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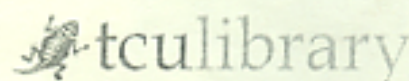
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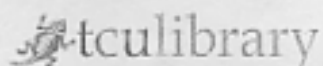
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LEADER-MEMBER EXCHANGE THEORY: THE PAST AND POTENTIAL FOR THE FUTURE

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ABSTRACT

Research and theory on leader-member exchange (LMX) dating back to its inception in the early 1970s is reviewed and categorized according to antecedents and consequences of LMX. The review demonstrates that LMX is determined by a number of antecedents, and in turn, influences a wide range of individual and organizational outcomes. Despite the importance of LMX research to the literature, we identified a number of ways in which theory and empirical research on LMX can be enhanced. In terms of theory, we argue that although role theory has provided the framework for LMX research, much can be gained by introducing concepts from social exchange theory. In particular, reciprocity processes involved in social exchange add richness needed to further understand LMX relationships. Furthermore, using a reciprocity in social exchange framework allows for an examination of the way in which LMXs are embedded in a larger network of exchange relationships. This leads to our second extension of LMX theory, which is the examination of LMX context, a topic that has been largely neglected. In terms of empirical research, we contend that LMX

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measurement can be improved. First, in order to capture the complexity of LMX, we provide support for a new multidimensional measure of the construct. Second, in conjunction with our theory development concerning the larger context in which LMXs are embedded, we suggest the development of a supplemental LMX measure based on reciprocation in social exchanges.

INTRODUCTION

The central premise behind LMX is that within work units, different types of relationships develop between leaders and their subordinates, or members. These relationships are characterized by the physical or mental effort, material resources, information, and/or emotional support exchanged between the two parties. Low LMX relationships, originally labeled out-group exchanges (Dansereau, Graen, & Haga, 1975), are defined as those that are limited to the exchanges that take place according to the employment contract. On the other hand, high LMX relationships, originally labeled in-group exchanges (Dansereau et al., 1975), are thought to include the exchange of material and non-material goods that extend beyond what is specified in formal job descriptions (Liden & Graen, 1980). Research has shown that approximately 90% of all work units are differentiated in terms of the LMX relationships represented (Dansereau et al., 1975; Graen & Cashman, 1975; Liden & Graen, 1980). Only about 10% of the time do leaders form the same type of LMX relationship with all subordinates. These rare instances are consistent with an average leadership style approach, which advocates the determination of a leader's style by averaging all subordinate perceptions of the leader (Dansereau et al., 1975).

An impressive body of research on LMX has emerged. Although the majority of studies have focused on the consequences or outcomes of LMX, studies on the antecedents and development of LMX have emerged over the past decade. The review of research on antecedents and consequences of LMX that follows is based primarily on published studies. Computer and manual searches of published articles on LMX were undertaken. However, no attempt was made to locate meeting papers or unpublished manuscripts.

ANTECEDENTS OF LMX

Theoretical Models of LMX Development

The LMX model is grounded in role theory (Kahn, Wolfe, Quinn, Snock, & Rosenthal, 1964), which suggests that organizational members accomplish their work through roles or sets of behaviors that are expected of position

holders. Focusing on how roles develop, Graen (1976) suggested that roles are not solely determined by written job descriptions or other formal documents. Rather, he contended that members' roles develop through informal processes, referred to as role-making processes. Role-making tends to occur when members are being assimilated into new positions and involves individuals who have some vested interest in the performance of a new member. Through a series of interpersonal exchanges, these individuals attempt to shape the member's behavior and resulting role. Graen (1976) argued that the member's direct superior or leader, in comparison to other individuals, has a significant impact on the role-making process because the leader has the authority to negotiate roles with formal sanctions.

In an attempt to further explicate the LMX developmental process, Dienesch and Liden (1986) developed a model that integrated attribution theory, role theory, leadership, social exchange, and upward influence. The initial interaction between leader and member is the first step in their model. They suggested that leader characteristics and member characteristics influence the interaction and may influence the developmental process. The second step in their model involves the leader testing the member through work-related assignments. After receiving the assignments, the member makes attributions regarding the leader's assignments and responds in terms of performance and non-performance related behaviors. Next, the leader makes attributions regarding the member's behavior in an attempt to explain the behavior. These attributions may be influenced by a number of biases such as the member's upward influence behavior. Finally, Dienesch and Liden (1986) identified a number of contextual factors, such as organizational culture, work group size, and organizational policies, that may affect the LMX developmental process.

A second model which focused on the LMX developmental process was presented by Graen and Scandura (1987). Referred to as the role-making model, they described the developmental process as consisting of three phases: role taking, role making, and role routinization. The following summary of the role-making model is based on the description by Graen and Scandura (1987). Role taking involves one or more episodes whereby the leader communicates a sent role to the member such as making a request or assigning a task. Although noise may affect transmission of the role, the member receives it and reacts. The member's reaction provides feedback to the leader who evaluates the member's behavior and decides whether to initiate another episode. In this phase, the leader tests and assesses the member's motivations and potential.

In the second phase, role making, the nature of the leader-member relationship becomes defined. Although either party may initiate this phase, it typically involves the leader providing an opportunity for the member to attempt an unstructured task. This opportunity implies a certain working

relationship with the leader. If the opportunity is accepted by the member, the leader-member relationship develops over time into a high-quality exchange relationship. A high-quality LMX relationship is based on social exchange, meaning that the leader and member must contribute resources valued by the other party and both parties must view the exchange as fair.

Role routinization is the third phase of the role-making model. Graen and Scandura (1987) described this phase as the point where the behaviors of the leader and member become interlocked. Further, the leader and member develop an understanding and clear mutual expectations, resulting from collaborating on unstructured tasks. This is the final stage of the model and the implication is that the quality of exchange between leader and member typically remains stable from this point on.

Based on the Dienesch and Liden (1986) and Graen and Scandura (1987) models, there are a number of variables that may influence the development of LMX. Specifically, the role-making model (Graen & Scandura, 1987) emphasized the importance of the member's initial performance, ability, and competence. Although recognizing that member performance may affect LMX, Dienesch and Liden (1986) noted that members' nonperformance-related behaviors such as upward influence may affect the development of LMX. Additionally, they identified member and leader individual characteristics as potential determinants of LMX (Dienesch & Liden, 1986; Wayne, Liden, & Sparrowe, 1994). Finally, a number of contextual variables may affect LMX development including work group composition, a leader's power, and organizational policies and culture (Dienesch & Liden, 1986). In summary, theory developed by Dienesch and Liden (1986), Graen (1976), and Graen and Scandura (1987), has provided the framework upon which the majority of empirical research on LMX has been based.

Empirical Research on LMX Development

Much of the early empirical research on LMX focused on comparing the average leadership style model to the LMX model and examining the consequences of LMX. In support of the LMX model, these studies found that leaders develop different exchange relationships with members of their work group and the exchanges affect important leader and member attitudes and behaviors (e.g., Dansereau et al., 1975). Because LMX was related to important outcomes such as member performance and satisfaction (Liden & Graen, 1980), researchers became interested in the developmental process. For example, House and Baetz (1979) noted that "it is not clear what behaviors on the part of subordinates and on the part of leaders result in the subordinates becoming members of each of these (exchange) groups" (p. 410). Similarly, Yukl (1981) stated that "it is not clear just how a leader selects members of the in-group" (p. 32). Despite these calls for research devoted to the antecedents

of LMX, with the exception of Duchon, Green, and Taber (1986), much of the empirical research on antecedents was not published until the 1990s.

