Dimensions Leader-Member Exchange: An Examination of Outcomes

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DIMENSIONS LEADER-MEMBER EXCHANGE: AN EXAMINATION OF OUTCOMES

Brent Goertzen, Fort Hays State University

This study investigates the relationship of managers’ and direct reports’ perceptions of leader-member exchange (LMX) on organizational citizenship behaviors (OCB). LMX was conceptualized as a multi-dimensional construct (Liden & Maslyn, 1998). Multiple regression analysis of data from 107 manager-direct report dyads of human resource development professionals indicated several relationships between LMX and OCB. Analysis indicated direct reports’ engagement in altruism OCB was related to managers’ perceptions of contribution dimension of LMX which accounted for a significant amount of variance above and beyond the control variables (position, organizational and dyad tenure). Additionally, managers’ perception of professional respect dimension of LMX was related to both altruism and generalized compliance OCB. Recommendations for further research are discussed.

INTRODUCTION

Originally labeled vertical dyad linkage, Leader-Member Exchange focuses on the reciprocal social exchange process occurring between a person who has direct authority over another, typically defined by organizational structures (Graen, Dansereau, & Minami, 1972). The theory asserted that managers (leaders) develop unique relationships with direct reports within their organizations (e.g. Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975). Graen and colleagues described the difference in the quality of relationship managers establish among direct reports, resulting in ‘in-groups’ and ‘out-groups.’ The quality of the social exchange relationship experienced by ‘in-group’ members was commonly characterized by high trust, high interaction and support, and greater formal and informal rewards (Dansereau, et al., 1975).

This theory has experienced a metamorphosis over the past 35 years (Schriesheim, Castro, & Cogliser, 1999). Currently, leader-member exchange (LMX) is defined as a relationship-based approach to leadership research (Graen & Uhl-Bien, 1991) based upon the premise that effective leadership processes occur when leaders and followers develop and sustain effective mutual relationships, therefore gaining access to tremendous benefits offered by the partnerships.

Commonly conceptualized and operationalized as a uni-dimensional construct, Dienesch and Liden (1986) challenged conventional definitions of LMX. Rather, Dienesch and Liden theorized leader-member exchange quality was comprised of three distinct dimensions: contribution, loyalty and affect. Subsequent empirical assessment and analysis further refined the theory. Liden and Maslyn (1998) detected four parsimonious dimensions (contribution, loyalty, affect and professional respect) to be independently assessed by the Leader-Member Exchange Multidimensional Measure (LMX-MDM) scale.

- **Affect:** The mutual affection members of the dyad have for each other based primarily on interpersonal attraction, rather than professional work values.
- **Loyalty:** The expression of public support for the goals and the personal character of the other member of the LMX dyad.
- **Contribution:** Perception of the current level of work-oriented activity each member puts forth toward the mutual goals (explicit or implicit) of the dyad. Professional Respect: Perception of the degree to which each member of the dyad had built a reputation, within and/or outside the organization, at excelling at his or her line of work (Liden & Maslyn, 1998: 50).

Numerous studies have established the link between leader-member exchange and salient organizational outcomes. Gerstner and Day (1997) conducted a meta-analysis that revealed high quality leader-member exchanges were related to positive organizational outcomes as performance ratings, objective performance, satisfaction with supervisor, overall satisfaction, organizational commitment and role clarity.

Organizational Citizenship Behaviors

Organizational Citizenship Behavior (OCB) refers to individuals’ discretionary behavior that, in the aggregate, promotes effective organizational functioning (Organ, 1988). Discretionary is a critical element in defining this construct, because discretionary implies the behavior is “not an enforceable requirement of the role or the job description, that is, the clearly specifiable terms of the person’s employment contract” (1988: 4). By definition, OCB cannot be formally or directly recompensed by the organization’s reward structure. These behaviors are similarly described as extra-role performance (e.g. Katz & Kahn, 1978) or pro-social behaviors (e.g. George, 1990).

