns' job-seeking goals. While the outcomes associated with LMX have been investigated extensively

(e.g., Dulebohn et al., 2012), these studies have almost inclusively focused on traditional fulltime employee-supervisor dyads. Thus, the question remains as to whether LMX in the context of intern-supervisor relationships impacts a critical outcome unique to this type of employment relationship, which is interns' desire to seek employment with the organization.

Extending findings on the important role of the supervisor in interns' experiences, we contend that the intern-supervisor exchange relationship impacts interns' interest in seeking employment with the organization for several reasons. First, when interns perceive a high-quality exchange relationship, they may expect that the relationship will continue and strengthen as a fulltime employee. When the relationship begins well, it provides interns with a realistic preview of their working relationship with the supervisor and creates positive expectations for the relationship in the future. Thus, it is likely that LMX enhances interns' perceptions of the organization as an attractive employer and increases intentions to seek a position with the firm (Zhao & Liden, 2011).

A second reason why the intern-supervisor LMX relationship may impact interns' interest in seeking a position with the organization is because the relationship may signal to interns the extent to which they "fit" with the organization. Research on recruitment indicates that applicants make judgments of their fit with the organization based on interactions with the organization's representatives. In a qualitative study of recruitment practices and the signals these practices provide applicants, Rynes, Bretz, and Gerhart (1991) found that applicants' interactions with potential supervisors during on-site visits served as signals about the broader organizational characteristics and influenced their fit perceptions and intentions to accept an offer. In the context of an internship, interns have many opportunities to interact with their supervisor, which provides even more signals of organization fit. When interns perceive a high

LMX relationship with their supervisor, we argue that it signals that they are a good fit with the organization, impacting the interns' interest in seeking a full-time position. Taken together, we expect LMX to be positively related to interns' intentions to seek employment with the focal organization following the internship experience.

H4: Interns' perceived LMX is positively related to their job-seeking goals.

Further, per our discussion above regarding intern optimism and CSE, we suggest that interns' happiness variability will indirectly affect their job-seeking goals via a moderated mediated effect. Specifically, for the low optimism and low CSE conditions, we propose that happiness variability will have a positive indirect relationship with interns' desire for future employment due to positive LMX perceptions. In comparison, for those high in optimism, we expect a significant negative indirect relationship. We do not anticipate a significant indirect relationship for those high in CSE.

H5: Interns' happiness variability will be related to their job-seeking goals via conditional indirect effects, such that the relationship will be moderated by their optimism and mediated by their perceived LMX.

H6: Interns' happiness variability will be related to their job-seeking goals via conditional indirect effects, such that the relationship will be moderated by their CSE and mediated by their perceived LMX.

Method

Sample and Procedure

The participants of this study were undergraduate students from a large public university in the Midwest area of the United States. During the last month of the Spring semester, the first and second authors visited more than 20 classes in the College of Business to introduce this

study to the undergraduate students. The students who were interested in participating also received a flyer, which introduced the details of the study and provided a link to the screening survey. In the meantime, we also contacted career centers in other colleges on campus and sought assistance from program directors. In response to our request, the directors distributed an email describing the study and inviting students to participate. One hundred and ninety students completed the screening survey. Among these 190 students, 151 qualified for the study based on two criteria: (1) planned to participate in an internship in their area of study (i.e., had an internship offer), but had not started it when they completed the survey; (2) would be working at their internship at least 1 day per week for at least 4 hours per week.

The data collection consisted of three phases: (1) *pre-internship survey*; (2) *daily surveys* during the first ten times they worked at their internship; (3) *final survey*. Because the students started their internships at different times, we administered the surveys based on their start dates and internship schedule, which was provided in the screening survey. All of the surveys were distributed via email. The pre-internship survey was administered one week prior to the internship start date. The daily surveys were distributed at 5 p.m. the first ten days or times that the participants worked at the internship, and they needed to be completed by 10 p.m. that evening. The final survey was administered approximately one week after the 10th daily survey. Participants were provided a $50 Amazon.com gift card upon completion of all 12 surveys ($35 for partial study completion).

Among the 151 pre-qualified students, 75 students completed the pre-internship survey and at least seven daily surveys. Two participants did not finish the final survey but were included in the final analyses. On average, participants completed the ten daily surveys across 20.64 days and completed the daily and final survey across 31.69 days. The final sample of 75

students included: 64% female, 7% freshmen, 12% sophomores, 32% juniors, and 49% seniors. We asked them to choose all the racial categories that applied to them, with reporting of: 36% White, 9% Black/African American, 27% Asian, 8% Asian Indian, 2% other, and 17% multiracial. In terms of total work experience (in any industry or at any company), 5% reported no experience, 28% had less than one year of experience, 67% indicated more than one year of experience.

Measures

We measured all of the constructs with 5-point response scales, ranging from "1=strongly disagree" to "5=strongly agree," unless otherwise noted.

Intern-Supervisor Interaction-Based Happiness (daily survey). Aligned with affective events theory, we measured the extent to which interns' interactions with their supervisors (i.e., events) elicited happiness (or not). On each day of the first 10 times they worked at their internship, participants were instructed: "Please think of the most memorable interaction you had with your immediate supervisor or manager today. This interaction could have occurred in-person or by other means such as via email, telephone, Skype, online chat, etc. Think of this event in as much detail as possible (e.g., meeting with supervisor, location, topic of meeting). Describe this event in detail as if you were writing in a diary." Following this open-ended prompt, participants were asked, "Thinking about the interaction with your immediate supervisor or manager that you just described, indicate to what extent you felt happiness." The response scale was from "1=Not at all" to "5=A great deal."

Mean happiness. We calculated the average score of happiness measured across all of the 10 daily surveys to create the mean happiness variable.

Happiness variability. We operationalized happiness variability as the standard

deviation in interns' reported daily happiness across the first ten daily surveys. This approach is adopted from Matta et al. (2017).

Optimism (pre-internship survey). We adopted the six-item measure of trait optimism developed by Scheier et al. (1994) (α=.70). A sample item is "In uncertain times, I usually expect the best."

CSE (pre-internship survey). We adopted the 12-item measure of CSE from Judge, Erez, Bono, and Thoresen (2003) (α=.84). A sample item is "I am confident I get the success I deserve in life."

LMX (final survey). We measured participants' perception of LMX with their immediate supervisor via the 12-item scale developed by Liden and Maslyn (1998) (α=.90). Participants were instructed, "When answering the following questions, think of your immediate supervisor or manager; that is, the person to whom you report directly." and an example item included "I respect my supervisor's knowledge of and competence on the job."

Job-seeking goals (final survey). We measured participants' job-seeking goals using Zhao and Liden's (2011) four item scale (α=.91). Participants were prompted with "My primary goals for this internship are to…", and an example item is, "Demonstrate myself in hope for employment in this host organization." The rating scale was from "1=Not Accurate" to "5=Extremely Accurate."

