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Leader-member exchange and organizational citizenship behaviors: Contextual effects of leader power distance and group task interdependence

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ABSTRACT

In this paper we explore the context of the relationship between leader-member exchange and organizational citizenship behaviors (OCB). We maintain that workgroup leader's power distance and the extent of task interdependence in the group exert cross-level effects on the LMX-OCB relationship. We assert that leader power distance attenuates the relationship between LMX and OCB, and this effect is stronger in workgroups with high degree of task interdependence. Results of hierarchical linear modeling analysis of data gathered from 245 employees nested in 54 workgroups supported our hypotheses. LMX-OCB relationship was weaker in workgroups led by high power distance leaders. Further, the three-way cross-level interaction between LMX, leader power distance and group task interdependence demonstrated that the tendency for LMX to have a stronger positive effect on OCB when leader power distance was low rather than high was more pronounced in high task interdependence teams.

"There is perhaps no construct that is so fundamental to interpersonal interactions in organizations, yet so incompletely understood, than distance" (Napier & Ferris, 1993).

Distance is particularly meaningful to leader follower or manager subordinate relationships because the degree of closeness within the dyad impacts followers' behaviors such as performance and withdrawal that are vital to organizational effectiveness (e.g., Graen, Liden, & Hoel, 1982; Rothaus, Morton, & Hanson, 1965). Scholars have considered leader distance - the social/psychological distance between a leader and a follower - a neutralizer of leadership effectiveness (Antonakis & Atwater, 2002; Howell, Bowen, Dorfman, Kerr, & Podsakoff, 1997; Vidyarthi, Anand, & Liden, 2014). Antonakis and Atwater (2002) argue that an understanding of leader distance is critical for despite the large body of leadership research, "... we still do not understand the fundamental processes undergirding the influencing effect of leadership". Leadership is a process of social influence, whose effectiveness depends on how close or distant the leaders and the followers are. This is because distance can change how leader attributes, behaviors and reactions are perceived and responded to by the followers. An understanding of leader-follower distance can thus partly explain the underpinnings of leadership effectiveness.

Because leadership is a social influencing process, social distance between leaders and followers merits particular attention from researchers. One way to study leader follower social distance is through leader's power distance orientation (Napier & Ferris, 1993). Power distance is a cultural value that expresses the extent to which one expects and accepts power asymmetry between individuals at different strata of a society (Hofstede, 1980). In the context of workplace leader's power distance is the leader's tendency to maintain power differential with followers due to the leader's elevated status in the organizational hierarchy (e.g., Vidyarthi et al., 2014). Leaders' power distance can make them appear socially distant to the followers because of the ensuing chasms of status, authority, and social standing (Antonakis & Atwater, 2002). This social distance affects the extent of closeness, communication, and information sharing between leaders and followers, and has implications for the effectiveness of leadership.

Leadership at the dyadic level between an individual leader and a follower is explored in leader-member exchange (LMX) theory. LMX theory suggests that leaders develop a different exchange relationship with each subordinate, ranging from economic to social (Dansereau, Graen, & Haga, 1975; Liden & Maslyn, 1998). While low LMX relationships involve resource exchanges for basic task completion, high LMX relationships are based on mutual trust, liking and reciprocal influence, and resource exchanges extend beyond the formal contract (Liden & Graen, 1980). LMX scholars have shown that dyadic relationship quality has a significant effect on a wide variety of organizational outcomes, such as in-role performance and organizational citizenship behaviors, organizational acceptance, promotions, and

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turnover intentions (Erdogan & Liden, 2002; Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007; Liden, Sparrowe, & Wayne, 1997; Settoon, Bennett, & Liden, 1996). Despite an impressive amount of research on outcomes of LMX, relatively little attention has been paid to contextual factors that attenuate or accentuate the effects of LMX (Anand, Hu, Liden, & Vidyarthi, 2011; Yammarino, Dionne, Chun, & Dansereau, 2005). A number of meta-analytic studies have suggested that further analyses are needed to explain a significant amount of variability in the relationship between LMX and its outcomes (Gerstner & Day, 1997; Ilies et al., 2007; Martin, Guillaume, Thomas, Lee, & Epitropaki, 2016). We assert that leader distance is a critical component of the context surrounding LMX-outcomes relationship.

LMX researchers have long maintained that attention to leaders' personal values as a boundary condition to the effects of dyadic relationship quality is warranted for advancement of LMX theory (Anand et al., 2011; Ilies et al., 2007; Schaubroeck, Lam, & Cha, 2007). This recommendation fits within the more general need for analyzing the broader context of LMX relationships (Anand et al., 2011; Yammarino et al., 2005). Because of the power differential innate to leader follower relationships, LMX scholars have been more attentive to power distance than the other cultural values identified by Hofstede. For instance, Dulebohn and colleagues' meta-analysis found that in high power distance societies the positive association between trust and LMX was weaker than in low power distance societies (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012). Rockstuhl and colleagues' meta-analysis maintains that the effects of LMX may be shaped by cultural values (Rockstuhl, Dulebohn, Ang, & Shore, 2012). These scholars found that LMX was less strongly associated with outcomes such as OCB and justice in high power distance societies. Findings such as these have led to calls for more research so organizational scholars develop a deep understanding of the complex effects of culture on LMX-outcomes relationships (e.g., Anand et al., 2011; Dulebohn et al., 2012; Rockstuhl et al., 2012). We assert that a deeper understanding requires a finegrained analysis of LMX-outcomes relationship through individual-level values. This is because cross-cultural research has shown that individuals within each society vary in the extent to which they have absorbed the societal level cultural values, and individual-level rather than societal-level values are better predictors of individual-level outcomes (Kirkman & Shapiro, 2001). Analyzing leader's power distance values can offer new insights in LMX-outcomes relationships. Further, despite being a dyadic relationship LMX exists in the context of workgroups, and therefore its influence is bounded by the attributes of workgroup environment. An important structural aspect of workgroup context is the extent to which members depend on each other to accomplish their tasks (Pearce & Gregersen, 1991).

