

LEADERS' PERSPECTIVE ON LEADER MEMBER EXCHANGE: A CONCEPTUAL REVIEW

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LEADERS' PERSPECTIVE ON LEADER MEMBER EXCHANGE: A CONCEPTUAL REVIEW

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Abstract

Studies on the Leaders Member Exchange (LMX) have focused more on subordinates' perspective, even though a leader's perspective is equally important in creating a positive LMX. Leaders' personalities, leaders' wisdom, and leaders' emotion management are things every leader must know and have to build a positive LMX and achieve their leadership goals.

Keywords: Leaders Member Exchange, Leaders Personality, Leaders Wisdom, Leaders Emotion Management.

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INTRODUCTION

Every organization indeed consists of many people and has a purpose, so a leader must provide direction, instruction, motivation, and role models for his subordinates. The leader, as an organizational element, is indispensable for the progress of the organization. Organizations have various processes that require the parties to work together to achieve common goals.

One theory about leadership is the Leader-Member Exchange (LMX) theory. LMX is a dyadic relationship of relational leadership. The leader shows a more inclusive and communicative attitude towards some members of the organization than other members. Therefore, leaders from high-quality relationships with high trust, interest, and respect with their subordinates. LMX describes the relationship between leaders and followers and how they influence and depend on each other. The basic concept in LMX is that the exchange relationship between the leader and the follower will affect the results of organizational performance, which is called in-group and out-group to distinguish high and low leader-follower exchanges. The high follower leader exchange (in-group) indicates a broad relationship between leader and follower and negotiation of role responsibilities that are not recorded in the employment contract between the leader and followers. A high LMX relationship is characterized by exchanging information resources from leaders to subordinates, support, mutual trust, reward, and reasonable effort. Meanwhile, a low LMX relationship is characterized by the absence of good quality relationships between superiors and organizational members, affecting organizational performance.

Recent studies on LMX, it can be seen that the LMX approach to leadership is unique in its attention to the relationship between subordinates and supervisors. However, most LMX research has focused on a follower's perspective (see Dulebohn et al., 2012). This is even though personality and personality can influence leaders and perceptions of different LMX subordinates and may also have "different effects on the shared perspective of LMX" (Schyns, 2015, p.119) shown in Table 1 below.

CONCEPTUAL REVIEW

Leaders Personality and LMX

According to the LMX development process-oriented model

(Dienesch and Liden, 1986), individual characteristics such as personality can influence the LMX at several stages in the LMX development process. In the early stages of the relationship, the personality can determine the nature of the initial interaction, direct the supervisor to make a direct LMX assessment based on the subordinate's personality, go through the process of delegating tasks, and evaluate subsequent behavior.

Empirical studies report a weak correspondence between traits and behavioral expressions for low-power individuals (Anderson and Berdahl, 2002; Chen et al., 2009). In the context of the supervisory relationship, this means that supervisors are most likely to express their traits, which are then observed by subordinates, influencing both their attributions of supervisors and LMX perceptions. This tendency for those in power to minimize trait-related expressions means that supervisors' perceptions of the LMX will tend to be based on subordinate traits.

Quality-attraction theory (Byrne, 1971) suggests that individuals in interpersonal relationships with similar people and have beneficial experiences, such as receiving love, attention, and positive influence. Personality similarity has been positively associated with subordinate LMX (e.g., Bauer and Green, 1996; Bernerth et al., 2008; Nahrgang et al., 2009).

However, Oren et al. (2012) reported a negative relationship between personality similarity and subordinates' LMX. Still, their use of trait profiles made it impossible to determine which trait caused this effect and whether it was primarily due to superior or subordinate traits.

Followers who are given essential roles forge close, high-quality relationships with their leaders based on trust and emotional support (Dienesch and Liden, 1986). Because of these high-quality relationships, followers receive formal or informal rewards, assistance, more convenient access to leaders, and increased communication with them (Dienesch and Liden, 1986; Graen and Scandura, 1987; Wayne et al., 1997).

High trust, interaction, support, and appreciation mark high-quality relationships, and according to social exchange theory, followers feel an obligation to respond with high-quality relationships (Dienesch and Liden, 1986). On the other hand, followers with low-quality LMX relationships are associated with low levels of trust and emotional support

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and very little authority outside of formal employment contracts with their leaders (Dienesch and Liden, 1986; Nahrgang et al., 2009). Such relationships are characterized by low self-esteem, interaction, and respect (Dienesch and Liden, 1986).

Happy leaders and their followers trust each other more because having a high level of trust in the relationship can result in a high-quality relationship. In this sense, the fun leaders initiate a significant role in collaborating with followers (Nahrgang et al., 2009).

