

2015

# The Impact of Supervisor-Subordinate Exchange on State Government Employees

Jeffrey R. Zimmerman  
*Walden University*

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# Walden University

College of Social and Behavioral Sciences

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Jeffrey R. Zimmerman

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2015

Abstract

The Impact of Supervisor-Subordinate Exchange on State Government Employees

by

Jeffrey R. Zimmerman

MPA, University of Phoenix, 2012

BA, Fayetteville State University, 2004

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

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## Abstract

Interactions such as task assignments and communications between supervisors and subordinates have unintended negative consequences on subordinates such as alienation of subordinates that are not members of the “in” group. These relations are determined by the quality of the leader-member exchange (LMX) between supervisor and subordinate. The purpose of this study was to examine the impact of supervisor-subordinate exchange on state government employees by understanding the essence of these exchanges in state government agencies. The theoretical foundation of this phenomenological study was Graen and Uhl-Bien’s conceptualization of LMX. Data were collected through 12 semi structured interviews with subordinates from the North Carolina Motor Vehicle Driver’s License Section. This group of employees from the NC DMV were selected because of the geographical convenience to conduct interviews with participants. Supervisors were not interviewed for this study because the focus was the perceived effect on the employees’ performance, motivation, and attitudes. The data were coded and analyzed using a modified Stevick-Colaizzi-Keen method. The results of this study supported that supervisor-subordinate exchanges can influence subsequent behaviors in government employees. This study may have future policy implications in that the results can be used to influence new policy or revise current policies concerning supervisor training within local, state, and federal government agencies. Organizations that comprehend how and why supervisor-subordinate exchanges impact them can revise training for both management and employees, improve communication and relationship skills, and reduce negative effects from these exchanges to promote positive social change.

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## Dedication

This dissertation is dedicated to every person who is currently living in a foster home or has previously spent time as a foster child during their life. I was in a foster home for 6 years, and I understand the difficulties associated with being a foster child and looking back in hindsight I can say that it was the best thing (at that time) to happen in my life. I want to convey to everyone who has spent time in foster homes that hard work, discipline, and a positive attitude will lead to reaching any goal you set. Completion of this dissertation shows that anything is possible if you believe in yourself and make good decisions, work hard, and study in school. I would also like to dedicate this dissertation to every leader I have had the benefit of learning from during my professional career. My observations of your various leadership styles were part of the driving force for focusing my research on the impact of leadership particularly in the public sector. Leaders in the public sector must rely on different tools and strategies compared to their counterparts in the private sector. I would like to thank every leader that I have had the pleasure of observing and working for in my career.

## Acknowledgments

I would like to take this time to thank several people who have assisted me greatly during my dissertation journey. First I would like to thank Dr. Lori Demeter for agreeing to be my committee chairperson and continuing to work hard during the process. I am eternally grateful for all of the hard work and countless hours that she has contributed to reading my material and providing so many recommendations for my research. I would like to thank Dr. Shawn Gillen, Dr. Shirley Baugher, and every other member of Walden University who has contributed to making this study a successful endeavor. I would like to thank my best friend Anna and my two daughters Courtney and Jennifer for their continued support during the many hours I spent reading, researching, rereading, and typing my dissertation during this long process. Without their support I would not have been able to continue on with the arduous task of writing this dissertation. Finally I would like to thank everyone who has had a positive impact in my life from my early years as a child up to where I am now in my life, without these many great influences in my life who knows where I would have ended up. It is impossible for me to thank everyone by name, so with that being said thank you for all of the support you have shown me during this long process.

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## Chapter 1: Introduction to the Study

### **Introduction**

Leader-member exchange (LMX) is a leadership theory in which the leader and his/her subordinates engage in an exchange relationship. The leader forms two groups with subordinates, an in-group and an out-group (Lunenburg, 2010). Subordinates who are placed in the in-group receive better treatment, responsibilities, job assignments, and other incentives. Subordinates who are placed in the out-group do not receive the same attention or incentives as their counterparts and as a result are managed in a more formal role (Lunenburg, 2010).