Results

The means, standard deviations, and correlations among the variables are displayed in Table 1.

==== insert Table 1 about here ====

Because all of the variables in the research model are at the individual level, we adopted

a path analysis approach with MPlus to examine the hypothesized relationships. This approach enabled us to estimate all the relationships simultaneously, and thus generate more accurate estimation of the indirect effects than using a multiple regression approach (Hayes, 2009). In testing the moderation effects and moderated mediation effects, we added the moderators (i.e., optimism and CSE) separately to the mediation effects from happiness variability to internship goals via LMX. Estimations of the hypothesized relationships are presented in Figure 1 for the two models we tested.

==== insert Figure 1 about here ====

Hypothesis 1 proposes a positive relationship between mean happiness and LMX. Our results support this hypothesis, revealing that the relationship is positive and significant (β = 0.41, $p < .001$).

Next, we examined happiness variability. To begin, we looked at the trajectory of interns' happiness over the course of their first ten most memorable interactions with their supervisors (see Figure S1.2 in *online supplemental materials*). While this analysis is based on average happiness across participants for each interaction and does not reveal within-person variability, it provides initial support for the notion that feelings of happiness vary by interaction. Additionally, a review of our open-ended data illustrated the within-person fluctuations in intern-supervisor interaction happiness. Table S1 in the *online supplemental materials* provides examples of the "roller coaster" of happiness that interns experienced over the course of their initial supervisor interactions.

Turning to Hypothesis 2, we proposed that optimism moderates the relationship between happiness variability and LMX. Results revealed that the moderation effect is significant (β = -0.46, $p < .001$). The simple slope tests (see Figure 2) further showed that when optimism is *high*

(+1 *SD*), this effect is not significant (β = -0.22, p = .097), but when optimism is *low* (-1 *SD*), the slope is positive and significant (β = 0.32, p = .03), yielding partial support for Hypothesis 2. Hypothesis 3 proposes that CSE moderates the relationship between happiness variability and LMX. Supporting this hypothesis, the interaction effect between happiness variability and CSE on LMX is significant and negative (β = -0.45, p = .02). Simple slopes results (see Figure 4) showed that when CSE is *high* (+1 *SD*), this relationship is not significant (β = -0.10, p = 0.54) but when CSE is *low* (-1 SD), the relationship between happiness variability and LMX is positive and significant (β = 0.36, p = .03).

==== insert Figures 2 & 3 about here ====

Regarding the relationship between LMX and job-seeking goals proposed in Hypothesis 4, our results indicate that this relationship is positive and significant (β = 0.86, p < 0.001). We further tested 95% confidence intervals (CI) for the moderated mediation effects and conditional indirect effects by adopting the bias-corrected bootstrapping method recommended by Lau and Cheung (2012). Results showed that the moderated mediation effect is negative (= -0.39) and the 95% CI excluded zero (95% CI = [-0.68, -0.15]) for optimism as a moderator. Also, the 95% CI of the conditional indirect effects when optimism is low and when it is high both excluded zero (*low* optimism: =0.27, 95% CI = [0.03, 0.62]; *high* optimism: =-0.19, 95% CI = [-0.46, -0.01]), lending support to Hypothesis 5. The moderated mediation effect for CSE as the moderator was negative (=-0.39), and the 95% CI for this effect excluded zero (95% CI = [-0.86, -0.02]). When CSE is *low*, the indirect relationship between happiness variability to job-seeking goals via LMX is positive, and the 95% CI of this relationship excluded zero (=0.31, 95% CI = [0.02, 0.78]). However, when CSE is *high*, the indirect effect is negative and included zero (=-0.09, 95% CI = [-0.38, 0.18]), suggesting that Hypothesis 6 was supported.

==== insert Table 2 about here ====

In addition, we followed previous research (i.e., Wayne, Lemmon, Hoobler, Cheung, & Wilson, 2017; Wiedemann, Schüz, Sniehotta, Scholz, & Schwarzer, 2009) and plotted the conditional indirect effects of happiness variability on job-seeking goals through LMX at various levels of optimism and CSE. Figure 4 shows that lower optimism was associated with a stronger positive relationship between happiness variability and job-seeking goals, while higher optimism was associated with a stronger negative relationship between happiness variability and job-seeking goals. The results of the conditional indirect relationship revealed both positive and negative relationships between happiness variability and job-seeking, covarying with the level of optimism. Figure 5 indicates that lower CSE was associated with a stronger positive relationship between happiness variability and job-seeking goals. High CSE was associated with a nonsignificant relationship between happiness variability and job-seeking goals.

==== insert Figures 4 & 5 about here ====

Discussion

In conducting this study, we broadly sought to contribute to knowledge of the development and influence of positive workplace relationships within the understudied yet important context of internships. Building on a rich body of research that has established the critical role of affect in employees' relationships with their leaders (Gooty, Connelly, Griffith, & Gupta, 2010; Tse et al., 2016 for reviews), we offered a nuanced lens through which to examine the "dynamic nature of the affect-LMX nexus" (Tse et al., 2018). In this paper we theorized and tested a model of the relationship between interns' happiness variability, based on their most memorable daily interactions with their supervisors, with interns' perceptions of LMX and, ultimately, their desire for post-internship employment.

Theoretically, we used AET as an overarching framework to conceptualize and test the most memorable daily intern-supervisor interactions as affective events (Cropanzano et al., 2017; Weiss & Cropanzano, 1996). From this perspective, we acknowledged the reality that the extent to which interns feel happy (or not) after each interaction with their supervisor will indeed vary based on interns' perception of the event. We then integrated AET with FIT (Schwarz, 2012) to investigate the dynamic nature of happiness (i.e., happiness variability). Together, these theoretical perspectives emphasize the discrete and dynamic nature of happiness as well as its ability to serve as critical information to interns when navigating a new employment context and supervisor relationship. Our daily field design enabled us test such ideas, illuminating that it is not just how happy (or not) interns are after they interact with their supervisor that matters. Rather, the *variability* in such happiness that results from initial supervisor interactions needs to be carefully considered as affective fluctuations can provide important cues regarding later perceptions of the quality of the intern-supervisor relationship. Our results indicate the importance of these early interactions to LMX development and especially the role of followers' interpretations of these interactions through an affective lens.

When looking at this relationship from multiple and more complex angles, our findings reveal that the relationship between happiness variability and LMX is significantly shaped by interns' individual psychological resources. We identified different individual conditions (i.e., optimism and CSE) that shape the nature and strength of this relationship. We found support for a positive relationship between happiness variability and LMX among interns low in optimism and interns low in CSE. In such conditions, the fluctuations in happiness across an intern's supervisor interactions can serve as "uplifts" to enhance perceptions of LMX. In comparison, we found that those higher in optimism were more negatively impacted by happiness variability.