Studies show that LMX has three distinct characteristics:

1. Such relationships are based on trust, loyalty, and mutual commitment, all of which are based on affinity, and confidence in, the people with whom the exchange is made (Cropanzano & Mitchell, 2005).
2. Building relationships among group members is a time-consuming process and relies heavily on shared learning and accommodation; However, developing confidence in their managers is also a time-consuming process and requires shared accommodation for building interpersonal relationships.
3. There will always be significant changes in the relationship from time to time; that is, although the development of exchange relationships usually begins with strangers, such relationships can then develop into acquaintances, and then further into partnerships (Graen & Uhl-Bien, 1995). There may therefore be large differences between attitude, loyalty, and commitment to work for those who are considered part of the "in" group, compared to those in the "out" group, as well as differences in levels of trust that exists between members of certain groups and their managers (Cheng, 1995).

Leaders Wisdom and LMX

The leader's discretion was positively related to LMX quality in the workgroup. High personal wisdom in leaders influences people to lead meaningful and virtuous lives that are beneficial to themselves and others (Ardelt 2004; Baltes and Staudinger 2000).

The quality of the relationship between wise leaders and their followers must be higher than the quality of the relationship between less wise leaders and their followers. Wise people have mature and integrated personalities, have superior judgment skills concerning challenging life situations and treat others in ways that show empathy and compassion (Ardelt 2004). Wise leaders can translate subordinates' extraordinary interpersonal qualities into social practice, a central element of social practice wisdom theory (McKenna et al. 2009; Rooney and McKenna 2008; Rooney et al. 2010). It can be concluded that a leader's wisdom is positively related to LMX quality.

Wise leaders have superior knowledge, understanding, and acceptance of human life and nature, as well as a permanent need to gain a better understanding of themselves, their relationships with others, and their environment (Ardelt 2004). Leaders are wise to interact in intellectually stimulating ways with their followers, including encouraging independent and creative thinking (Sternberg 2001, 2008). Furthermore, wise leaders have a genuine concern for others driven by empathic love and compassion (Ardelt 2004).

Leaders with high compassion create an atmosphere of support and warmth in subordinates' hearts (Cosley, McCoy, Saslow, & Epel, 2010). This action makes subordinates realize that they are valued by the organization and then reduces the negative self-evaluation that results from loneliness in the workplace. Because negative self-evaluation (i.e., self-esteem and self-efficacy) is a critical psychological process linking high loneliness to low LMX (Chen et al., 2016), leader affection can buffer loneliness's effects on

LMX by inhibiting its psychological processes. Besides, when subordinates get high sympathy from their leaders, they will feel that their leaders are trustworthy and worthy of being followed (Lilius, Worline, Dutton, Kanov, & Maitlis, 2011; Lilius et al., 2008). Thus, subordinates may still make positive judgments of compassionate leaders and accept work role assignments voluntarily.

Conversely, if the leader's compassion is low, subordinates may not get emotional help from their leader (Kanov et al., 2004). Such conditions reinforce the subordinates' negative self-evaluation and exacerbate subordinates' distrust of the leader. Furthermore, subordinates will begin to suspect the leaders' promise and their ability to fulfill the expectations of the leader's role (Lam & Lau, 2012). The conclusion is that when dealing with a leader humbly, subordinates tend to develop a low-quality LMX with the leader. It could also be concluded that the compassion leader can spark subordinates' creativity in the workplace so that it is weaker when the leader's compassion is high.

Leaders Emotion Management and LMX

Several studies have examined leader behavior as a cause of follower emotions. For example, Dasborough (2006) found that certain leader behaviors (e.g., empowering subordinates, communicating, showing concern, acknowledging subordinates' efforts) are the causes of subordinates' affective events leading to emotional experiences. Similarly, McColl-Kennedy and Anderson (2002) found that subordinates experience more positive emotions when leaders display transformational behavior. Weierter (1997) argues that charismatic leaders strengthen follower self-esteem through displays of enthusiasm and passion and engender positive emotions in followers.

The use of leaders' Interpersonal Emotional Management (IEM) strategies that focus on emotions and leave the underlying causes of negative emotions unhelpful hinders LMX relationships through decreased relationships and affiliation (Butler et al., 2003). The IEM strategy comes from Gross (1998) working on self-emotional management and the idea that individuals manage the emotions of others in the workplace using the same tactics they use to manage their own emotions (Francis, 1997; Little, Klumper, Nelson, & Gooty, 2012; Lively, 2000; Niven, Totterdell, & Holman, 2009). When leaders actively manage followers' emotions through IEM strategies, such leader behavior becomes an integral part of the information followers use to evaluate further, provide feedback, and maintain that relationship with their leaders.

CONCLUSION

From the leaders' perspective, the quality of LMX will encourage followers to expand their role beyond the formally expected role, namely by taking extra roles. Through the social exchange theory, each follower constructs a unique social exchange relationship with his leader. The quality of the LMX is usually also positively related to task performance and work attitudes.