A review of the LMX research resulted in our identifying 15 published studies that empirically examined antecedents of LMX. These studies are summarized in Table I. In order to be included in the list, the study had to contain a measure of LMX rather than other leadership behaviors. Additionally, the article had to include theoretical arguments for examining a variable as an antecedent of LMX. For example, several studies have investigated the relationship between LMX and member performance ratings. However, only the Deluga and Perry (1994) study is included in the table because the authors presented arguments for the variable as an antecedent rather than a consequence of LMX.

Of the 15 articles focusing on antecedents, three consisted of laboratory experiments, 11 were field studies, and one consisted of both a laboratory experiment and a field study. All of the laboratory experiments used students as subjects and involved face-to-face interactions between leaders and members. An advantage of these studies is that the development of LMX was examined with newly-formed, leader-member dyads. Thus, rather than already being established, LMX evolved during the experiment. Yet, the major limitations of this design include assessing LMX after a short period of time (typically 10 to 30 minutes of leader-member interaction) and using subjects who performed member or leader roles when working on various tasks. These limitations create concerns regarding the stability of LMX and the generalizability of the results. Another major concern with the laboratory setting is that the leader-member dyads exist for a short period of time. Because the leader and member are not dependent on each other in the long term, the benefits of developing a high-quality exchange or the costs of not developing such an exchange may be minor. This is typically not true for leader-member dyads in organizations. Again, the implication is that the results of laboratory experiments on LMX may not generalize to LMX relationships in organizations.

Due to the limitations of laboratory experiments for investigating the development of LMX, a number of studies were conducted in field settings. In all but two of the studies, data were collected from both leader and member of the dyad. Another common characteristic of the field studies is that most of the studies employed cross-sectional designs and utilized established leader-member dyads. There are two major limitations with this design. First, it makes it difficult to determine causality between a variable (potential antecedent) and LMX. Second, these studies fail to capture aspects of the LMX developmental process which may begin during initial leader-member interactions and become established within a few weeks (Dansereau et al., 1975; Graen & Cashman, 1975; Liden, Wayne, & Stilwell, 1993). Three studies that overcome these limitations are Bauer and Green (1996), Duchon et al. (1986), and Liden et al. (1993). These studies utilized recently-formed dyads and a longitudinal design.

Table 1. Antecedents of LMX

<i>Author(s)</i>	<i>Antecedent Examined and Source¹</i>	<i>Type of Study</i>	<i>Sample Characteristics</i>	<i>Measure and Source of LMX^{2,3}</i>
Bauer & Green (1996)	Gender similarity (M & L) Positive affectivity similarity (M & L) Leader delegation (M) Performance (L)	Field	112 university graduates and their leaders	Modified LMX-7, adding 1 item (M)
Day & Crain (1992)	Ability (M & L) Positive and Negative Affectivity (M & L)	Lab	96 undergraduates (members and emergent leaders in 4-5 person groups)	Modified LMX-7 (M) and 3-item scale developed by authors (L)
Deluga & Perry (1991)	Upward Influence (M)	Field	376 graduate and continuing education students (members)	6 items from LMX-17 (M)
Deluga & Perry (1994)	Performance Ratings (L) Ingratiation (M & L)	Field	152 employed undergraduate and graduate students (members) and their leaders	LMX-17 (M & L)
Dockery & Steiner (1990)	Ability (M & L) Upward Influence (M & L) Liking (M & L)	Lab	188 undergraduates (members and leaders in 4-person groups)	12-item scale adapted from LMX-17 (M) and 16 items adapted from LMX-17 (L); deviation scores based on subtracting the relevant work group's average LMX score from the group member's LMX score. ⁴
Duchon, Green, & Taber (1986)	Gender (M & L) Class Status (M & L)	Field	531 high school students (members and leaders of 49 Junior Achievement Companies)	Based on members' naming the 3 members with the best and the 3 members with the worst working relationship with the leader. ⁵
Green, Anderson, & Shivers (1996)	Demographic Similarity (M & L) Workload (A) Resources (A) Group (unit size) (A)	Field	208 staff employees (members) and their leaders of 31 libraries	LMX-7 (M)
Kinicki & Vecchio (1993)	Locus of Control (M) Time Pressure (L)	Field	138 loan officers (members) and 15 branch managers (leaders) of a large bank	LMX-7 (M)

Liden, Wayne, & Stilwell (1993)	Performance (L) Demographic Similarity (M & L) Perceived Similarity (M & L) Liking (M & L) Expectations (M & L)	Field	166 nonacademic employees (members) and their leaders of two Universities	Modified LMX-7 (M & L)
McClane (1991a)	Need for Power Similarity (M & L) Locus of Control Similarity (M & L) Need for Achievement Similarity (M & L) Least Preferred Coworker Similarity (M & L) Gender Similarity (M & L)	Lab	148 undergraduates and 26 MBA students (members and leaders, respectively of 7-person groups)	4-item Negotiating Latitude (Liden & Graen) (L)
Phillips & Bedeian (1994)	Locus of Control (M) Growth Need Strength (M) Introversion/Extroversion (M) Perceived Similarity (L)	Field	84 registered nurses (members) and their leaders	LMX-7 (M): deviation score based on subtracting the relevant work group's average LMX score from the group member's LMX score. ¹
Snyder & Bruning (1985)	Competence (M) Competence Similarity (M & L)	Field	626 members and their leaders; diverse jobs in social service organizations	4-item scale developed by Cashman (1975) (M)
Uhl-Bien, Tierney, Graen, & Wakabayashi (1990)	Belief in Company Paternalism (M)	Field	1,075 line managers (members) from five companies in Japan	LMX-14 (M)
Wayne & Ferris (1990): Study One	Objective Performance (Manipulated) Performance Ratings (L) Impression Management (Manipulated) Liking (L)	Lab	96 undergraduates (leaders)	LMX-7 (L)
Wayne & Ferris (1990): Study Two	Performance Ratings (L) Impression Management (M) Liking (L)	Field	84 members and their leaders employed by one of two banks	LMX-7 (L)
Wayne, Shore, & Liden (1997)	Liking (L) Expectations (L)	Field	252 members and their leaders; diverse jobs in a large organization	Modified LMX-7 (M)

Notes: ¹ M = variable assessed based on member reports, L = variable assessed based on leader reports, A = archival data.

As noted in Table 1, a number of variables have been examined as antecedents of LMX. Following Dienesch and Liden's (1986) model, this research is discussed in terms of member characteristics, leader characteristics, interactional variables, and contextual variables.

Member Characteristics

Three types of member characteristics have been examined as antecedents of LMX: performance or competence, personality, and upward influence behavior. The role-making model (Graen & Scandura, 1987) and early conceptualizations of LMX development (Dansereau et al., 1975) provided arguments for the importance of member performance or competence in LMX development. Specifically, these models suggested that the leader assesses the member's ability, performance, and competence through a series of assignments and eventually develops high-quality exchanges with high-ability, competent, and high-performing members.