Therefore, the goal of this study was to develop and test theory identifying both social and structural aspects of workgroup context (e.g., Vidyarthi et al., 2014). We explore workgroup leader's power distance and within group task interdependence as the social and structural context surrounding all LMX-OCB relationships in the group. Hofstede's typology of cultural values (Hofstede, 1980, 1991) includes individualism/collectivism, power distance, uncertainty avoidance, masculinity/femininity, and long versus short term orientation. This model provides a comprehensive framework for analyzing the effect of cultural differences among different societies. Out of these dimensions power distance is particularly relevant to authority relationships for leaders are important authority figures in the work place, and there is an inherent power differential in the leader follower relationship (Anand et al., 2011; Erdogan & Liden, 2002; Liden, Anand, & Vidyarthi, 2016). At the societal level power distance has received considerable attention in studies of cross-cultural leadership (Ng, Koh, Ang, Kennedy, & Chan, 2011). In low power distance societies leaders maintain informal relationships with followers, whereas in high power distance societies, leader-follower relationships tend to be more hierarchically ordered and somewhat distant. In a leadership study spanning 39 countries Offermann and Hellmann (1997) found that power

distance is negatively related to leaders' approachability, communication and delegation. In a meta-analytic review of research based on Hofstede's cultural model, power distance at the societal level has been found to be one of the strongest predictors of a number of outcomes (Taras, Kirkman, & Steel, 2010). Though leader's power distance is an important aspect of workgroup context, it has received little attention from leadership researchers (cf. Cole, Carter, & Zhang, 2013; Vidyarthi et al., 2014). Leader has more power and thus more influence on how the dyadic relationship functions (Dulebohn et al., 2012). The followers' outcome dependency on the leader makes them pay careful attention to leader's values and respond appropriately. We therefore argue that leaders' power distance perceptions provide the social context that sets the tone for reciprocity in the workgroup and thus exert cross-level influence on the relationships between LMX and employees' outcomes. Specifically, we argue that the higher the leader's power distance orientation, the weaker the relationships between LMX and its outcomes.

Our second objective was to examine the cross-level influence of the workgroup environment on the relationship between LMX and its outcomes. We were motivated by scholar's assertion that social and structural distance are two separate constructs that work in distinct ways, and may interact to shape the effectiveness of leadership (Antonakis & Atwater, 2002; Napier & Ferris, 1993). We propose that task interdependence sets the structural distance between leaders and followers and shapes the impact of leader follower social distance (i.e., leader's power distance) on LMX-outcomes relationships. We argue that the extent of task interdependence in the workgroup plays an important role in how followers interpret social distance with the leader and react to it. We contend that high group task interdependence accentuates the effect of social distance with leader on the relationship between LMX and outcomes.

We contribute to LMX theory in several ways. We explore LMX boundary conditions by investigating the effect of leaders' power distance values on the relationships between LMX and its outcomes. In contrast to bulk of the cross-cultural research we explore individual rather than societal level values, and focus on leader's values - a relatively unexplored facet of leader-follower relationship. Further, we contribute to the stream of context-oriented research relevant to LMX through concomitant examination of leader's power distance and task interdependence in workgroups. Specifically, we examine the crosslevel interactive effects of leaders' power distance perceptions and workgroup task interdependence on the relationship between LMX and employees' organizational citizenship behaviors (OCBs). We focus on OCB because of its importance to organizations (Motowidlo, 2003; Smith, Organ, & Near, 1983) and the extensive research done on the LMX-OCB relationship (e.g., Gerstner & Day, 1997; Ilies et al., 2007; Martin et al., 2016). Fig. 1 illustrates our conceptual model.

Theoretical background and hypotheses

Leader-member exchange and organizational citizenship behaviors

Leader-member exchange theory maintains that in a workgroup leader-follower relationships run the entire gamut from low to high quality (Anand, Vidyarthi, & Park, 2015; Liden et al., 1997). LMX scholars assert that a high quality relationship with the leader affords followers several rewards, such as resources, challenging assignments, and professional mentoring (Maslyn & Uhl-Bien, 2001; Settoon et al., 1996). It is also suggested that followers reciprocate leader's favorable treatment by engaging in discretionary behaviors designed to promote organizational productivity (Gerstner & Day, 1997). LMX to follower behavior relationship is thus suggested to be based on the norm of reciprocity (Gouldner, 1960). Several meta-analyses attest to the positive relationship between LMX and follower citizenship behaviors (Dulebohn et al., 2012; Ilies et al., 2007; Martin et al., 2016). We assert that followers with high LMX are motivated to engage in organizational citizenship behaviors that are geared to change the status quo, and Download English Version:

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