Decoding LMX Quality Black Box: The Role of Attributions in Leader-Member Relationship Development

ABSTRACT
Leader-member exchange (LMX) theory posits that leaders develop special relationships with certain employees. By and large, prior studies have emphasized the importance of leader–member relationships for a host of important outcomes, including citizenship behaviors, career success and satisfaction. Yet there is a paucity of research examining how these LMX relationships develop over time. Using the framework outlined by Attribution Theory, this paper develops a theoretical model identifying the role of internal and external member attributions on changes in the relationship quality. Specifically we analyze the reactions that may arise from these causal attributions made by the members and we propose how these reactions and feelings impact the self-improvement and consequently the quality of the LMX relationship. In addition, this paper discusses the role of leader in assessing and changing the LMX relationship status. Directions for future research that empirically examines some of these propositions are discussed as well.

KEY WORDS: leadership; leader-member exchange; attributional process.

INTRODUCTION
The study of leadership is inherently a distinctly practical venture (Mumford, Zaccaro, Connelly & Marks, 2000). Research and studies on leadership are made with the goal of improving procedures for assessing leaders’ strengths and weakness and thereby increase awareness of how leaders’ decisions can influence the behavior of organizations or society as a whole. But even a practical field, must be guided by theory. The importance of theory-guided research becomes especially salient in trying to understand a complex and multilevel phenomena such as leadership.

Within the broad area of organizational leadership, leader–member exchange (LMX) theory has emerged as one of the most interesting and useful approaches for explaining the ways in which leaders influence followers (Gerstner & Day, 1997), differing from other leadership theories in its focus on the dyadic exchange relationship between leaders and each of their followers (Gerstner & Day, 1997). Drawing on social exchange theory (Blau, 1964), the central premise of LMX theory is that leaders develop different types of exchange relationships with their followers, ranging from high quality to low quality, and the quality of these relationships affects important member attitudes and behaviors (Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007). With some members, leaders develop high-quality exchanges that are characterized by mutual trust, loyalty, respect, and obligation. These are the “in-group”. With others, they conduct low-quality interactions that rely on the formal employment – they are categorized as a member of “out-group” (Dansereau, Graen, & Haga, 1975; Graen & Uhl-Bien, 1995).

Previous leader-member exchange (LMX) research has mainly examined member outcomes, such as member organizational commitment (Liao, Hu & Chung, 2009), performance (Le Blanc & González-Romá, 2012; Janssen & Van Yperen, 2004) and citizenship behaviors (Sun, Chow, Chiu, & Pan, 2013; Rockstuhl, Soon, Dulebohn & Shore, 2012; Ilies, Nahrgang & Morgeson, 2007), among other attitudes, perceptions, and outcomes (Zhang, Wang & Shi, 2012). However, yet little research exists regarding LMX development process (Dienesch & Liden, 1986). Publications on LMX theory focus less on the description and explanation of the dyadic relation and more on the organizational effectives of leader-follower relationships. So, more than three decades after the first studies (Graen et. Al, 1976; Graen, G. B., Schiemann, 1978), the leader-member exchange developmental process and its dynamics have not been fully explicated.
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The purpose of this study is to advance the research on LMX by investigating how LMX relationship develops and can change over time. It is not known what takes place, after the established relationship, that results in either enhancing or weakening leader-member exchange quality.

Previous research has shown the mechanisms seem to influence the initial quality of the leader-member exchange (Zhang, Wang, & Shi, 2012). Findings suggest that personality and other personal characteristics play an important role (Nahrgang, Morgeson & Ilies, 2009) in the initial interaction. However, it remains unclear what are the dynamics that may influence the development of relations after they are established, i.e., after the initial stage where the quality of the relationship is established and groups "in" and "out" are formed. Can a out-group member become part of the in-group? What's behind of this change? What mechanisms are associated with the maintenance, enhancement or change in the quality of exchanges between the leader and member? These questions remain unanswered.

In order to explore the LMX dynamics and to better understand the mechanisms that may occur for high and low LMX employees throughout dyadic relationships, we develop a conceptual framework, drawing on attribution theory perspective, in which leader and subordinate attributions, evaluations and behaviors are taken into account in an integrated way to explain LMX relations – considering both the leader and the subordinate. The most common practice in existing research has been to examine the relationship solely from the member’s perspective (Scandura & Schriesheim, 1994). Given the emphasis on employees managing their own careers (Greenhaus, 2003; Hall, 1996; Sullivan, 1999), viewing the relationship from both perspectives enables the employee to understand the ways in which they influence the quality of the relationship, as well as understand the ways in which their leader influences the relationship’s quality.

We suggest that causal attributions made by employees may affect the quality of their LMX relationship over time. We begin with an exploration of LMX Theory and Attribution Theory, the theoretical basis of the current study. We then examine the role of causal attributions. We believe that members’ attributions for their LMX quality can trigger reactions and feelings which may reinforce or change the quality of the exchange relationship. Finally, we show leaders’ behavior in the course of relationship development.