A number of studies have investigated the role of member performance in the development of LMX, operationalizing member performance as the leader's assessment of a member's performance (i.e., performance ratings). Providing support for member performance as an antecedent of LMX, Dockery and Steiner (1990) found a positive relationship between leader perceptions of member ability (assessed as the member's performance on a task) and leader reports of LMX. However, member self-assessed ability was not a significant predictor of member perceptions of LMX. Additional support for the member performance and LMX relationship was found in a study by Deluga and Perry (1994). They found member performance, as rated by the leader, to be significantly and positively related to member and leader reports of LMX. However, because established leader-member dyads were utilized, the direction of causality could not be determined. Overcoming this limitation, Liden et al. (1993) examined leader ratings of member performance as an antecedent of LMX with recently-established dyads. They found that member performance at 2 weeks predicted leader perceptions of LMX at 2 weeks but was not related to LMX assessed at later time periods. Bauer and Green (1996) found leader ratings of member performance assessed at 34 weeks to be positively related to LMX (assessed at 34 weeks). Finally, Wayne and Ferris (1990) examined the relationship between leader ratings of member performance and leader reports of LMX in a laboratory experiment and field study. They found member performance to be an important determinant of exchange quality in the laboratory experiment but not in the field study. In summary, the results of studies investigating performance ratings as an antecedent of LMX have been mixed.

Rather than focusing on leader ratings of member performance, member perceptions of competence in relation to LMX were examined in a study by

Snyder and Bruning (1985). They found that member self-perceptions of competence was significantly and positively related to member reports of LMX. However, this correlation may be due to common method variance as both variables were measured from the same source.

Finally, Day and Crain (1992) examined member competence in relation to LMX by manipulating subjects' ability in a laboratory experiment. Ability was based on the number of problems attempted during a timed test designed to measure cognitive ability. Members and leaders viewed each other's ability scores, which ranged from low to high. The results indicated a positive and significant relationship between leaders' LMX ratings and members' ability scores. They also found support for member negative affect, but not positive affect, as a moderator of the member ability and leader LMX relationship.

In summary, the majority of studies which have examined member performance or competence as an antecedent of LMX have assessed member performance based on leader ratings of member performance. In many studies this is problematic as it is difficult to determine the direction of causality. Further, leader ratings of member performance may be an inadequate measure of member competence due to biases associated with performance ratings. In fact, Duarte, Goodson, and Klich (1993, 1994) found that in both the short run and the long run, the performance of members in high-quality exchanges were rated high, regardless of their objectively measured performance. In contrast, performance ratings for members in low-quality exchanges were consistent with their objective performance in the short run but high in the long run, regardless of objective performance. In addition to the bias explanation, leader-member interactions associated with high-quality exchanges may cause members in these dyads to be better performers. As noted by Turban and Jones (1988), a positive leader-member working relationship may enable the member to perform at a higher level. Similarly, Kingstrom and Mainstone (1985) found that leaders' ratings of personal acquaintance with their members were positively related to performance ratings and to actual sales productivity. These studies suggest that bias as well as actual differences in performance may affect performance ratings and subsequently LMX.

In addition to member performance or competence, personality traits have been investigated as potential determinants of LMX. These include member affectivity, locus of control, growth need strength, and introversion/extroversion. As discussed above, member negative affect, but not positive affect, moderated the member ability and leader LMX relationship (Day & Crain, 1992). That is, when a member was low on negative affect, the relationship between ability and LMX was positive whereas when a member was high on negative affect there was a slight negative relationship between ability and exchange quality. Examining three other personality traits, Phillips and Bedeian (1994) found member extroversion to be positively related to member reports of LMX but no support for member growth need strength

or member locus of control as determinants of LMX. In contrast, a study by Kinicki and Vecchio (1994) reported a positive relationship between member locus of control and LMX. Finally, Uhl-Bien, Tierney, Graen, and Wakabayashi (1990) found member belief in company paternalism to be positively related to LMX in Japanese companies. This variable, belief in company paternalism, is similar to growth need strength.

A third set of member characteristics that have been explored as antecedents of LMX is member upward influence behavior. As argued by Dienesch and Liden (1986) and Liden and Mitchell (1989), LMX may be influenced by factors other than member performance or competence including upward influence behavior. Providing support for this contention, Wayne and Ferris (1990) found that member ingratiation behavior directed toward the leader indirectly influenced LMX through its impact on liking. Consistent with this finding, other enhancement and opinion conformity were positively related to LMX in a study by Deluga and Perry (1994). A broader set of member upward influence behavior was included in studies by Deluga and Perry (1991) and Dockery and Steiner (1990). Specifically, member self-reports of bargaining, assertiveness, higher authority, and coalition were negatively related to member reports of LMX (Deluga & Perry, 1991). Similarly, member self-reports of ingratiation and rationality were positively related and assertiveness negatively related to member LMX (Dockery & Steiner, 1990). However, leader reports of member ingratiation, assertiveness, and rationality were not significantly related to leader LMX (Dockery & Steiner, 1990).

Leader Characteristics

Conceptualizations of LMX development suggest that the leader rather than the member has more control over the quality of exchange that develops between the leader and member. Specifically, the leader's perceptions and evaluations of the member are critical in determining the leader's behavior toward the member including the amount of delegation given to the member (Bauer & Green, 1996). In turn, leader delegation affects the quality of exchange. As a result, more studies have examined how member characteristics affect leader perceptions of the member rather than how leader characteristics may influence member perceptions of the leader and the resulting exchange. Yet, leader characteristics may be important in determining whether a member desires and accepts a high-quality exchange offered by the leader. For example, a member may be reluctant to develop a high-quality exchange with an incompetent or powerless leader.

Only one study has examined leader characteristics as antecedents of LMX. Day and Crain (1992) investigated leader ability and leader affectivity on member LMX. Neither leader ability nor leader negative affectivity were significantly related to LMX. However, there was a positive relationship

between leader positive affectivity and member LMX. Members reported establishing higher LMXs with leaders who were high, rather than low, on positive affectivity.

Interactional Variables

Rather than focusing on member and leader characteristics separately, researchers have investigated interactional variables as determinants of LMX. Specifically, theory on the LMX developmental process has suggested that compatibility between leader and member may affect the type of exchange that ultimately forms (Dienesch & Liden, 1986; Graen & Cashman, 1975). The effect of compatibility between leader and member on LMX has been examined in terms of actual similarity, liking, and perceived similarity.

The most common approach to examining actual similarity is to assess leader and member demographics. In a study using Junior Achievement Companies, Dachon et al. (1986) found that in-groups were composed of more women in comparison to out-groups and in-group members tended to have higher class status (junior and senior students). Because most of the leaders had higher class status and were female, the results suggested that leader and member demographic similarity might be related to LMX. Contrary to this finding, McClane (1991a) and Bauer and Green (1996) did not find a significant relationship between gender similarity and LMX. Adapting the approach used by Turban and Jones (1988), Liden et al. (1993), combined several demographic variables (gender, race, education, age) to create a demographic similarity variable. Their study did not find a significant relationship between demographic similarity and LMX. Finally, gender similarity, but not age or education similarity, was significantly related to LMX (Green, Anderson, & Shivers, 1996).