Another important component in this definition of OCB is the element of individual actions which, in the aggregate, improve the function of organizational effectiveness. By its very nature, the individual act of OCB may be very subtle or even trivial. For instance, an employee, noticing a co-worker struggling to perform, or inaccurately performing a required task, may take initiative and demonstrate to the co-worker how to correctly and effectively perform the designated assignment. Because organizational citizenship behaviors may take the form of simple and mundane gestures, it seems difficult, if not impossible, to create a formal reward structure to account for them in a case by case basis.

Organizational citizenship behavior, in the aggregate, makes for a more effective organization (Organ, 1988). Though, defining what is meant by an “effective organization”...
is beyond the scope of the present manuscript, there are several items worthy to note. Organizations are in the business of efficiently transforming resources into finished products (Organ, 1988). Frequently, “friction” within the organization can cause losses in the transformation process of inputs to outputs. Organizational Citizenship Behavior, in the aggregate, is believed to eventually reduce this “friction” and thereby making the organization more efficient with regards to the input to output ratio.

**Dimensionality of OCB**

Organizational Citizenship Behavior originally was classified into a two-factor model: Altruism and Conscientiousness. Altruism refers to all discretionary behavior directed toward helping a specific other person with an organizationally relevant problem. Altruism does not always need to be directed at a co-worker, though this may be the most frequent form of altruism (Organ, 1988). Rather, altruism may be directed toward “outsiders” of the organization including a client, customers, vendors or suppliers - as long as the action has an organizationally relevant motive.

Originally labeled Generalized Compliance (Smith, Organ, & Near, 1983), the second form of OCB behaviors includes a group of actions currently entitled, Conscientiousness (Organ, 1988), which generally refers to the category of behaviors whereby organization members carry out duties above and beyond the certain required levels defined by the role within the organization. In contrast to Altruism behaviors, Conscientiousness OCB behaviors are more impersonal, at least in the direction of impact.

Conscientiousness makes for a more efficient use of the organization’s resources. Consider the notion of absenteeism. Smith (1976) noted issues of minor ailments, unused personal or vacation leave all create conditions where absence would be tolerated. These conditions of employee absence would be largely considered a matter of personal choice. However, the conscientious behavior regarding employee attendance would be exemplified by the employee that goes above and beyond the normally acceptable or required level in work attendance.

Three other classifications of behaviors do not fit neatly within the definitions of each of the original two dimensions of OCB: Sportsmanship, Courtesy and Civic Virtue. Sportsmanship is described as avoiding complaining or petty grievances or dismissing real or imagined infringements. Perhaps, Organ (1988) described two distinctively different approaches of addressing petty issues: “And we know of those who indeed would descend upon the grievance process, who even seem to go around hunting for something to be aggrieved about. We also know of those who roll with the punches, who silently shrug their shoulders, knowing that fairness or justice is not reckoned over the short run, and simply go on with their business” (1988: 11). Courtesy refers to the extent that actions are taken to “touch base” with organizational members whose commitment and decisions would be affected. Specific behaviors include advance notice, reminders, passing along information, consultation or briefing. Civic Virtue refers to a category of behavior referring to general and responsible participation of organization members in the political life of the organization. This category of behavior implies sense of involvement and commitment to the development of organizational policies and procedures, which may include specific behaviors such as discussing issues on personal time, reading intra-mural mail, and “speaking up.” Though research indicates organizational citizenship behavior may include five total classifications of behavior, the present study concerns itself with the two dimension model: Altruism and Generalized Compliance (Conscientiousness).

**Dimensions of LMX on OCB**

Numerous studies have investigated the potential relationship between LMX quality and OCB (e.g. Wayne & Green, 1993). A meta-analysis of LMX and OCB revealed a significant relationship between the two constructs (Ilies, Nahrgang & Morgeson, 2007). More specifically, while leader-member exchange quality predicted both altruism and generalized compliance dimensions of OCB, the analysis revealed a stronger predictive ability toward altruism. This relationship to individual-targeted behaviors “further supports the relational focus of LMX and indicates that reciprocation is more likely to occur in the interpersonal as opposed to organizational realm” (2007: 273). Unfortunately, an extensive review of the LMX and OCB literature revealed no theoretical or empirical articles that operationalized LMX as a multi-dimensional construct. Liden and colleagues have argued persuasively that leader-member exchange quality is likely comprised of, as many as, four dimensions (affect, loyalty, contribution and professional respect). Examining the predictive ability of these individual dimensions can add value in our understanding of manager-direct report relationship.