Lastly, we tested a model that ultimately focused on interns' job-seeking goals with their host organization. Internships are of great importance to interns and organizations globally (Forbes Human Resources Council, 2019) and a unique context in which the development of positive workplace relationships can have significant career implications. Relatively few studies have examined crucial issues related to interns' employment experience, broadly, or the intern-supervisor relationship, specifically (D'Abate, Youndt, & Wenzel, 2009; Liu, Xu, & Weitz, 2011; Rose, Teo, & Connell, 2014; Zhao & Liden, 2011 for exceptions). Proposing LMX as a key explanatory mechanism, our study findings further our understanding of why and which interns may be more likely to seek future full-time employment with the organization.

Limitations and Future Research

We strived to conduct a rigorous investigation, but also acknowledge it is not without limitations. First, we focused on the affective experiences and LMX perceptions of interns (i.e., members). In doing so, we were able to capture the affective variability of each individual's daily experiences, specifically the fluctuations of interns' happiness (Tse et al., 2018). At the same time, we understand that LMX is a dyadic phenomenon and involves the perceptions of both members and their leaders (Dansereau et al., 1975). Additionally, while we asked interns to focus on their relationship with their immediate supervisor throughout the entire study, it is possible an intern may have had more than one immediate supervisor. We encourage scholars to incorporate multiple actors (i.e., supervisor and intern; relationships with multiple leaders) into future investigations of happiness which would enable a more holistic interpersonal perspective (Ashkanasay, 2003; Tse et al., 2018). For example, studies could capture intern or employee as well as supervisor happiness variability and examine the potentially differentiating effects on each relationship partner's perceptions of LMX.

Second, from an affective perspective, we narrowed our attention to happiness. We intentionally selected this discrete emotion, as there is evidence of the relationship between positive affective experiences and high-quality exchange relationships (e.g., Tse & Troth, 2013). That said, we recognize that a range of emotions, positive and negative, may be elicited in intern-supervisor interactions (Ashkanasy & Humphrey, 2011; Cropanzano et al., 2017; Gooty et al., 2010; Tse & Troth, 2013). We recommend that scholars explore the levels and fluctuations of different emotions such as pride, gratitude, embarrassment, and anger. These studies could also be designed to explore potential differences in emotional experiences and their relationship with LMX across stages of an interns' employment (e.g., early, middle, end). Future work could also capture multiple emotions and the interactions between them to offer a more nuanced understanding of the role of discrete emotions in LMX development.

Third, we theorized and tested the moderating effects of two individual differences: trait optimism and CSE. We incorporated these differences because they are psychological resources that reflect different ways in which interns view the world (Alarcon et al., 2013) and themselves (Judge et al., 1997) which, in turn, likely influence the navigation of uncertain situations and processing of information (van den Bos & Lind, 2002). Yet, there may be additional individual resources and characteristics that shape the nature and strength of the relationship between happiness variability and perceptions of LMX. We suggest that researchers theoretically identify and test the moderating effects of additional variables including and beyond individual differences. For example, multi-level studies could examine factors associated with characteristics of the supervisor (e.g., emotional intelligence), the employee-supervisor relationship (e.g., gender in/congruence), and team dynamics (e.g., social support).

Fourth, taking an affective events perspective, we theorized that the extent to which

happiness is elicited (or not) by initial intern-supervisor interactions shapes interns' later perceptions of LMX. In doing so, we captured LMX in our model at a single-point in time, approximately one month after the intern-supervisor relationship originated. Because LMX is a comprehensive measure of the quality of an exchange relationship, captured by the dimensions of affect, contribution, loyalty, and respect, it's unlikely that LMX develops during the first few days of the relationship. Empirical research also indicates that LMX at 10 days is predictive of LMX at 6 months (Liden, Wayne & Stilwell, 1993). That said, we acknowledge that LMX and happiness may coevolve based on daily interactions as well as the possibility that relationships characterized by high LMX may elicit moments or even longer-term states of happiness . Future research could investigate the potential relationship and feedback loops whereby daily LMX influences interns' event-based happiness and, vice versa. Moreover, studies could be designed to examine additional factors that may shape the relationship between interns' happiness and LMX. For example, favorable perceptions of interns' performance or contributions to the work unit may prompt supervisors to engage in more positive interactions with interns, resulting in higher levels and perhaps more consistent feelings of happiness.

Lastly, we deliberately selected the context of internships, as we believe it is a theoretically and empirically appropriate circumstance to advance our understanding of LMX in new relationships. However, it is a singular context with potentially limited generalizability and one of many contexts in which such issues could be examined. We hope that our study energizes researchers to examine the dynamic nature of affect and LMX in additional understudied yet important as well as uncertain and intensely emotional contexts such as startups or companies in early stages of development (e.g., initial employees and founders), political campaign teams (e.g., state staff and campaign directors) or even in our own backyards (e.g., assistant professors

and relationships with their deans).

Practical Implications

At their best, internships are mutually beneficial relationships that can generate positive "return on investment" for interns, managers, and organizations. Our study demonstrates that the intern-supervisor relationship is an important component of determining such success. At the same time, this exchange relationship is likely comprised of many different daily interactions, especially at the beginning of the relationship, that can be perceived by interns as affective rollercoasters. Such fluctuations in happiness are likely to occur, as these feelings are subjective in nature. While the purpose of this study was not to determine the content of interactions that would generate happiness, our open-ended data suggests two things. First, events of varying duration, mode (e.g., in-person, virtual), and purpose elicited happiness among interns. Second, interns were likely to feel happy when they were respected by their supervisor—that is when they felt seen, heard, included, and/or trusted (Rogers, 2018). For example, one intern described a relatively brief but happy interaction, *"I did not interact with her as much today because she went to a meeting. Before she left, she let me know that I would be alone and if I had any questions, I would be able to ask them when she came back. It was not a big interaction, but it let me know that she trusts me enough to leave me on my own."* As another example, an intern stated, *"Today I worked on a collaborative project with my supervisor and she made me feel very comfortable with voicing my ideas and opinions. Together we successfully completed the task at hand."* This suggests that even small interactions can be memorable for interns and, ultimately, influence their employment desires. Additionally, a critical issue is whether supervisors are aware of how their interactions with their intern during the first few weeks creates signals for interns about the relationship and the organization. Supervisors need to be

aware that their interactions are more than exchanges of information but are affective events that impact interns' interest in employment with the organization.

Conclusion

In the important context of internships, we sought to further our knowledge of the critical yet complex role of happiness in the development of and outcomes associated LMX. Our findings point to the necessity of taking a nuanced view of happiness, suggesting that the variability in interns' happiness associated with supervisor interactions, in combination with their expectations of themselves and the world around them, can significantly shape their perceptions of LMX. These findings warrant the attention of scholars and organizations alike as interns' early-stage assessments of their relationship quality with their supervisor can have longer-term effects on their job goals.