In addition to demographic similarity, the effect of actual similarity between leader and member on LMX has been investigated in terms of similarity in competence and personality. Interestingly, Snyder and Bruning (1985) found that when leader and member competence levels were similar or congruent (both high or both low), LMX was higher than when competence levels were incongruent. Thus, low-competence leaders developed higher LMXs with low-competence members and high-competence leaders developed higher LMXs with high-competence members. It should be noted that competence was based on self-perceptions reported by members and leaders. Two studies examined leader and member similarity in terms of personality and LMX. McClane (1991a) found that leader and member similarity in terms of need for power was positively associated with LMX. However, leader and member similarity in terms of locus of control, need for achievement, and least preferred co-worker was not significantly related to LMX. Bauer and Green (1996) examined similarity in the leader's and member's positive affectivity on LMX

development. They found that personality similarity was related to leader judgments about the member's performance which in turn was related to LMX.

Extending the social psychology literature on interpersonal relationships and interpersonal attraction, LMX researchers examined liking and perceived similarity as antecedents of LMX. In both lab and field studies, Wayne and Ferris (1990) found leader liking of the member to be positively related to LMX. Support for a positive relationship between liking and LMX also was found in studies by Dockery and Steiner (1990), Liden et al. (1993), and Wayne, Shore, & Liden (1997). Finally, studies have consistently found perceived similarity to be positively related to LMX (Liden et al., 1993; Phillips & Bedeian, 1994).

A final interactional variable that has been examined in relation to LMX is member and leader expectations of each other. It was predicted that positive leader (member) expectations of a member (leader) regarding work competence and similarity would be associated with higher LMXs. Liden et al. (1993) found that leaders' expectations of members and members' expectations of leaders were strong predictors of LMX. In fact, leaders' expectations of members were much better predictors of leader LMX than were performance ratings. Focusing on leader expectations, Wayne et al. (1997) also found support for the positive relationship between leader expectations of the member and LMX.

Contextual Variables

Dienesch and Liden (1986) recognized that contextual factors might influence LMX development. They identified work group (unit) composition, a leader's power, and organizational policies and culture as being particularly important. Surprisingly, only two studies have examined contextual factors in relation to LMX development. Leader workload and a similar construct, time-based stress, have been examined in two studies. Kinicki and Vecchio (1994) found that leaders who felt greater time-pressure tended to have less differentiation among their members and higher-quality exchanges with members. However, Green et al. (1996) found a marginally significant negative relationship between workload and LMX. Green et al. also found that larger amounts of financial resources was positively related and larger group size was negatively related to LMX. These initial studies suggest that LMX processes can be constrained by the context. In other words, organizational characteristics may constrain a leader and thus place boundaries on LMX development. Future research is needed that examines other organizational characteristics which may constrain the development of LMX such as organizational culture, technology, and physical distance between the leader and member (Napier & Ferris, 1993).

Conclusions from Research on Antecedents of LMX

This review provides a number of insights concerning antecedents of LMX. First, studies have examined a fairly diverse set of antecedents including member characteristics, leader characteristics, interactional, and contextual variables. Of these, member characteristics and interactional variables have received the most attention. Additional research is needed that examines the role of leader characteristics and contextual variables in the LMX developmental process. Second, this review suggests that LMX is not based solely on member performance as emphasized in the role-making model (Graen & Scandura, 1987). Rather, there is strong support for member ingratiation behavior and affect (liking and perceived similarity) as antecedents of LMX. It may be that various antecedents become important or salient at different points during the developmental process. For example, performance may be important as the member completes the first few task assignments. After performing well on initial assignments, affect may become dominant in determining the quality of exchange. At this point, member ingratiation behavior may influence leader perceived similarity and liking of the member. Thus, performance may become an important but insufficient factor in determining LMX.

In terms of future research, longitudinal studies using newly-formed dyads are needed in order to explore causality between LMX and potential antecedents. In fact, it may be useful to begin data collection before the member and leader work together such as during the interview process (Liden et al., 1993) in order to examine the relative importance of leader expectations versus member behavior on LMX. Additionally, future research on antecedents should examine LMX as a multidimensional construct. As noted by Dienesch and Liden (1986), LMXs may be based primarily on the exchange of work-related contributions, loyalty, or affect. In turn, the antecedents of LMX may depend on whether the exchange is based primarily on work-related contributions, loyalty, or affect. For example, perceived similarity may be an important antecedent for affect-based LMXs whereas competence and skills may be predictors of contributions-based LMXs.

CONSEQUENCES OF LMX

Theoretical Framework for LMX Consequences

The central theoretical premise behind relations between LMX and outcomes is that roles based strictly on the employment contract will result in less positive consequences for members than will roles that have developed beyond what is expected according to the employment contract (Graen, 1976;

Liden & Graen, 1980). Quite simply, members who receive more information and support from the leader and who engage in tasks that require challenge and responsibility are expected to have more positive job attitudes and engage in more positive behaviors than members whose support is limited to what is required by the employment contract.

Empirical Research on LMX Consequences

The vast majority of empirical research on LMX, especially during the initial period from 1975 to 1985, focused on the outcomes or consequences of LMX. As shown in Table 2, nearly all research on the consequences of LMX has been conducted in field settings. A fairly comprehensive set of individual and organizational outcomes has now been examined in LMX research, including a number of different attitudes and behaviors.

Attitudes and Perceptions

Strong support has been found for the relation between LMX and work attitudes. Consistent with a general premise of LMX, Scott and Bruce (1994) found LMX to be positively related to member perceptions of the extent to which leaders provided a supply of resources and support for innovations. It has also been found that LMX is positively correlated with member perceptions of the costs of seeking help from the leader (Anderson & Williams, 1996). Overall job satisfaction has been consistently found to be positively related to LMX (Dansereau et al., 1975; Major, Kozlowski, Chao, & Gardner, 1995; Schriesheim, Neider, Scandura, & Tepper, 1992a; Seers & Graen, 1984; Vecchio & Gobdel, 1984; Vecchio, Griffeth, & Hom, 1986; Wilhelm, Herd, & Steiner, 1993). Similarly, LMX has been shown to be associated with perceptions of organizational climate. For example, Kozlowski and Doherty (1989) found that high LMX members reported a more positive climate than did low LMX members on 7 of 8 climate scales tested, including job understanding, responsibility, teamwork, and intergroup cooperation. Also, Dunegan, Tierney, and Duchon (1992b) found LMX to be significantly correlated with 5 of 6 climate scales, including autonomy, recognition, and encouragement.