**Affect**

Affect dimension of LMX refers to the mutual interpersonal attraction between dyad members. This is conceptually similar to liking, which was investigated by Allen and Rush (1998). This study concluded that OCB was influenced by the extent to which direct reports were liked by their managers. Similarly, it can be expected that leader-member exchange quality based on mutual affect for one another will be related to increase direct report performance of citizenship behaviors. Further, interpersonal attraction theories suggest that people like those who are associated with rewards received and dislike those who are associated with punishments (e.g. Byrne, 1971). Additionally, supportive leadership behaviors are behaviors intended to offer consideration to the feelings and needs of others (Yukl, 2006). These behaviors can be seen as helping behaviors and hence cause employees to subsequently engage in altruism citizenship behaviors. Direct reports will likely reciprocate in the exchange relationship with citizenship behaviors targeted toward specific individuals such as their managers.
Hypothesis 1: Managers’ and direct reports’ perspective of Affect leader-member exchange quality will be positively related to altruism organizational citizenship behaviors.

Loyalty

Loyalty refers to the level of confidence in the other member’s personal character. This personal character is based on habitual action and is generally consistent from situation to situation (Liden & Maslyn, 1998). This dimension of LMX is conceptually similar to trust in leader. Trust in leader was found to mediate the relationship between transformational leadership and organizational citizenship behaviors, especially conscientiousness (generalized compliance), sportsmanship and civic virtue (MacKenzie, Podsakoff, & Rich, 2001). Further, Podsakoff, MacKenzie & Bommer (1996) indicated that trust in leader also mediated the relationship between both organizational formalization and inflexibility and five dimensions of OCB (altruism, courtesy, sportsmanship, conscientiousness and civic virtue). Similarly, it is anticipated that loyalty will be directly related to both altruism and generalized compliance.

Hypothesis 2: Managers’ and direct reports’ perspective of Loyalty leader-member exchange quality will be positively related to altruism and generalized compliance organizational citizenship behaviors.

Contribution

Instrumental leadership behaviors refer to behaviors intended to offer employees specific guidance and clarification on responsibilities (House & Mitchell, 1974). Instrumental leadership behaviors are perhaps conceptually similar to the contribution dimension of leader-member exchange quality in that the instrumental leadership behaviors offer task-oriented assistance for employees and reduce uncertainty about the job. Schnake, Cochran and Dumler (1995) found that instrumental leadership (initiating structure) was related to both altruism and conscientiousness (generalized compliance) citizenship behaviors. Similarly, it is expected the contribution LMX will be positively related to direct reports’ organizational citizenship behaviors.

Participative leadership behaviors may also offer insights into a possible relationship between Contribution and organizational citizenship behaviors. VanYperen, van den Berg and Willering (1999) found that participation in the decision making processes was positively related to five dimensions (Altruism, Conscientiousness, Sportsmanship, Courtesy, and Civic Virtue) of organizational citizenship behaviors. The authors speculated participation in the decision making process enhanced employees’ perceived support from supervisors, but perhaps an alternative explanation is that participation ‘allows’ direct reports to feel like they are actually contributing to the quality of leader-member exchanges. Taken together, we expect contribution dimension of LMX will be positively related to both altruism and generalized compliance organizational citizenship behaviors.

Hypothesis 3: Managers’ and direct reports’ perspective of contribution leader-member exchange quality will be positively related to altruism and generalized compliance organizational citizenship behaviors.

Professional Respect

Professional respect component of LMX describes the dyad member’s reputation in the line of work. This reputation is generally built upon the knowledge, skill and competence of the dyad member. Instrumental leadership behaviors (House & Mitchell, 1974) are also conceptually similar to the professional respect dimension of leader-member exchange quality in that the clarification for expectations and job responsibilities further enhances the target’s perception of competence and hence confidence in the other’s abilities.