The characteristics of quality LMX are positive emotions, responsiveness, loyalty, and feeling responsible. There are two types of exchange relationships between leaders and followers: high-quality LMX exchanges and low-quality LMXs. The high quality of leader-follower exchange is indicated by the existence of the mutual trust, mutual support, the presence of interpersonal attraction, loyalty, mutual influence, and the exchange of transactional behavior relationships.

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Table 1. The Roles of Leaders Perspective in LMX

No.	Title	Authors	Year	Journal	Results
1	Hierarchical Power and Personality in Leader-Member Exchange	David J Yoon Joyce E Bono	2016	Journal of Managerial Psychology	To date, it has been assumed that certain traits predict the development of high-quality relationships between supervisors and subordinates. Our results demonstrate the importance of considering the role of power in LMX relationships. We show that the effects of supervisory traits, which are rarely examined in the context of LMX relationships, predict more strongly about LMX than subordinate characteristics.
2	The effect of leader personality on follower behavior: The mediating role of leader-member exchange	Mehmet Kahya, Faruk Şahin	2018	Leadership & Organization Development Journal	This study's originality is that the researcher focused on integrating a leader's personality, LMX, and follower attitudes and behaviors in a single research, providing a model that demonstrates the role of LMX mediation in the relationship between leader personality follower behavioral attitudes.
3	Does impression management help? Multilevel testing of the mediation role of impression management between personality traits and leader-member exchange.	Liang-Chieh Weng, Wen-Ching Chang	2015	Asia Pacific Management Review	Identify personality traits as important factors for influencing LMX quality. Although the LMX has attracted a great deal of attention in recent years, there is little evidence of personal attributes associated with this relationship. Previous studies have primarily focused on the influence of demographic variables on the LMX relationship. Therefore, if our knowledge of LMX relationships and formation is progressing, further research is needed on the antecedents associated with leader-member exchange (LMX) quality.
4	Leaders' Wisdom and Leader-Member Exchange Quality: The Role of Individualized Consideration	Zacher, H., Pearce, L. K., Rooney, D., & McKenna, B.	2013	Journal of Business Ethics	The virtue of a leader's wisdom can predict leadership behavior and the quality of leader-follower relationships. It is hypothesized that a leader's wisdom positively predicts LMX quality and intellectual stimulation and individual judgment, two dimensions of transformational leadership, mediate this relationship.
5	LMX and employee satisfaction: mediating effect of psychological capital	Shu-sien Liao, Dachian Hu, Yu-Chun Chung, Li-Wen Chen	2017	Leadership & Organization Development Journal	This study gains further support for predictions derived from LMX theory and a broader analysis of the meaningful relationship between work and Life Satisfaction with the mediating effect of psychological capital on employee relationship management.
6	Subordinates' core self-evaluations and performance predict leader-rated LMX	Jeremy A. Henson, Terry Beehr	2018	Leadership & Organization Development Journal	LMX develops through several interactions. Moreover, it suggests that task-oriented behavior (i.e., job performance) and personality characteristics (i.e., internal locus of control and self-efficacy) are predictors of LMX.
7	Creativity and innovation through LMX and personal initiative	Ashkan Khalili	2018	Journal of Organizational Change Management	This study makes significant theoretical contributions in several ways. In the domain of creativity and innovation, various factors that influence employee creativity and innovation are discussed. It expands knowledge of organizational resources, which nurtures and enhances employee creativity and innovation. For the LMX, this study complements existing research by examining employee creativity and innovation as a result. Also, personal identifying initiative as an LMX amplifier - employee creativity and innovation relationships broadens research in that domain.
8	Workplace loneliness, leader-member exchange, and creativity: The cross-level moderating role of leader compassion.	Jian Peng, Yushuai Chen, Ying Xia, Yaxuan Ran	2017	Personality and Individual Differences	Because previous research on the relationship between negative emotions and creativity has yielded mixed results, calls have been made to examine creativity from specific emotions. Researchers studied workplace loneliness in response to the market - certain negative emotions that have received little theoretical or empirical attention.
9	The role of leader emotion management in leader-member exchange and follower outcomes.	Little, L. M., Gooty, J., & Williams, M.	2016	The Leadership Quarterly	Develop and test models of leader behavior directed at managing followers' negative emotions. Leader interpersonal emotion management strategies (IEMS), which suggest influencing the membership behavior of follower organizations, are carried out in interpersonal relationships (OCBs) and job satisfaction through the perception of followers of the quality of the leader-member exchange relationship (LMX).
10	The lousy boss takes it all: How abusive supervision and leader-member exchange interact to influence employee silence	Angela J. Xu, Raymond Loi, Long W. Lam	2015	The Leadership Quarterly	Violent surveillance is dysfunctional leadership behavior that adversely affects the target and the organization as a whole. Using resource conservation theory, this research broadens our knowledge of its destructive effects.

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However, the leader perspective has an essential role in the success of building a positive LMX relationship.

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