References

Alarcon, G. M., Bowling, N. A., & Khazon, S. (2013). Great expectations: A meta-analytic examination of optimism and hope. *Personality and Individual Differences, 54*(7), 821–827. https://doi.org/10.1016/j.paid.2012.12.004

Ashkanasy, N. M. (2003). Emotions in organizations: A multi-level perspective. In F. J. Yammarino & F. Dansereau (Eds.), *Multi-level issues in organizational behavior and strategy (Research in Multi-Level Issues, Vol. 2).* (pp. 9–54). Bingley: Emerald Group Publishing Limited. https://doi.org/10.1016/S1475-9144(03)02002-2

Ashkanasy, N. M., & Ashton-James, C. E. (2007). Positive emotion in organizations: A multi-level framework. In D. Nelson & C. Cooper (Eds.), *Positive organizational behavior* (pp. 57–73). London: Sage.

Ashkanasy, N. M., & Humphrey, R. H. (2011). Current emotion research in organizational behavior. *Emotion Review, 3*(2), 214–224. https://doi.org/10.1177/1754073910391684

Ashkanasy, N. M., & Tse, B. (2000). Transformational leadership as management of emotion: A conceptual review. In N. M. Ashkanasy, C. E. Härtel, & W. J. Zerbe (Eds.), *Emotions in the workplace: Research, theory, and practice* (pp. 221–235). Santa Barbara, CA: Quorum Books/Greenwood Publishing Group.

Ballinger, G. A., & Rockmann, K. W. (2010). Chutes versus ladders: Anchoring events and a punctuated-equilibrium perspective on social exchange relationships. *Academy of Management Review, 35*(3), 373–391. https://doi.org/10.5465/amr.35.3.zok373

Barsade, S. G., & Gibson, D. E. (2007). Why does affect matter in organizations? *Academy of Management Perspectives, 21*(1), 36–59. https://doi.org/10.5465/amp.2007.24286163

Bauer, T. N., & Green, S. G. (1996). Development of leader-member exchange: A longitudinal test. *Academy of Management Journal, 39*(6), 1538–1567. https://doi.org/10.5465/257068

Bono, J. E., & Judge, T. A. (2003). Core self-evaluations: A review of the trait and its role in job satisfaction and job performance. *European Journal of Personality, 17*(S1), S5–S18. https://doi.org/10.1002/per.481

Brashers, D. E. (2007). A theory of communication and uncertainty management. In B. B. Whaley & W. Samter (Eds.), *Explaining communication: Contemporary theories and exemplars* (pp. 201–218). Mahwah, NJ: Lawrence Erlbaum Associates, Inc.

Buchanan, G. M., & Seligman, M. E. P. (1995). *Explanatory style*. Hillsdale, NJ: Lawrence Erlbaum Associates, Inc.

Carver, C. S., & Scheier, M. F. (2014). Dispositional optimism. *Trends in cognitive sciences, 18*(6), 293-299.

Chang, E. C. (1998). Dispositional optimism and primary and secondary appraisal of a stressor: Controlling for confounding influences and relations to coping and psychological and physical adjustment. *Journal of Personality and Social Psychology, 74*(4), 1109–1120. https://doi.org/10.1037/0022-3514.74.4.1109

Chi, N.W., Tsai, W.C., & Tseng, S.-M. (2013). Customer negative events and employee service sabotage: The roles of employee hostility, personality and group affective tone. *Work & Stress, 27*(3), 298–319. https://doi.org/10.1080/02678373.2013.819046

Colbert, A. E., Bono, J. E., & Purvanova, R. K. (2016). Flourishing via workplace relationships: Moving beyond instrumental support. *Academy of Management Journal, 59*(4), 1199-1223.

Cropanzano, R., Dasborough, M. T., & Weiss, H. M. (2017). Affective events and the development of leader-member exchange. *Academy of Management Review, 42*(2), 233–258. https://doi.org/10.5465/amr.2014.0384

D'Abate, C. P., Youndt, M. A., & Wenzel, K. E. (2009). Making the most of an internship: An empirical study of internship satisfaction. *Academy of Management Learning & Education, 8*(4), 527–539. https://doi.org/10.5465/amle.8.4.zqr527

Dansereau, F., Graen, G., & Haga, W. J. (1975). A vertical dyad linkage approach to leadership within formal organizations. *Organizational Behavior and Human Performance, 13*(1), 46–78. https://doi.org/10.1016/0030-5073(75)90005-7

Dulebohn, J. H., Bommer, W. H., Liden, R. C., Brouer, R. L., & Ferris, G. R. (2012). A meta-analysis of antecedents and consequences of leader-member exchange: Integrating the past with an eye toward the future. *Journal of Management, 38*(6), 1715–1759. https://doi.org/10.1177/0149206311415280

Eissa, G., & Lester, S. W. (2017). Supervisor role overload and frustration as antecedents of abusive supervision: The moderating role of supervisor personality. *Journal of Organizational Behavior, 38*(3), 307–326. https://doi.org/10.1002/job.2123

Ekman, P., & Cordaro, D. (2011). What is meant by calling emotions basic. *Emotion Review, 3*(4), 364–370. https://doi.org/10.1177/1754073911410740

Elfenbein, H. A. (2007). Emotion in organizations: A review and theoretical integration. *Academy of Management Annals, 1*(1), 315–386. https://doi.org/10.1080/078559812

Erdogan, B., & Liden, R. C. (2002). Social exchanges in the workplace. In L. L. Neider & C. A. Schriesheim (Eds.), *Leadership*, (pp. 65–114). Greenwich, CT: Information Age Publishing.

Ferris, D. L., Rosen, C. R., Johnson, R. E., Brown, D. J., Risavy, S. D., & Heller, D. (2011). Approach or avoidance (or both?): Integrating core self-evaluations within an approach/avoidance framework. *Personnel Psychology, 64*(1), 137-161.

Fisher, C. D. (2010). Happiness at work. *International Journal of Management Reviews, 12*(4), 384–412. https://doi.org/10.1111/j.1468-2370.2009.00270.x

Forbes Human Resources Council. (2019). Council Post: 10 Ways Employers Can Attract Top Grad Talent. Retrieved November 23, 2019, from https://www.forbes.com/sites/forbeshumanresourcescouncil/2019/05/31/10-ways-employers-can-attract-top-grad-talent/#79e29dce4094

Frijda, N. H. (1988). The laws of emotion. *American Psychologist, 43*(5), 349. https://doi.org/10.1037/0003-066X.43.5.349

Frijda, N. H. (1993). The place of appraisal in emotion. *Cognition and Emotion, 7*(3–4), 357–387. https://doi.org/10.1080/02699939308409193

Gooty, J., Connelly, S., Griffith, J., & Gupta, A. (2010). Leadership, affect and emotions: A state of the science review. *The Leadership Quarterly, 21*(6), 979-1004. https://doi.org/10.1016/j.leaqua.2010.10.005

Graen, G. B., & Uhl-Bien, M. (1991). The transformation of professionals into self-managing and partially self-designing contributors: Toward a theory of leadership-making. *Journal of Management Systems, 3*(3), 25-39.

Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *The Leadership Quarterly, 6*(2), 219–247. https://doi.org/10.1016/1048-9843(95)90036-5

Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication Monographs, 76*(4), 408–420. https://doi.org/10.1080/03637750903310360

Judge, T. A., & Bono, J. E. (2001). Relationship of core self-evaluations traits—Self-esteem, generalized self-efficacy, locus of control, and emotional stability—With job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology, 86*(1), 80. https://doi.org/10.1037/0021-9010.86.1.80

Judge, T. A., Erez, A., Bono, J. E., & Thoresen, C. J. (2003). The core self-evaluations scale: Development of a measure. *Personnel Psychology, 56*(2), 303–331. https://doi-org.proxy.cc.uic.edu/10.1111/j.1744-6570.2003.tb00152.x

Judge, T. A., & Kammeyer-Mueller, J. D. (2011). Implications of core self-evaluations for a changing organizational context. *Human Resource Management Review, 21*(4), 331–341. https://doi.org/10.1016/j.hrmr.2010.10.003

Judge, T. A., Locke, E. A., & Durham, C. C. (1997). The dispositional causes of job satisfaction: A core evaluations approach. *Research in Organizational Behavior, 19,* 151–188.

Kluemper, D. H., Little, L. M., & DeGroot, T. (2009). State or trait: Effects of state optimism on job-related outcomes. *Journal of Organizational Behavior, 30*(2), 209–231. https://doi.org/10.1002/job.591

Kluemper, D. H., Mossholder, K. W., Ispas, D., Bing, M. N., Iliescu, D., & Ilie, A. (2019). When core self-evaluations influence employees' deviant reactions to abusive supervision: The moderating role of cognitive ability. *Journal of Business Ethics, 159*(2), 435–453. https://doi.org/10.1007/s10551-018-3800-y

Lau, R. S., & Cheung, G. W. (2012). Estimating and comparing specific mediation effects in complex latent variable models. *Organizational Research Methods, 15*(1), 3–16. https://doi.org/10.1177/1094428110391673

Liden, R. C., & Maslyn, J. M. (1998). Multidimensionality of leader-member exchange: An empirical assessment through scale development. *Journal of Management, 24*(1), 43–72. https://doi.org/10.1016/S0149-2063(99)80053-1

Liden, R. C., Wayne, S. J., & Stilwell, D. (1993). A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology, 78*(4), 662–674.

Lind, E. A., & van den Bos, K. (2002). When fairness works: Toward a general theory of uncertainty management. *Research in Organizational Behavior, 24*, 181–223. https://doi.org/10.1016/S0191-3085(02)24006-X

Liu, Y., Xu, J., & Weitz, B. A. (2011). The role of emotional expression and mentoring in internship learning. *Academy of Management Learning & Education, 10*(1), 94–110. https://doi.org/10.5465/amle.10.1.zqr94

Lyubomirsky, S., King, L., & Diener, E. (2005). The benefits of frequent positive affect: Does happiness lead to success? *Psychological Bulletin, 131*(6), 803-855. https://doi.org/10.1037/0033-2909.131.6.803

Matta, F. K., Scott, B. A., Colquitt, J. A., Koopman, J., & Passantino, L. G. (2017). Is consistently unfair better than sporadically fair? An investigation of justice variability and stress. *Academy of Management Journal, 60*(2), 743–770. https://doi.org/10.5465/amj.2014.0455

Nahrgang, J. D., Morgeson, F. P., & Ilies, R. (2009). The Development of Leader–Member Exchanges: Exploring How Personality and Performance Influence Leader and Member Relationships over Time. *Organizational Behavior and Human Decision Processes*, *108*, 256-266.

Park, S., Sturman, M. C., Vanderpool, C., & Chan, E. (2015). Only time will tell: The changing relationships between LMX, job performance, and justice. *Journal of Applied Psychology, 100*(3), 660-680. https://doi.org/10.1037/a0038907

Ragins, B. R., & Dutton, J. E. (2007). Positive Relationships at Work: An Introduction and Invitation. In J. E. Dutton & B. R. Ragins (Eds.), *LEA's organization and management series. Exploring positive relationships at work: Building a theoretical and research foundation* (p. 3–25). Lawrence Erlbaum Associates Publishers.

Rogers, K. (2018). Do your employees feel respected. *Harvard Business Review*, *96*(4), 62-70.

Rose, P. S., Teo, S. T., & Connell, J. (2014). Converting interns into regular employees: The role of intern–supervisor exchange. *Journal of Vocational Behavior, 84*(2), 153–163. https://doi.org/10.1016/j.jvb.2013.12.005

Rothbard, N. P., & Wilk, S. L. (2011). Waking up on the right or wrong side of the bed: Start-of-workday mood, work events, employee affect, and performance. *Academy of Management Journal*, *54*(5), 959–980. https://doi.org/10.5465/amj.2007.0056

Rupp, D. E., Silke McCance, A., Spencer, S., & Sonntag, K. (2008). Customer (in) justice and emotional labor: The role of perspective taking, anger, and emotional regulation. *Journal of Management, 34*(5), 903–924. https://doi.org/10.1177/0149206307309261

Russell, J. A. (1980). A circumplex model of affect. *Journal of Personality and Social Psychology*, *39*(6), 1161-1178. https://doi.org/10.1037/h0077714

Rynes, S. L., Bretz Jr, R. D., & Gerhart, B. (1991). The importance of recruitment in job choice: A different way of looking. *Personnel Psychology, 44*(3), 487–521. https://doi.org/10.1111/j.1744-6570.1991.tb02402.x

Scheier, M. F., & Carver, C. S. (1985). Optimism, coping, and health: Assessment and implications of generalized outcome expectancies. *Health Psychology, 4*(3), 219-247. https://doi.org/10.1037/0278-6133.4.3.219

Scheier, M. E., & Carver, C. S. (1987). Dispositional optimism and physical well-being: The influence of generalized outcome expectancies on health. *Journal of Personality, 55*(2), 169–210. https://doi.org/10.1111/j.1467-6494.1987.tb00434.x

Scheier, M. F., Carver, C. S., & Bridges, M. W. (1994). Distinguishing optimism from neuroticism (and trait anxiety, self-mastery, and self-esteem): A reevaluation of the Life Orientation Test. *Journal of Personality and Social Psychology, 67*(6), 1063-1078. https://doi.org/10.1037/0022-3514.67.6.1063

Schwarz, N. (2012). Feelings-as-information theory. In P. A. M. Van Lange, A. Kruglanski, & E. T. Higgins (Eds.), *Handbook of theories of social psychology* (pp. 289–308). Thousand Oaks, CA: Sage.