Transformational leaders, especially those holding a high level of intellectual stimulation ability challenge employees to “think about problems that they would not have thought about or to think about new ways of solving old problems may also be implicitly encouraging employees to give voice to their ideas or recommendations” (Organ, Podsakoff, & MacKenzie, 2006: 101). This ability to think of new ideas to problems is a manifestation of that individual’s perceived competence.

Hypothesis 4: Managers’ and direct reports’ perspective of Professional respect leader-member exchange quality will be positively related to altruism and generalized compliance organizational citizenship behaviors.

Methods

A field study was conducted to test the proposed model.
Data regarding organizational citizenship behaviors is often collected by having managers report the perceptions of their direct reports’ engagement in OCB activities. In order to avoid problems of common method bias leader-member exchange data was collected from both the manager and direct reports perspectives.

**Sample and Survey Procedures**

Based on the recommendation that surveying professional association members will increase response rates because cosponsorship of the study offers a personalized appeal (Randall & Gibson, 1990) four regional professional associations were solicited for participation. Standard surveying procedures included a series of four mailings to members of the professional organizations (Salant & Dillman, 1994).

Survey instructions were mailed to members of the professional associations. Each instruction packet included three letters: one letter of instructions for the manager, the other two letters, labeled Employee 1 and Employee 2. The Employee 1 and Employee 2 letters were to be handed to the manager’s direct reports. The manager’s letter provided instructions for completing the web-based survey, including a unique login name and password. Following the recommendations of Schriesheim, Castro and Yammarino (2000), the participant was instructed to select a direct report (“who reports directly to you”) with whom he or she would consider having a “higher quality” working relationship. This direct report would subsequently be referred to Employee 1. The manager also was asked to select a direct report (“who reports directly to you”) with whom he or she would consider having a “poorer quality” working relationship. This person would subsequently be referred to as Employee 2. The manager was instructed to respond to items regarding the quality of interactions with both Employee 1 and 2, using a manager version of the LMX-MDM measure for each direct report relationship, in addition to responding to items regarding their Organizational Citizenship Behaviors. Confidentiality of respondent’s reports was emphasized. Employee 1 and Employee 2 letters provided similar instructions with a unique login name and password and directed the participants to the web-based survey.

Due to missing data and non-responses, the researchers were left with 107 data sets. The sample size achieved for analysis was less than desirable. The sample size possibly limited the results; however samples of this size were not without precedent. For instance, Engle and Lord (1997) published a study in the Academy of Management Journal using data collected from 76 dyads. Also, Scandura and Graen (1984) published longitudinal data collected from 83 dyads.

**MEASUREMENT OF VARIABLES**

**Quality of Leader-Member Exchanges (LMX)**

LMX was assessed using the LMX-MDM, a multidimensional measure of leader-member exchange quality (Liden & Maslyn, 1998). For this study, LMX-MDM items were aggregated for each of the four dimensions (affect, loyalty, contribution and professional respect). The three items of the affect dimension for the manager (direct report) version (e.g. “I like my employee (manager) very much as a person”) earned a Cronbach alpha $\alpha = 8.69$ by managers and $\alpha = 9.45$ for the direct report response. The three items of the loyalty dimension for the manager (direct report) version (e.g. “my employee (manager) defends my work actions to a superior”) which earned a Cronbach alpha $\alpha = 7.26$ by managers and $\alpha = 5.92$ for the direct report response. The three items for the contribution dimension for the manager (direct report) version (e.g. “I do work for my employee that goes beyond what is specified in my job description”) which earned a Cronbach alpha $\alpha = 8.79$ by managers and $\alpha = 9.34$ for the direct report response.

**Organizational Citizenship Behaviors (OCB)**

Altruism and Generalized Compliance dimensions of OCB were measured using a modified version of the Smith, et al. (1983). Managers responded to observations of OCB demonstrated by their direct reports on six-items in a 7-point Likert-type scale (1 = not very often, 7 = very often). The Altruism dimension was comprised of two items (e.g. “this person helps others who have been absent catch up”) and the Generalized Compliance was comprised of four items (e.g. “this persons performs more than just the required tasks at work”). The corresponding alpha coefficients for Altruism ($\alpha = .934$) and Generalized Compliance ($\alpha = .927$) were strong.