Therefore, our focus in this conceptual model is to demonstrate that the relationship between members and leaders is characterized by constant reciprocal actions and reactions as well as related attributions. Hence, the quality of the relationship is not to be conceived as fixed but as constantly developing.

Our goal is not to describe a comprehensive model but to provide insights that may guide future research on LMX and attributions in workgroups. We hope our theoretical model stimulates future theorizing and empirical research.

THEORETICAL BACKGROUND

LMX THEORY

Leader–member exchange (LMX) theory is based on the argument that leaders establish distinguished relationships with employees. According to LMX theory, a dyadic exchange relationship between a leader and a follower is developed over time during a series of exchange processes. The result of these processes is that leaders form unique relationships with each of their individual followers. The quality of these relationships ranges from low to high (Graen & Uhl-Bien,1995).

High-quality exchange relationships (or “in-group”) are characterized by mutual trust, respect, and obligation that generate influence between an employee and his or her supervisor. Low-quality exchange relationship (or “out-group”), on the other hand, are characterized by formal, role-defined interactions and predominantly contractual exchanges that result in hierarchy-based downward influence and distance between the parties (Harris, Kacmar & Witt, 2005). LMX scholars have shown that dyadic relationship quality significantly affects an array of organizational outcomes, from
performance and citizenship behaviors to organizational acceptance, promotions, and intentions to quit, or “turnover intentions” (Wilson, Sin, & Conlon 2010; Harris et. al. 2005).

**ATtribution Theory**

According to attribution theory, when confronted with certain events and situations, people seek to determine their causes. So, attributions are the causal explanations that individuals use to interpret the world around them and adapt to their environment. This theory suggests that people primarily distinguish between internal (self) and external (outside of self) explanations, thereby determining the locus of causality for an event (Weiner, 1985). Making internal attributions, the cause is perceived to be due to personality dispositions, abilities, or the amount of effort expended by the “self”. External attributions place the cause with the situation in which the event occurred.

Previous attribution research has found the called “self-serving bias”, that is peoples’ tendency to make internal attributions for successful or positive events/behaviors and external attributions for unsuccessful or negative events/behaviors (Martinko & Gardner, 1987). It has been frequently demonstrated in organizational leadership research on performance evaluation. For example, Yinon, Amsel, and Krausz (1991) found that direct supervisors attributed relatively more influence to their own behavior if the subordinate’s outcome was a success and less influence to their own behavior if the outcome was classified as a failure.

So, self-serving attributions occur when negative personal outcomes are ascribed to external circumstances and when positive outcomes are ascribed to internal factors. Individuals strategically employ the self-serving bias to maintain and protect positive self-views (Krusemark, Keith Campbell & Clementz, 2008).

Hence, by integrating the LMX theory with Attribution Theory, it suggests that low-quality relationships – a type of negative behavior – should receive more external attributions, while high-quality relationships – a type of positive behavior – should receive more internal attributions, both from follower’s or leader’s viewpoint.

One theoretical perspective indicates that attitudes and behaviors derive from affect and cognition (Eagly & Chaiken, 1995). Affect refers to the positive or negative feelings concerning the attitude objects, whereas cognition relates to the beliefs or thoughts about the attitude objects. It has been shown in a number of previous studies that affect was a stronger predictor of attitudes than cognition in a variety of attitude domains (Kim & Morris, 2007; Porter & Diefenbach, 2009), especially in intergroup contexts (Pettigrew & Tropp, 2008).

Based on this, we propose that the attributional process here proposed may occur in two phases: affective and cognitive. The affective phase is one in which the member does not use cognitive resources to assess the quality of the relationship, giving rise to biased attributions. This is the “immediate attribution”, subject to self-serving bias. The cognitive phase occurs when the member cognitively assesses the cause of the LMX quality. In this moment, the employee removes the self-serving bias of affective attribution. The causality analysis is based on the dimensions provided by theory to the attribution: consistency, consensus, distinctiveness. This phase may not occur, because it requires neural activity which not all members submit themselves.

By measuring neural activity during a facial working memory task, Krusemark et. al. (2008) observed non-self-serving attributions were associated with enhanced neural activity in a substance which associated with the evaluative component of cognitive control. The resulting is consistent with the idea that greater cognitive control is necessary to make a non-self-serving attribution. For the authors, it appears that making non-self-serving attributions requires more deliberate assessments of causality, necessitating controlled processing.

Thus, we develop and propose in this study propositions about internal/external attributions for high/low quality LMX, which may occur in a biased/non-biased way.
MEMBER REACTIONS

A member’s attribution of LMX quality to internal or external causes influences his/her future performance as well as the behavior toward the leader and the work (Martinko & Gardner, 1987). We believe that the members’ attitudes and behaviors are directly related to feelings and reactions they experience as a result of the attributional process. In this research, we chose to study the relationship of these reactions to the self-improvement efforts. So, we explore the feelings that arise from the attribution of causality and the relation between these feelings and self-improvement efforts by members, such as, working harder, displaying increased levels of organizational citizenship behavior, etc.