LMX can influence many subordinate outcomes or attitudes including, but not limited to, organizational citizenship behavior, affective commitment, trust, loyalty, job satisfaction, affect, professional respect, and performance or contribution. LMX has also been linked to transformational leadership through theory and research that has shown positive relationships between LMX and transformational leadership (Bass & Riggio, 2010). One part of transformational leadership that is fundamental to building high-quality LMX relationships is individual consideration (Burns, 2010). Leaders who employ transformational leadership with subordinates influence subordinate performance through LMX (Schyns & Day, 2010).

This study contributed to the LMX literature in several ways. Researchers have examined LMX and how supervisors influence their subordinates' performance based on the level of trust between leader and follower (Chan & Mak, 2012; Li & Hung, 2009). The ability of supervisors and employees to coexist and work together is an important

aspect of a successful organization. The findings from this study can lead to positive social change in multiple ways. The findings could allow government agencies at the local, state, and federal levels to analyze the findings so as to implement changes to their organizations. Government agencies throughout the world can benefit from the findings by changing current policies or implementing new policies.

The purpose of this research was to explore the impact of the supervisor-subordinate relationship on state government employees, specifically regarding their performance, motivations, and attitudes. The findings can provide governmental agencies with valuable data about the impact of the supervisor-subordinate relationship on government employees. The data may also offer the leaders of these governmental agencies the insight needed to create and revise policies instrumental in improving the attitudes and performance of their employees.

According to Hassan and Hatmaker (2014), the relationship between supervisor and subordinate is important in influencing the subordinate's performance; this in turn could impact the effectiveness of the governmental agency providing services to the public. Employing a phenomenological approach, this research examined the essence and meaning of the supervisor-subordinate exchange from the subordinate's perspective. The results can assist senior members of management in designing policies to improve the supervisor-subordinate exchange to improve performance.

This chapter includes the background of the study, the problem statement, the purpose of the study, and the nature of the study. The research question is then posed and

the theoretical framework explained. Assumptions, limitations, delimitations, and the significance of the study are explained.

### **Background of the Study**

LMX theory has progressed significantly since its development over 3 decades ago from role and social theories. LMX focuses on the roles of supervisors and subordinates in an exchange relationship. Past researchers have supported a positive relationship between LMX and subordinate outcomes of performance, organizational commitment, and job satisfaction (Chan & Mak, 2012; Cogliser, Schriesheim, Scandura, & Gardner, 2009; Zhang, Wang, & Shi, 2012b).

According to Chan and Mak (2012), previous researchers explored the impact of supervisor behavior and transformational leadership on subordinate performance. Past researchers on supervisor-subordinate exchanges have shown that the supervisor does not treat all of his subordinates in the same fashion which results in the supervisor creating an in-group and an out-group (Luneburg, 2010). Based in role theory, the quality of the leader-member exchange evolves longitudinally, wherein both participants test each other. Through a series of these interactions both members are able to determine if the opportunity for mutual trust, respect, and obligation is a possibility (Katz & Kahn, 1978). Based on this notion, the longer the tenure of the supervisor-subordinate relationship, the greater the quality of the LMX agreement (Sin, Nahrgang, & Morgeson, 2009).

The quality of LMX is determined early in the formation of a relationship between a supervisor and his subordinate. This relationship tends to remain stable over time, which allows LMX to be predictive of the performances, outcomes, and attitudes of

subordinates. High quality LMX is associated with increased performance by the follower (Jha & Jha, 2013). Employees maintaining a high quality LMX are also more likely to work overtime and give extra effort while at work. LMX does have negative outcomes, which are a result of differential treatment of subordinates; this differential treatment can convey unfairness between members of the in-group and out-group (Jha & Jha, 2013).