**Control and Other Variables**

Several control variables were collected to test for potential confounding influence: organizational tenure, position tenure and dyad tenure. The mean tenure of managers working their current position was 5.28 years. Additionally, the mean tenure of managers within their current organization was 8.54 years. Mean tenure of direct reports in their current position was 3.09 years, while working for their current organization an average of 6.19 years. Additionally, direct reports indicated working with their current managers an average of 2.90 years.

Although it was not the intended purpose of this study to examine demographic similarities and differences between managers and direct reports, demographic variables were also collected. The sample was largely female in that 63% of managers and 62% of direct reports were women. Respondents were predominantly Caucasian (84% of managers and 81% of direct reports).

**Results**

A multiple regression analysis was conducted to test the hypotheses. The regression analysis was conducted in a two-
step process. The control variables (managers’ position tenure and organizational tenure and direct reports’ tenure, organizational tenure and dyad tenure) were entered in the first step and the independent variable was entered in the second step. Hypothesis one proposed altruism citizenship behaviors were positively related to the affect dimension of leader-member exchange quality. Multiple regression was not significant for altruism OCB for neither the managers’ perspective of affect dimension of LMX-MDM $\Delta R^2 = 0.19$, $F(1, 100) = 3.792$, n.s. (see Table 2), nor the direct reports’ perspective of affect $\Delta R^2 = 0.003$, $F(1, 100) = 3.406$, n.s.). The data failed to support the hypothesis.

<table>
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<tr>
<th>Table 1: Zero Order Correlations</th>
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<tr>
<td><strong>Manager Perspective</strong></td>
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<tr>
<td>1) Position Tenure</td>
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<tr>
<td>2) Organization Tenure</td>
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<tr>
<td>3) LMX-MDM Loyalty</td>
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<tr>
<td>4) LMX-MDM Contribution</td>
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<tr>
<td>5) OCB Altruism</td>
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<td>6) OCB Generalized Compliance</td>
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</tbody>
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Note: * p < 0.05; ** p < 0.01. Cronbach alpha coefficients along the diagonal.

<table>
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<tr>
<th>Table 2: Multiple Regression Results for LMX-MDM Affect (Manager and Direct Report) on OCB</th>
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<tr>
<td>Variable</td>
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<tr>
<td><strong>Step 1 (Control)</strong></td>
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<tr>
<td>Position Tenure (Manager)</td>
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<tr>
<td>Organizational Tenure (Manager)</td>
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<td>Position Tenure (Direct Report)</td>
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<td>Organizational Tenure (Direct Report)</td>
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<tr>
<td>Loyalty</td>
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<td>Loyalty (Direct Report)</td>
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Note: * p < 0.10; ** p < 0.05. * Due to listwise deletion of missing data.

The second hypothesis predicted that leader-member exchanged with a high level of loyalty will correspond to a high level of both altruism and generalized compliance citizenship behaviors. The analysis revealed a non-significant relationship for both managers’ perception of loyalty $\Delta R^2 = 0.010$, $F(1, 100) = 3.570$, n.s.) and direct reports’ perceptions of loyalty $\Delta R^2 = 0.002$, $F(1, 100) = 3.386$, n.s.) on altruism organizational citizenship behaviors. Similarly, there was no significant relationship for both managers’ response of loyalty $\Delta R^2 = 0.018$, $F(1, 100) = 3.440$, n.s.) and direct reports’ response of loyalty $\Delta R^2 = 0.006$, $F(1, 100) = 3.156$, n.s.) on generalized compliance OCB. The data did not support the hypothesis.