Satisfaction with the leader has typically been positively related to LMX (Dansereau et al., 1975; Duchon et al., 1986, Time 1; Green et al., 1996; Seers, 1989; Seers & Graen, 1984; Vecchio & Gobdel, 1984; Vecchio et al., 1986), but not always (Duchon et al., 1986, Time 2; Graen & Ginsburgh, 1977; Liden & Graen, 1980). Similarly, results have been mixed for other satisfaction facets: work, pay, and promotions. LMX has been found to be positively related to satisfaction with the work itself in some studies (Seers, 1989; Vecchio et al., 1986) but not in others (Graen & Ginsburgh, 1977; Liden & Graen, 1980; Seers

Table 2. Consequences of LMX

Author(s)	Consequence Examined and Source ¹	Type of Study	Sample Characteristics	Measure and Source of LMX ^{1,2}
Anderson & Williams (1996)	Organizational citizenship behavior (L)	Field	131 nurses and their supervisors representing three midwestern hospitals.	LMX-7 (M & L) (Scandura & Graen, 1984)
Cashman, Dansereau, Graen, & Haga (1976)	Job problems (M & L)	Field	60 university housing division administrators and their 17 superiors.	2-item Negotiating Latitude (M)
Dansereau, Graen, & Haga (1975)	Dyad problems (M & L) Leader attention and support (M) Satisfaction (M) Turnover (A) Work activities (M & L)	Field	60 university housing division administrators and their 17 superiors.	2-item Negotiating Latitude (M)
Duarte, Goodson, & Klich (1993, 1994)	Performance (M & A)	Field	261 telephone employees and their 25 supervisors.	LMX-7 (M) (Scandura & Graen, 1984)
Duchon, Green, & Taber (1986)	Commitment (M) Influence (M) Job enrichment (M) Satisfaction with supervisor/president (M)	Field	531 high school students; members of Junior Achievement groups.	Based on members' naming the 3 members with the best and the 3 members with the worst working relationship with the leader.
Dunegan, Duchon, & Uhl-Bien (1992a)	Performance (L) Effect of LMX on Performance as moderated by task analyzability and variety.	Field	152 employees from a university medical center.	LMX-7 (M) (Scandura & Graen, 1984)
Dunegan, Tierney, & Duchon (1992b)	Climate (M)	Field	198 chemical company employees.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Fairhurst (1993)	Communications (M & L)	Field	16 manufacturing employees and their 6 superiors.	LMX-7 (M) (Scandura & Graen, 1984)

(continued)

Table 2. (Continued)

Author(s)	Consequence Examined and Source ¹	Type of Study	Sample Characteristics	Measure and Source of LMX ^{1,2}
Fairhurst & Chandler (1989)	Communications (M & L)	Field	3 warehouse employees and their immediate supervisor.	LMX-7 (M) (Scandura & Graen, 1984)
Fairhurst, Rogers, & Sarr (1987)	Communications (Leader dominance) (M & L)	Field	45 manufacturing employees and their 18 superiors.	LMX-7 (M) (Scandura & Graen, 1984)
Ferris (1985)	Turnover (A)	Field	68 nurses and their immediate supervisors from a midwestern hospital.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Graen & Cashman (1975)	Work attitudes (M & L)	Field	109 leader-member dyads from a midwest university.	4-item Negotiating Latitude (M & L)
Graen & Gimburch (1977)	Motivating Potential Score (M) Performance (L) Promotions (A) Resignation (turnover) (A) Satisfaction: work, supervision, overall (M)	Field	89 clerical/staff members and their immediate supervisors from a midwest university.	2-item Negotiating Latitude (M & L)
Graen, Liden, & Hoel (1982)	Turnover (A)	Field	48 systems analysts and computer programmers of large public utility.	5-item LMX (M)
Graen, Novak, & Sommerkamp (1982)	Productivity (A)	Field	106 government forms processing employees and their immediate supervisors.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Graen & Schiemann (1978)	Leader-member agreement (M & L)	Field	109 leader-member dyads from a midwest university, and a "check" sample of 41 dyads from a "south-central" university.	4-item Negotiating Latitude (M) (Liden & Graen, 1980)
Green, Anderson, & Shivers (1996)	Commitment (M) Satisfaction—working relationships (M) (composite of co-worker and supervisor satisfaction)	Field	208 library staff employees (members) and their leaders.	LMX-7 (M) (Scandura & Graen, 1984)

Hersman, Greenberger, & Ananyuo (1989)	Attributions (L)	Field	100 managers (leaders) representing 37 organizations.	Thinking of best and worst subordinates (L) (based on Duchon et al., 1986)
Judge & Ferris (1993)	Affect (liking) of the subordinate (L) Performance rating—indirect effect through liking (L)	Field	81 nurses and their 27 immediate supervisors from a midwestern hospital.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Keller & Dansereau (1995)	Dyadic problems (L) Performance rating (L) Satisfaction with subordinate (L) Support for self-worth (L)	Field	92 leader-member dyads representing several levels of a midwest computer company.	4-item Negotiating Latitude (M) (Liden & Graen, 1980)
Kinicki & Vecchio (1994)	Organizational commitment (M)	Field	138 loan officers (members) and 15 branch managers (leaders) of a large bank.	LMX-7 (M) (Scandura & Graen, 1984)
Kozlowski & Doherty (1989)	Climate (M & L)	Field	165 manufacturing employees and their 16 superiors.	LMX-7 (M) (Scandura & Graen, 1984)
Kramer (1995)	Feedback (M) Social support	Field	69 transferees (Time 1 data concerned "old" supervisor; T2, 3, and 4 the new supervisor) representing 15 public and private sector organizations.	Sorting of subordinates into In/Middle/Out groups (M)
Lee & Jablin (1995)	Relationship maintenance behaviors (M)	Field	Study 2: 52 supervisors and 291 subordinates from 8 organizations (e.g., hotel, bank, hospital, grocery).	LMX-7 (M) (Scandura & Graen, 1984) Sorting of subordinates into In/Middle/Out groups (L)
Liden & Graen (1980)	Job needs (M & L) Job problems (M & L) Interpersonal sensitivity of the leader (M & L) Performance rating (L) Satisfaction, with work, supervision (M & L) Willingness to contribute (M & L) Work activities (M & L)	Field	41 leader-member dyads representing foreman and managers of a "medium-sized" university.	4-item Negotiating Latitude (M & L)

(continued)

Table 2. (Continued)

Author(s)	Consequence Examined and Source ^b	Type of Study	Sample Characteristics	Measure and Source of LMX ^{a,2}
Liden & Maslyn (in press)	Autonomy (M) Organizational commitment (M) Performance rating (L) Satisfaction with work (M) Satisfaction with supervision (M) Turnover intentions (M)	Field	68 leader-member dyads from a large manufacturing corporation. Analyses of organizational commitment were conducted with a sample of 182 employees from Sparrowe (1994).	LMX-MDM (M; 11 items) (Liden & Maslyn, in press) [Multidimensional]
Major, Kozlowski, Chao, & Gardner (1995)	Satisfaction—overall (M) Organizational commitment (M) Turnover intentions (M)	Field	224 graduating seniors; data collected before starting a job and an average of 4 weeks after starting a job.	LMX-7 (M) (Scandura & Graen, 1984)
McClane (1991b)	Satisfaction with leader task, and co-workers (M)	Lab	174 undergraduates (members) and 29 MBAs (leaders).	4-item Negotiating Latitude (M) (Liden & Graen, 1980)
Nystrom (1990)	Organizational commitment (M)	Field	171 middle to upper level managers and their immediate superiors.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Scandura, Graen, & Novak (1986)	Decision influence (M & L)	Field	52 salaried manufacturing company and their immediate superiors.	LMX-7 (M & L) (Scandura & Graen, 1984)
Scandura & Schriesheim (1994)	Performance ratings (L) Promotion rates (A and/or M) Salary rates (A and/or M)	Field	183 mid-level managers and their immediate superiors from a high-tech midwestern manufacturing firm.	LMX-7 (M & L) (Scandura & Graen, 1984)
Schriesheim, Neider, Scandura & Tepper (1992)	Decision making—autocratic, delegative (M) Job Satisfaction (M) Organizational commitment (M) Performance ratings—second sample only (L)	Field	Sample 1: 281 executive MBA students and; Sample 2: 115 manual labor and clerical employees from a flower importing company.	LMX-6 (M) [multidimensional]