Based on relative deprivation theory, defined as a tension state that exists in someone who perceives a discrepancy between the way things are and the way things ought to be (Crosby, 1976), it is then proposed that employees in low-quality exchange relationships will feel most aggrieved when they do not blame themselves for having a lower-quality exchange relationship. This occurs when they perceive an external cause for the low-quality of the relationship. Inversely, when a follower believes a relationship has a low-quality because of an internal cause, i.e., for some reason internal to him/her (e.g.: incompetence, passivity, low levels of effort and commitment), he/she experiences a sense of conformism. When he/she attributes himself/herself the low-quality of relationship, it is likely to believe that he/she does not deserve a high-quality LMX.

For employees in high-quality LMX relationships, we expect internal attributions trigger the feeling of fairness. Employees with high-LMX relationships have more opportunities to speak up, exchange information or ideas with their supervisors to those in low-LMX relationships. They have more communication exchanges with their supervisor and benefit from greater work support and supervisor responsiveness (Vukonjanski et al., 2012). Therefore, when attribute an internal cause for this high-quality of LMX relationship, members can trigger a sense of merit, justice, fairness. Something like: "I do deserve it". However, when a member perceives a high-quality LMX relationship because an external cause, he/she can understand that it is a situation of inequality. Leader behavior toward in-group members is characterized by high trust, greater support, more rewards. So, if the follower does not see himself/herself as responsible for having this in-group position, he/she could experience a feeling of compensation to restore equity.

We argue that each of these reactions will impact differently members’ self-improvement. Self-Improvement refers to the desire to bring oneself closer to what one should or would ideally like to be. It is presumably rooted in more basic needs for achievement (Banaji & Prentice, 1994).

Employees involved in self-improvement efforts work harder to build a stronger exchange relationship with their boss, putting forth additional effort in task performance and engaging in positive behaviors (Bolino & Turnley, 2009). It is assumed, therefore, that all these efforts result in better members’ performance, which leads us to formulate the following proposition:

LEADER REACTIONS

Based on his/her self-improvement behavior, the follower shows subsequent performance improvement, which can be perceived and interpreted by the leader.

According to the LMX Theory, one primary contributor to the quality of the relationship between leader and follower is employee performance (Dansereau, Graen & Haga, 1975). Although theory suggests that observable individual characteristics may enable members to make a good first impression on leaders, over time, their actual behavior will exert stronger influences on the relationship. Thus, as the relationship develops, behavioral factors, such as performance, will be more important in determining changes in the relationship’s quality (Bauer & Green, 1996; Diinesch & Liden, 1986).

Member performance also plays an important role according to the studies that link attribution theory and leadership. In this regard, Mitchell and Kalb (1981) demonstrated that the importance of the member’s performance affected leaders’ attributions. More specifically, they found that when
leaders received information indicating that the outcomes of member’s behaviors were significant and important, they were more likely to perceive the members as responsible for outcomes, assigning their performance – positive or negative – to internal causes (internal causality to member). This study provided general support for the link between member performance and leaders’ attributions.

In addition to the hypothesis regarding the interaction of member performance and leader attribution, and working specifically in the context of LMX theory, Martinko and Gardner (1987) argued that when leaders made internal attributions for members’ poor performance, they were likely to place those members into employee out-groups. Conversely, a good performance contributes to the categorization of the member into in-group.

Studies by Campbell & Swift (2006), Heneman, Greenberger & Anonyuo (1989) and Wilhelm, Herd & Steiner (1993) have also indicated that leaders’ attributions for member performance are associated with the placement of employees into in-groups and out-groups.

So, in the case of LMX, we expect that the subsequent leaders’ response to ratings of members’ performance and leaders’ attribution for performance, is a re-evaluation of the quality of their relationship, by the leader, when performance is significantly important and different – better or worse – from the expected or previously shown.

This revaluation may change the status of quality LMX relationships between members and leaders. Out-groups can now be placed in in-group and vice versa.

All propositions developed in this study are in the conceptual model presented below (Fig. 1):

CONCLUSIONS

Overall, we hope future research will empirically test the relationships proposed in this paper, in order to further our understanding about the leader-member exchange developmental process. By integrating LMX Theory with Attribution Theory, we have sought to illuminate how the quality of LMX relationships can occur over time.

Understanding the leader-member exchange relationship is important for a number of practical reasons because the quality of exchange relationships can impact many of a subordinate’s job-related outcomes. So, clarification of the mechanisms underlying leader-member relationships may help to provide information essential for designing effective interventions that can improve leader-member relations.
REFERENCES

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