Hypothesis three theorized that leader-member exchanges with a high level of contribution will increase direct reports’ to engage in high level of both altruism and generalized compliance OCB. The analysis revealed a significant relationship between managers’ perceptions of direct report contribution and direct reports’ altruism OCB $\Delta R^2 = 0.023$, $F(1, 100) = 3.897$, p < 0.10, but there was no significant relationship between direct reports’ perception of manager contribution and...
particular honors that the other member of the dyad may have earned. Typically, awards and recognitions may be bestowed upon individuals who are known to have performed “above and beyond the call of duty.” This extra-role performance is implied, and in fact expected, in the conduct of organizational citizenship behaviors. Alternatively, it is possible that direct reports’ organizational citizenship behaviors may enhance their professional respect as perceived by managers. Again, further research is required to confirm the causal nature of these two constructs.

A potential reason why the data yielded only limited connections between LMX and OCB was because of how OCB was operationalized. Organ (1988) conceptualized organizational citizenship behavior as comprising five unique dimensions (i.e., altruism). Wayne, et al (2002) speculated that a more manager-focused form of OCB (i.e., altruism) might be more likely associated with leader-member exchange quality than a more generic form used. Therefore, future research may consider incorporating a more specific measure of OCB in order to detect the possible relationship more precisely.

Limitations

The current study reveals relationships between several dimensions of LMX and OCB, nonetheless the study is not without limitations. First, the statistically analysis techniques cannot determine causality. Perhaps, there is a reciprocal or even inverse relationship between the two experimental variables. Additionally, some of the significant relationships were only detectable at the p < .10 level. However, even the relationships that were significant at the p < .05 level yielded modest effect sizes as the criterion variable only accounted for up to six percent of the variance above and beyond that of the control variables.

Additionally, even though perceptions of leader-member exchange quality were collected from both the manager and direct report perspectives, there were only significant relationships between managers’ perspective of leader-member exchange quality and OCB. Since OCB was measured by managers’ response to their direct reports’ engagement in OCB activities, the results may be susceptible to a common method bias.

The subscales for each of the dimension of LMX and OCB yielded high reliability. However, the high inter-correlations between each of the dimensions are a possible cause for concern. It is possible the subscales are not as parsimonious as demonstrated in the original validation studies or, perhaps, other undetected biases may be occurring in this study. Further examination of the measures is required to confirm the strength of the psychometric properties.

Implications for Research

Considerable research supports the relationship between leader-member exchange quality and organizational citizenship behavior (e.g., Ilies, Nahrgang, & Morgeson, 2007), however all studies operationalized LMX as a uni-dimensional construct. The present study is perhaps the first to examine the

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relationships between the dimensions of LMX and OCB. Further studies are required to verify the potential relationships between the two constructs.

In a meta-analytic review, Gerstner and Day (1997) concluded that leader-member exchange quality was related to positive organizational outcomes such as performance ratings, satisfaction with supervisor, overall satisfaction and organizational commitment. Again, these findings are limited in that LMX was operationalized as a uni-dimensional phenomenon. Our understanding of leadership and organizational behavior can be advanced by examining the impact of the independent dimensions of LMX on these and perhaps other organizational outcomes.

Additionally, further research is required to examine possible predictors of the dimensions of leader-member exchange quality. Similarly, little is known about how each of the dimensions of the manager-direct report relationship develops over time. Perhaps each of the aspects of LMX quality improves concurrently as the relationship matures, but it may be possible that these dimensions develop independently of one another. Since few studies have approached LMX as a multidimensional construct, drawing implications for practice regarding the current findings are premature.

Nonetheless, there is an exciting future in furthering our understanding of leader-member exchange quality conceptualized as a multi-dimensional construct and its role in advancing our knowledge in the fields of leadership and organizational behavior. It is the author's desire that this study stimulates additional questions regarding the importance of the relationships between leaders and followers in the leadership process.

REFERENCES


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**Brent Goertzen** is an assistant professor and the chair of leadership studies at Fort Hays State University. He received his Ph.D. in leadership studies from the University of Nebraska. His areas of expertise include supervisory leadership, team dynamics, and ethical leadership. He has been active in the Center for Civic Leadership through community and collegiate leadership programs, and has facilitated many workshops for the Small Business Development Center, Next-Tech, and the civilian workforce at Fort Riley.