Scott & Bruce (1994)	Support for innovation (M) Resource supply (M) Innovative behavior (L)	Field	172 engineers, scientists, and technicians from the R&D area of a major U.S. corporation.	14-item LMX (M) (Wakabayashi et al., 1990)
Seers (1989)	Satisfaction with—work, supervision, co-workers, pay, and general satisfaction (M)	Field	178 unionized hourly employees from an automotive manufacturer.	LMX-7 (M) (Scandura & Graen, 1984)
Seers & Graen (1984)	Performance rating (L) Satisfaction—overall, general, growth, social, supervisor, security, intrinsic work, pay, promotions (M)	Field	101 government forms processing employees.	LMX-7 (M) (Scandura & Graen, 1984)
Settoon, Bennett, & Liden (1996)	Citizenship behavior (L) In-role behavior (L) Organizational commitment (M)	Field	102 non-supervisory hospital employees and their 26 immediate supervisors.	LMX-13 (Liden & Maslyn, 1993) [multidimensional]
Sias & Jablin (1995)	Fairness perceptions (M) Communications with coworkers	Field	29 employees representing different organizations participated in 2-hour interviews.	LMX-7 (M) (Scandura & Graen, 1984)
Sparrowe (1994)	Empowerment (M) Satisfaction with pay and promotions Turnover intentions	Field	182 employees representing 33 urban hotels, motels, restaurants, and institutional foodservice institutions.	LMX-13 (Liden & Maslyn, 1993) [multidimensional]
Vecchio (1985)	Turnover (A)	Field	45 bank tellers.	4-item Negotiating Latitude (M) (Liden & Graen, 1980)
Vecchio & Goldel (1984)	Objective performance (A) Performance rating (M & L) Satisfaction—overall and supervision (M) Turnover intentions (M)	Field	45 bank tellers and their 12 branch managers.	4-item Negotiating Latitude (M) (Liden & Graen, 1980)
Vecchio, Griffith, & Horn (1986)	Organizational fairness (M) Satisfaction—overall, promotion, pay supervisor, co-workers, and work (M) Turnover (A)	Field	192 hospital employees.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)

(continued)

Table 2. (Continued)

Author(s)	Consequence Examined and Source ¹	Type of Study	Sample Characteristics	Measure and Source of LMX ^{2,3}
Wakabayashi & Graen (1984)	Bonus (A) Promotability index (A) Salary (A) Speed of promotion (A)	Field	72 employees of a large Japanese department store.	12-item LMX (M & L)
Wakabayashi, Graen, Graen, & Graen (1988)	Bonus (A) Performance rating (L) Promotability index (A) Salary (A) Speed of promotion (A)	Field	71 employees of a large Japanese department store.	12-item LMX (M & L) (Wakabayashi & Graen, 1984)
Wakabayashi, Graen, & Uhl-Bien (1990)	Company investment (M) Self-investment (M)	Field	1075 line managers from five leading Japanese corporations.	14-item LMX (M & L)
Waldron (1991)	Relationship maintenance tactics (M)	Field	518 working adults from a cross-section of manufacturing, service, and professional organizations.	5-item LMX (M) (Graen, Liden, & Hoel, 1982)
Wayne & Green (1993)	Impression management (M) Organizational citizenship behavior (M)	Field	73 nurses and their 16 superiors.	LMX-7 (M & L) (Scandura & Graen, 1984)
Wayne, Shore, & Liden (1997)	Affective Commitment (M) Favor doing (M) Organizational citizenship behavior (L) Performance ratings (L) Turnover intentions (M)	Field	252 leader-member dyads from a large U.S. corporation.	LMX-7 (M) (Liden et al., 1993)
Wilhelm, Herd, & Steiner (1993)	Equity perceptions (M) Job satisfaction (M) Turnover intentions (M)	Field	141 managerial leader-member dyads from a large manufacturing organization.	LMX-7 (M) (Scandura & Graen, 1984)

Notes: ¹ M = variable assessed based on member reports; L = variable assessed based on leader reports; A = archival data.

² Study cited in parentheses contains number of items and and source for the particular LMX measure used. When a source is not provided, that article is the source.

& Graen, 1984). Satisfaction with pay has been shown to be positively related to LMX (Seers, 1989; Sparrowe, 1994; Vecchio et al., 1986) or unrelated (Seers & Graen, 1984). Following the same pattern, promotion satisfaction has been related to LMX in some studies (Seers, 1989; Sparrowe, 1994; Vecchio et al., 1986), but not in others (Seers & Graen, 1984). Co-worker satisfaction has not been examined in many studies, but when it has, it tends to show a positive association with LMX (Green et al., 1996; Seers, 1989; Vecchio et al., 1986; cf. Liden & Maslyn, in press).

LMX has been shown to be related to perceptions of job problems, such as impediments to change (Cashman, Dansereau, Graen, & Haga, 1976) and dyadic (supervisor-subordinate) problems (Dansereau et al., 1975; Keller & Dansereau, 1995; cf. Liden & Graen, 1980). But perhaps more interesting, significantly higher agreement on job problems has been found for high LMXs than for low LMXs (Graen & Schieman, 1978).

Consistent support has been found for a positive association between LMX and organizational commitment (Duchon et al., 1986; Green et al., 1996; Kinicki & Vecchio, 1994; Major et al., 1995; Nystrom, 1990; Schriesheim et al., 1992a; Settoon, Bennett, & Liden, 1996; Wayne et al., 1997). However, three of these studies which employed structural equation modeling revealed findings that qualify the simple correlation between LMX and commitment. In particular, Green et al. (1996) found stronger support for an indirect effect of LMX to commitment through satisfaction with working relationships (composite of co-worker and supervisor satisfaction). On the other hand, Settoon et al. (1996) and Wayne et al. (1997) both found models including a path from perceived organizational support to commitment to have equal, yet more parsimonious, fit than models which also included a path from LMX to commitment. In other words, perceived organizational support dominated LMX in the prediction of organizational commitment. One explanation for these findings is that receipt of support from the organization creates an obligation to reciprocate (Gouldner, 1960), and being committed to the organization represents a form of repayment. It follows that the relationship between perceived organizational support and commitment can be interpreted as evidence of a social exchange relationship between the organization and an individual. Thus, these results suggest the importance of examining LMX relationships along with other social exchange relationships in which organizational participants may engage.