Schwarz, N., & Clore, G. L. (1983). Mood, misattribution, and judgments of well-being: Informative and directive functions of affective states. *Journal of Personality and Social Psychology, 45*(3), 513-523. https://doi.org/10.1037/0022-3514.45.3.513

Schwarz, N., & Clore, G. L. (2003). Mood as information: 20 years later. *Psychological Inquiry, 14*(3–4), 296–303. https://doi.org/10.1080/1047840X.2003.9682896

Seligman, M. (1998). *Learned optimism*. New York: Pocket Books.

Selingo, J. J. (2015). Are internships the only way for recent college grads to grab entry-level jobs? Washington Post. Retrieved from https://www.washingtonpost.com/news/grade-point/wp/2015/05/18/are-internships-the-only-way-for-recent-college-grads-to-grab-entry-level-jobs/

Soane, E., Booth, J. E., Alfes, K., Shantz, A., & Bailey, C. (2018). Deadly combinations: How leadership contexts undermine the activation and enactment of followers' high core self-evaluations in performance. *European Journal of Work and Organizational Psychology, 27*(3), 297–309. https://doi.org/10.1080/1359432X.2018.1444602

Sparrowe, R. T., & Liden, R. C. (1997). Process and structure in leader-member exchange. *Academy of Management Review, 22*(2), 522–552. https://doi.org/10.5465/amr.1997.9707154068

Thau, S., Bennett, R. J., Mitchell, M. S., & Marrs, M. B. (2009). How management style moderates the relationship between abusive supervision and workplace deviance: An uncertainty management theory perspective. *Organizational Behavior and Human Decision Processes, 108*(1), 79–92. https://doi.org/10.1016/j.obhdp.2008.06.003

Tiger, L. (1979). *Optimism: The biology of hope*. New York: Simon & Schuster.

Tracy, J. L., & Randles, D. (2011). Four models of basic emotions: A review of Ekman and Cordaro, Izard, Levenson, and Panksepp and Watt. *Emotion Review, 3*(4), 397–405. https://doi.org/10.1177/1754073911410747

Tse, H. H., & Troth, A. C. (2013). Perceptions and emotional experiences in differential supervisor-subordinate relationships. *Leadership & Organization Development Journal, 34*(3), 271–283. https://doi.org/10.1108/01437731311326693

Tse, H., Troth, A. C., & Ashkanasy, N. M. (2016). Leader—Member exchange and emotion in organizations. In T. N. Bauer & B. Erdogan (Eds.), *Oxford library of psychology. The Oxford handbook of leader-member exchange* (p. 209–225). Oxford: Oxford University Press.

Tse, H. H. M., Troth, A. C., Ashkanasy, N. M., & Collins, A. L. (2018). Affect and leader-member exchange in the new millennium: A state-of-art review and guiding framework. The *Leadership Quarterly, 29*(1), 135–149. https://doi.org/10.1016/j.leaqua.2017.10.002

van den Bos, K., & Lind, E. A. (2002). Uncertainty management by means of fairness judgments. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 34, pp. 1–60). New York: Academic. https://doi.org/10.1016/S0065-2601(02)80003-X

Vytal, K., & Hamann, S. (2010). Neuroimaging support for discrete neural correlates of basic emotions: A voxel-based meta-analysis. *Journal of Cognitive Neuroscience, 22*(12), 2864–2885. https://doi.org/10.1162/jocn.2009.21366

Wayne, S. J., Lemmon, G., Hoobler, J. M., Cheung, G. W., & Wilson, M. S. (2017). The ripple effect: A spillover model of the detrimental impact of work–family conflict on job success. *Journal of Organizational Behavior, 38*(6), 876–894. https://doi.org/10.1002/job.2174

Wayne, S. J., Shore, L. M., & Liden, R. C. (1997). Perceived organizational support and leader-member exchange: A social exchange perspective. *Academy of Management Journal, 40*(1), 82–111. https://doi.org/10.5465/257021

Wegge, J., van Dick, R., Fisher, G. K., West, M. A., & Dawson, J. F. (2006). A test of basic assumptions of affective events theory (AET) in call centre work. *British Journal of Management, 17*(3), 237–254. https://doi.org/10.1111/j.1467-8551.2006.00489.x

Weiss, H. M., & Beal, D. J. (2005). Reflections on affective events theory. In N. Ashkanasy, N., W. Zerbe, and C. Härtel (Eds.), *Research on emotion in organizations* (Vol. 1, pp. 1–21). Bingley: Emerald Publishing Limited. https://doi.org/10.1016/S1746-9791(05)01101-6

Weiss, H. M., & Cropanzano, R. (1996). Affective events theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior: An annual series of analytical essays and critical reviews* (Vol. 1, pp. 1–74). US: Elsevier.

Weiss, H. M., & Kurek, K. E. (2003). Dispositional influences on affective experiences at work. In M. Barrick & A. M Ryan (Eds.), *Personality and work: Reconsidering the role of personality in organizations*, (Vol. 1, pp. 121–149). San Francisco: Jossey-Bass.

Wiedemann, A. U., Schüz, B., Sniehotta, F., Scholz, U., & Schwarzer, R. (2009). Disentangling the relation between intentions, planning, and behaviour: A moderated mediation analysis. *Psychology and Health, 24*(1), 67–79. https://doi.org/10.1080/08870440801958214

Zelenski, J. M., & Larsen, R. J. (2000). The distribution of basic emotions in everyday life: A state and trait perspective from experience sampling data. *Journal of Research in Personality, 34*(2), 178–197. https://doi.org/10.1006/jrpe.1999.2275

Zhao, H., & Liden, R. C. (2011). Internship: A recruitment and selection perspective. *Journal of Applied Psychology, 96*(1), 221. https://doi.org/10.1037/a0021295

Tables

Table 1. Descriptive statistics and bivariate correlations among study variables

		Mean	*SD*	1	2	3	4	5	6
1.	Happiness variability	0.63	0.45	-					
2.	Happiness mean	3.90	0.82	-.58**	-				
3.	Optimism	3.47	0.62	-.16	.23*	(.70)			
4.	CSE	3.54	0.57	-.11	.20	.57**	(.84)		
5.	LMX	3.96	0.57	-.29**	.59**	.24*	.32**	(.90)	
6.	Job-seeking goals	3.69	1.04	-.15	.33**	.06	.07	.50**	(.91)

Note. N (Model testing) = 75 individuals; *N* (Pre-internship survey) =119; *N* (daily survey within-level) = 685; *N* (daily survey between-level) = 75; *N* (final survey) = 72. *SD* = standard deviation. CSE=core self-evaluation. LMX = leader-member exchange.
Reliability coefficients for pre-internship and final surveys are reported along the diagonal based on original data.
*p<.05. **p<.01. Two-tailed tests.