In summary, LMX has been found to be related to a variety of employee attitudes. The most consistent support has been found for the relation between LMX and overall satisfaction and supervisor satisfaction. Satisfaction with pay and promotions received weaker support, probably because many factors other than leadership contribute to these facets of satisfaction. However, a limitation in many of the above investigations was that LMX and attitudes were both measured from the member's perspective, introducing the possibility of a common method variance problem.

Behaviors

LMX has been found to be related to the nature of members' work activities. In particular, LMX has been shown to be positively associated with involvement in boundary spanning, decision making, communications, liaison activities (Dansereau et al., 1975; Graen & Cashman, 1975; Liden & Graen, 1980; Scandura, Graen, & Novak, 1986; Schriesheim et al., 1992a), and innovative behaviors (Scott & Bruce, 1994). Similarly, Sparrowe (1994) found a significant association between LMX and member perceptions of the degree of empowerment. Despite these apparent differences in work activities based on LMX, perceptions of jobs as assessed with Hackman and Oldham's (1975) Job Diagnostic Survey have not demonstrated a significant relation between LMX and job enrichment (Duchon et al., 1986; Graen & Ginsburgh, 1977; Seers & Graen, 1984). Similarly, a measure of task variety did not produce a significant correlation with LMX (Dunegan, Duchon, & Uhl-Bien, 1992a). Based on the perspective that task delegation or role making dominates the formation of LMX relationships (Graen & Scandura, 1987; Graen & Uhl-Bien, 1995), a strong positive correlation would have been expected between job characteristics and LMX. The lack of significance may be interpreted as partial evidence of the multidimensional nature of LMXs. In the aforementioned studies (Duchon et al., 1986; Dunegan et al., 1992a; Seers & Graen, 1984), it is possible that many of the LMXs were not based on the work itself, but perhaps on another dimension, such as liking or loyalty (Dienesch & Liden, 1986).

A substantial body of research on communication behaviors within the context of leadership has been developing, especially in the past ten years (Fairhurst, *in press*). Pioneering work by Schieman (1977) showed frequency of communication to be positively related to LMX. In the communication literature, studies based on the analysis of conversation transcripts have found different interaction patterns between leaders and members as a function of LMX. For example, LMX was found to be negatively related to the degree to which leaders dominated subordinates in communications (Fairhurst, Rogers, & Sarr, 1987). Extending this research, Fairhurst (1993) identified three major types of communication behaviors, aligning, accommodating, and polarizing, which were then assessed with respect to LMX. Aligning behaviors include communications characterized by "values congruence, non-routine problem solving, insider joking, support, and coaching" (p. 343), whereas polarizing communications involve such distancing behaviors as "performance monitoring, competitive conflict, and power games" (p. 344). In between these two extremes, accommodating behaviors include role negotiation, choice framing, and polite disagreement (p. 344). Fairhurst (1993) found that high LMXs were characterized both by aligning and accommodating behaviors while polarizing behaviors were predominant in low LMXs. Accommodating

and polarizing behaviors were prevalent in medium LMXs, although aligning behaviors also occurred occasionally.

Recent communication research has examined consequences of LMX within varying contexts. Following Dienesch and Liden's discussion of differences in LMX development between dyads including newcomers to the organization versus dyads including a transferee, Kramer (1995) investigated the formation of LMXs in a sample of transferees. Using a longitudinal design covering one year, Kramer found that "middle-group LMX" members reported fewest unmet expectations and greatest affective support, while "out-group" members, who in turn reported the most unmet expectations and the least affective support. These results may be explained by the method used to create the LMX, in-middle-out trichotomy, which resulted in 74% of the sample being categorized as being middle-group members. Following exploratory work by Waldron (1991), Lee and Jablin (1995) investigated the neglected issue of how LMX influences relationship maintenance. These researchers examined variance in maintenance behaviors across three levels of relationship stability: Deteriorating relationships; highly stable or routine relationships; and escalating or improving relationships. Although leaders did not report engaging in different communication behaviors as a function of relationship stability, differences were found among subordinates. As expected, in-group members reported using different communication behaviors than did out-group members across the three types of relationship stability. For example, out-group members were more likely to use deception and distortion in deteriorating relationships than in-group members. In escalating relationships, out-group members were more likely to use avoidance communication behaviors than were in-group members. These results parallel those of Fairhurst (1993) who found that in maintaining in-group relationships, members engage in collegial communication behaviors that enhance perceptions of similarity and are characterized by mutual support. Sias and her colleagues (Sias, 1996; Sias & Jablin, 1995) have examined another contextual issue, the effect of LMX on communications among coworkers. In this program of research, it was found that out-group members discussed more incidents of the leader's differential treatment in conversations with fellow coworkers (Sias & Jablin, 1995). Out-group members were found to perceive differential treatment as being unfair, while in-group members felt that differentiation by the leader was fair. In a follow-up study, it was found that members' perceptions of the leader's differential treatment of work group members was partially based on what members learned from discussions with coworkers (Sias, 1996).

In nearly all studies, supervisory performance ratings have been positively correlated with LMX (Duarte et al., 1993, 1994; Dunegan, et al., 1992a; Graen & Ginsburgh, 1977; Judge & Ferris, 1993; Liden & Graen, 1980; Scandura & Schriesheim, 1994; Schriesheim et al., 1992a; Seers & Graen, 1984; Settoon

et al., 1996; Wakabayashi, Graen, Graen, & Graen, 1988; Wayne et al., 1997; cf. Keller & Dansereau, 1995). However, these results are confounded by virtue of the fact that the leader who engages in an exchange with each subordinate is the one who rates the performance of members (Dienesch & Liden, 1986). In one of the few studies to include both subjective ratings and objective measures of performance, Vecchio and Gobdel (1984) found with a sample of bank tellers that subjective, but not objective, performance measures were predicted by LMX. However, the objective measures focused only on teller differences (over or short balancing errors); other important teller behaviors, such as quality of interaction with customers, were not assessed. Similarly, Duarte et al. (1993, 1994) found LMX to be related to subjective ratings, but not to an objective performance measure. Interestingly, these researchers found a significant interaction between LMX and objective performance on subjective ratings, such that the ratings of low LMX individuals were consistent with their objective performance, while high LMX members enjoyed high ratings regardless of their objective performance levels.

In a rare field experiment, the objective performance of form processing federal government employees increased as the result of "LMX training" provided to their managers (Graen, Novak, & Sommerkamp, 1982b). The training intervention was designed to increase LMX for all members. Surprisingly, despite the significant effects for objective performance, the training did not influence subjective ratings made by the leaders. This finding may be due to the possibility that by training leaders to improve their relationships with all subordinates, leaders may have strived to treat members equally, rather than to differentiate between them. This may have resulted in little variability in LMX or the performance ratings. Such restriction of range may have attenuated correlations involving these variables.

Several studies have examined extra-role or citizenship behaviors in relation to LMX. It is important that this relation be established given that LMX theory stresses that higher LMXs are characterized by members who engage in behaviors that extend beyond the employment contract (Graen, 1976). An early study found that high LMX members were inclined to engage in extra time and effort for the benefit of the work unit than did lower LMX members (Liden & Graen, 1980). Subsequent to this study, organizational citizenship behavior was introduced as a construct (Bateman & Organ, 1983). Research findings have indicated a positive relation between LMX and organizational citizenship behavior (Anderson & Williams, 1996; Settoon et al., 1996; Wayne & Green, 1993). Interestingly, Settoon et al. measured LMX from members and organizational citizenship behaviors from leaders, while Wayne and Green assessed LMX from leaders and organizational citizenship behaviors from members.

Correlations between actual turnover and LMX have been inconsistent, with some studies finding a significant negative relation (Dansereau et al., 1975;

Ferris, 1985; Graen & Ginsburgh, 1977; Graen, Liden, & Hoel, 1982a), but others finding a nonsignificant correlation (Vecchio, 1985; Vecchio et al., 1986). Surprisingly few investigations have examined the relation between LMX and turnover intentions. Significant negative correlations with LMX were found in these studies (Major et al., 1995; Sparrowe, 1994; Vecchio & Gobdel, 1984; Wayne et al., 1997; Wilhelm et al., 1993). Common method variance may provide one explanation for these significant correlations. Interestingly, investigations in which LMX was tested along with other variables in structural equation models, the path from LMX to turnover intentions was not significant (Sparrowe, 1994; Wayne et al., 1997). However, in Wilhelm et al.'s (1993) study, LMX was significant when entered with equity perceptions and job satisfaction in a regression model. Perhaps the best way to address the common method variance issue is to assess actual turnover rather than turnover intentions when possible.

Moderators of Relations Between LMX and Consequences

Just as few studies have examined moderators between antecedents and LMX (cf. Day & Crain, 1992), relatively few studies have examined possible moderators of relations between LMX and outcomes. Such studies are needed, especially for variables that have produced inconsistent results. For example, the inconsistent findings with respect to turnover might be addressed by searching for moderators to ascertain those situations in which LMX is predictive of turnover. One possible moderator of the LMX-turnover relation is job mobility. Participants in the Graen et al. (1982a) study revealed that they were contacted several times per month by other organizations or by search firms concerning their interest in switching companies. With such high job mobility opportunities, most participants who wanted to leave the organization could do so quite easily. Conversely, when employees do not enjoy alternative job opportunities, restriction of range in turnover will occur, and this, in turn, will affect the correlation between LMX and turnover.

Performance is another outcome variable that has not been consistently predicted by LMX, and may benefit from a search for moderators. Initial support for moderators was provided by Duarte et al. (1994) who found dyadic tenure to moderate the relation between LMX and performance. The LMX to performance relation also appears to be moderated by analyzability of tasks (i.e., clarity concerning how to complete tasks) and task variety (Dunegan et al., 1992a). Similarly, with respect to organizational climate as an outcome variable, Dunegan et al. (1992b) found a significant interaction between LMX and members' assessment of exchanges with fellow coworkers. Climate perceptions were more positive for those who felt that their exchanges both with coworkers and with leaders were good, than with individuals who reported only one or neither of these relationships to be favorable. Investigations

examining moderators of other LMX-consequences relations are needed so that the effects of LMX can be better understood.

In summary, LMX is related to a number of employee behaviors. The most consistent findings are for work activities, decision-making influence, subjective performance ratings, communications, and organizational citizenship behaviors. The relatively few studies that have examined relations between LMX and objective measures of performance have typically not found significant results. Results for turnover have been inconsistent, while the relation between LMX and turnover intentions tends to be significant and negative although weak and based on few studies. Research on the relation between LMX and member behaviors, especially performance and organizational citizenship behaviors, would be enhanced by collecting behavioral data from a source that is independent of the leader-member dyad, so that the possibility of confounds can be reduced.

Outcomes Provided by the Organization

A handful of studies have examined the relation between LMX and outcomes provided by the organization, such as promotions, bonuses, and salary increases. Using a longitudinal design, LMX, assessed during the first three years of employment, predicted career progression of managers in Japan at seven and 13 years (Wakabayashi & Graen, 1984; Wakabayashi et al., 1988). Because these managers were promoted (changed supervisors) several times during the first three years, LMX was measured six times during this period and the reported results reflect the average scores across these observations (Wakabayashi et al., 1988). Managers with high LMXs in their early positions enjoyed greater progress into upper management.

However, in several studies conducted in the United States, the correlation between LMX and promotions was not significant (Graen & Ginsburgh, 1977; Scandura & Schriesheim, 1994; Wayne et al., 1997). Several explanations for these results are possible. In addition to the possibility of cultural differences, the difference in results may be due to the length of time that promotions were studied. For example, Wakabayashi et al. (1988) examined a period of 13 years as opposed to the six year time span studied by Wayne et al. (1997).

Although few studies have been conducted on salary and LMX, the few that are available have found mixed results. Wakabayashi and Graen (1984) and Wakabayashi et al. (1988) found a strong positive relation between LMX and salary, but Scandura and Schriesheim (1994) did not find a significant effect. Many situational variables, such as leader control of salary increases and money available for salary increases, may moderate the relation between LMX and salary. It is recommended that such situational variables be included in future research.

Only one study has examined the association between LMX and bonuses. At two points in time these variables were found to be significantly related (Wakabayashi & Graen, 1984; Wakabayashi et al., 1988). Similarly, one study found a strong association between LMX and "company investment" (Wakabayashi, Graen, & Uhl-Bien, 1990) which is a member's perception of the degree to which the organization assists employees in their career progress and utilizes employee potential. It is a construct that appears to overlap with perceived organization support (Eisenberger, Cotterell, & Marvel, 1987; Eisenberger, Fasolo, & Davis-LaMastro, 1990). Settoon et al. (1996) have found LMX and perceived organization support to be correlated. More specifically, research utilizing structural equation modeling has revealed that LMX and perceived organizational support are reciprocally related (Wayne et al., 1997).

In summary, relatively few studies have investigated associations between LMX and outcomes provided by the organization. Results for salary and promotion have been mixed, whereas positive relations have been found between LMX, bonuses, and perceived organizational support.

Conclusions from Research on LMX Consequences

LMX has been found to be related to an impressive set of important individual and organizational outcomes. Some inconsistencies in results have occurred, but for the most part, LMX is positively associated with favorable attitudes such as job satisfaction and behaviors such as organizational citizenship. In addition, although many of the early studies involved non-academic units of universities, much subsequent work has been conducted in a wide variety of private sector organizations. Thus, the criticism that generalizability of LMX studies is limited due to the samples employed (Dienesch & Liden, 1986; Miner, 1980; Vecchio & Gobel, 1984) does not seem valid today.

Despite quite thorough coverage of LMX effects on member attitudes and behaviors, not enough research has been conducted on outcomes provided by the organization, such as promotions, to reach conclusions. Similarly, research is needed on outcomes of LMX for leaders and for the organization. It is not known if the differentiation of members characteristic of LMX is beneficial to leaders and organizations. Differentiation may represent a means for best utilizing varying knowledge, skills, and abilities of members. On the other hand, differentiation may lead to perceptions of unfairness (Maslyn, 1996) or unhealthy factions of members which result in lowered group cohesiveness and productivity. The issue of LMX and work group effectiveness is explored in greater detail later in this paper.

A summary of the antecedents and consequences that have been examined in empirical studies of LMX appears in Figure 1.