Table 2. Moderation effects and moderated mediation effects

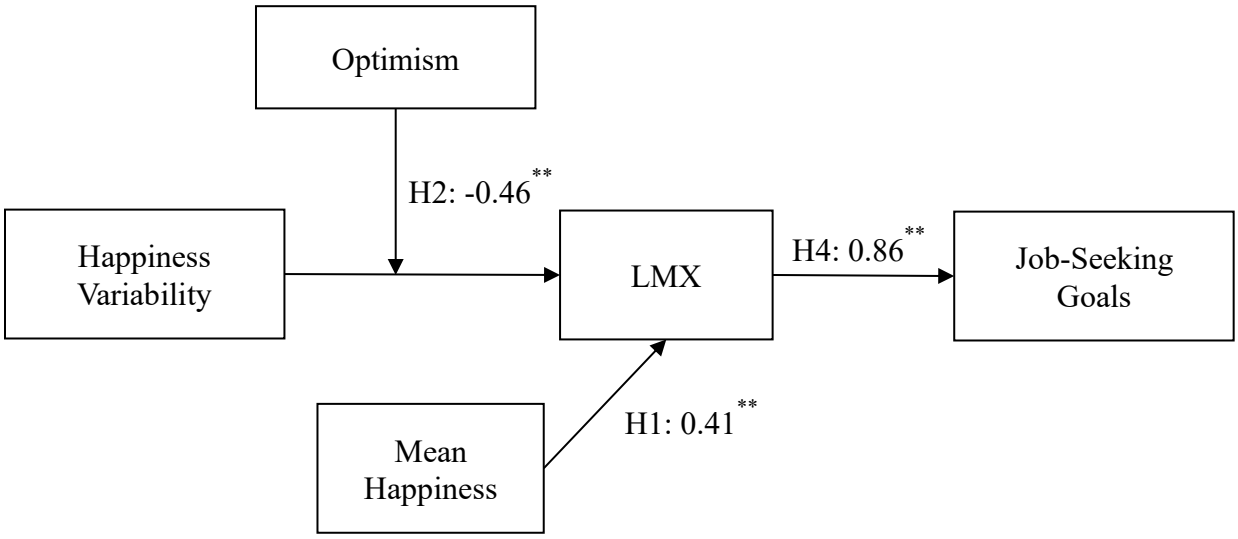
Moderation effects	Coefficient	*SE*
Happiness variability × Optimism → LMX (H2)	-0.46**	0.11
Low Optimism (+1SD): Happiness variability→ LMX	0.32*	0.15
High Optimism (-1SD): Happiness variability→ LMX	-0.22	0.13
Happiness variability × CSE → LMX (H3)	-0.45*	0.20
Low CSE (+1SD): Happiness variability→ LMX	0.36*	0.17
High CSE (-1SD): Happiness variability→ LMX	-0.10	0.16

Moderated mediation effects	Estimates	95% CI
Happiness variability × Optimism → LMX → Job-seeking goals (H5)	-0.39	[-0.68, -0.15]
Low Optimism (+1SD): Happiness variability→ LMX → Job-seeking goals	0.27	[0.03, 0.62]
High Optimism (-1SD): Happiness variability→ LMX→ Job-seeking goals	-0.19	[-0.46, -0.01]
Happiness variability × CSE → LMX → Job-seeking goals (H6)	-0.39	[-0.86, -0.02]
Low CSE (+1SD): Happiness variability→ LMX→ Job-seeking goals	0.31	[0.02, 0.78]
High CSE (-1SD): Happiness variability→ LMX→ Job-seeking goals	-0.09	[-0.38, 0.18]

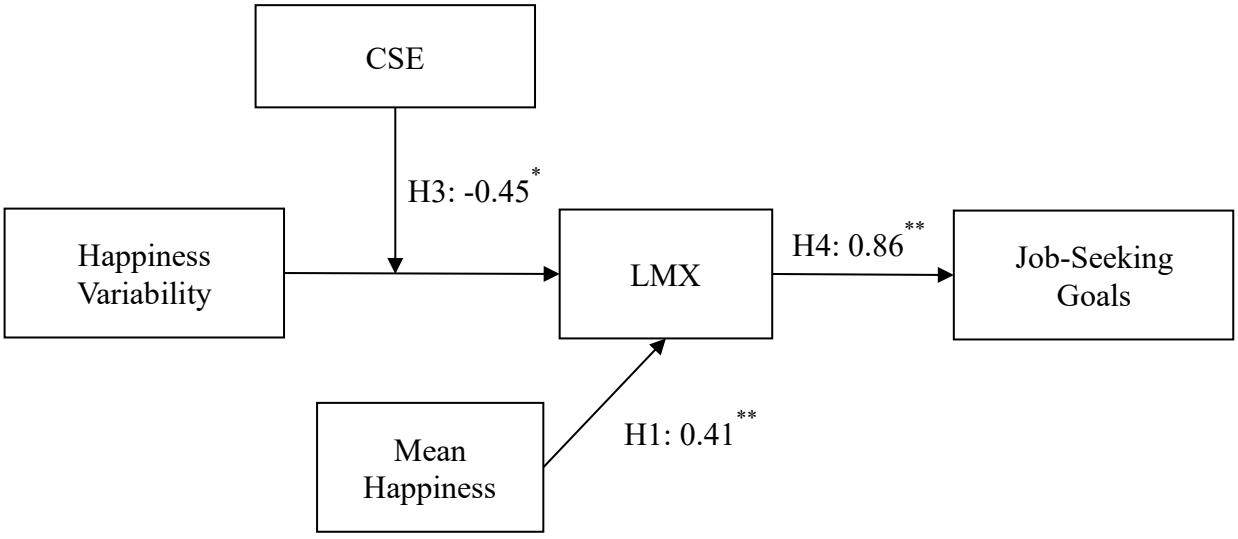
Notes. N = 75 individuals. CI=confidence intervals. 95% CIs were generated by bias-corrected bootstrapping.
*p<.05. **p<.01. Two-tailed tests. p values were estimated based on the results of path analyses.

Figures

Figure 1. Analytical model and results



Model 1: Optimism as the moderator



Model 2: CSE as the moderator

Figure 2. Simple slopes when optimism is the moderator

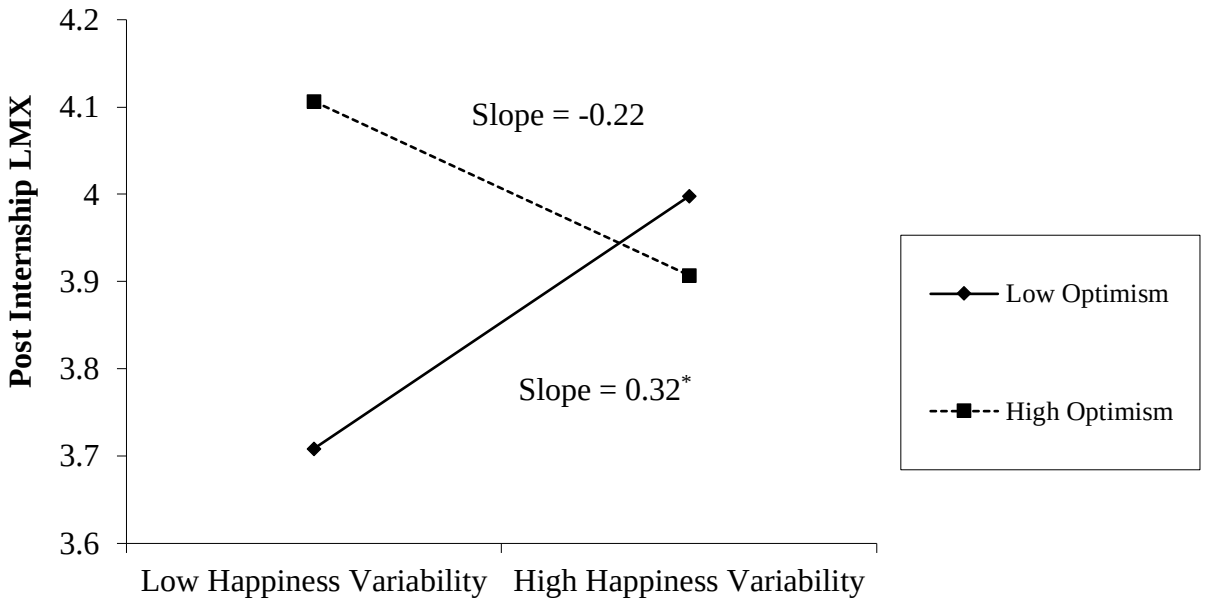


Figure 3. Simple slopes when CSE is the moderator

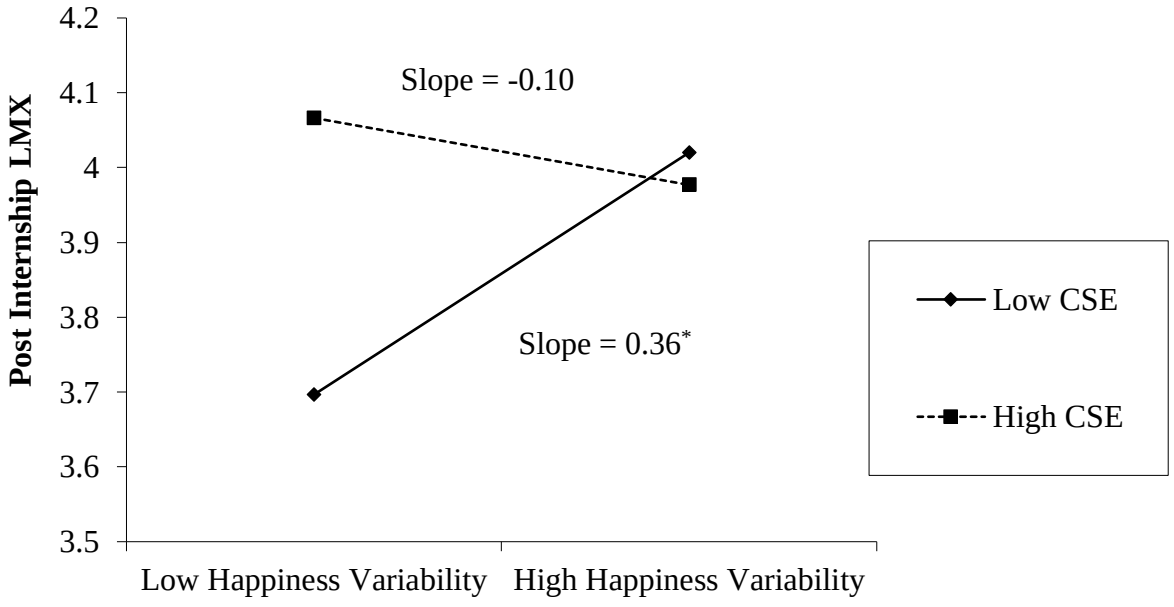


Figure 4. Indirect Effects of Happiness variability on job-seeking goals through LMXconditional on optimism

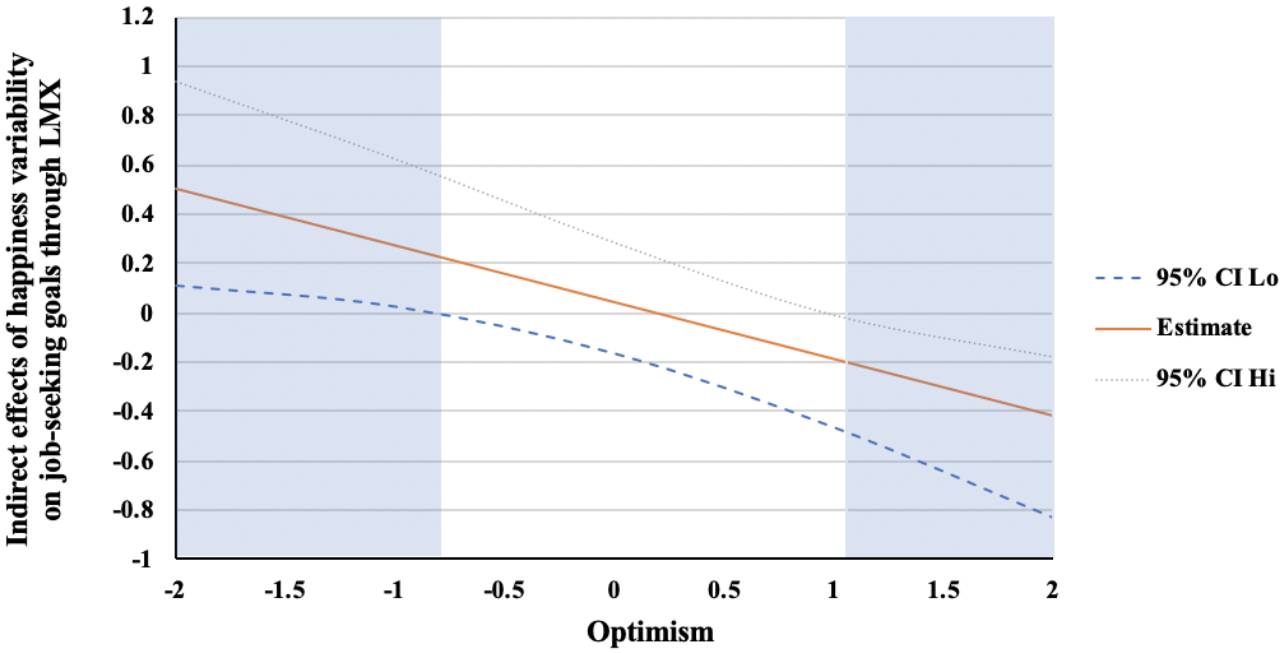


Figure 5. Indirect Effects of Happiness variability on job-seeking goals through LMX conditional on CSE