Leaders differentiate among subordinates and that this differentiation is not random. A strong distinction between the in-group and out-group is undesirable for supervisors because it leads to members of the out-group resenting members of the in-group. Evidence exists to support the assertion that subordinates with a higher quality exchange enjoy more responsibility and contribute more to the organization compared to followers with a lower quality exchange who resented their inferior status (Lunenburg, 2010). Exchange relationships that grow into a norm of negative reciprocity involve the supervisor displaying negative behaviors toward subordinates. As a result, subordinates engage in negative behavior toward the supervisor through an obligation of reciprocity (Othman, Ee, & Shi, 2010).

Government performance and productivity have not kept the pace of the private sector. Haenisch (2012) identified several factors as reasons why this may have occurred. One of the factors that were a hindrance to government productivity was leadership (Haenisch, 2012). According to Chang and Johnson (2010), leadership is one of the most widely studied topics in the organizational sciences. The quality of the exchange between supervisors and subordinates is important because it influences both the subordinate's

performance and performance ratings. Subordinates who engage in high quality exchanges with their supervisors perform at higher levels due to the increased attention and guidance from their supervisor, whereas the opposite is true for subordinates who have a lower quality relationship with their supervisor (Grodzicki & Varma, 2011).

LMX impacts other work outcomes and subordinate attitudes in addition to performance. Work outcomes and attitudes include trust, organizational citizenship behavior, affective commitment, job satisfaction, respect, and loyalty (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012; Hassan & Hatmaker, 2014; Schyns & Day, 2010; Zhang, Waldman, & Wang, 2012a). The quality of the exchange between supervisor and subordinate is responsible for impacting work outcomes, performance, and other subordinate attitudes which further impact the organization.

LMX and transformational leadership are the two most researched leadership theories over the past 20 years. LMX and transformational leadership are congruent theories as they are both rooted in the social exchange process. Transformational leadership is positively related to LMX (Anand, Hu, Liden, & Vidyarthi, 2013). Transformational leadership behaviors have a significant impact on fostering high quality supervisor-subordinate relationships (LMX). Subordinates engaging in social exchanges with supervisors who display transformational leadership behaviors are more satisfied with their supervisor and, as a result, more willing to form and maintain a high quality LMX with that supervisor (Li & Hung, 2009).

The majority of research conducted in the field of LMX is quantitative in nature. As such, conducting qualitative research on LMX fills a knowledge gap in the field.

According to Cogliser et al. (2009), qualitative research should be conducted in future scientific research to explain the reality of supervisor and subordinate perceptions of LMX and to explore the quality of feedback and its effect on LMX congruence.

According to O'Donnell, Yukl, and Taber (2012), qualitative methods such as semi-structured interviews and diaries could be employed to understand how skillfully a supervisor behavior was implemented; this could be beneficial to the subordinates.

Performance is a key indicator of success in any organization. Improving performance and productivity of state government employees could have a substantial financial impact in the delivery of the government services. Improving employee performance could streamline the services provided and result in more efficient delivery. Improving employee performance also improves the effectiveness of the organization. However, few researchers have focused on state government workers (Haenisch, 2012). The concept of public sector entities keeping pace with private sector organizations in the terms of employee performance has not been fully developed. In the private sector, businesses can go out of business if they do not bring in more revenue than expenses paid. Poor employee performance can cause a business's closing or merging but usually is not the sole reason. Government agencies provide services that most private sector organizations cannot because some services provided by the government do not generate revenue, such as Medicaid and Medicare. Tax dollars contribute a large portion of public sector budgets, and if one service requires a larger portion of the budget, then another service will lose a portion of its budget. Improving performance could lead to lowering taxes if services are made more efficient.

This study involving state government employees added to the existing literature in the field and provided avenues for future research on the topic. According to Hassan and Hatmaker (2014), supervisor leadership and its impact on subordinates in the public sector remain largely unexplored. There is limited research in public administration that has explained the relationship between LMX and performance. Because of the limited research in the public administration field about this relationship, continued exploration in this field is needed to determine its nature.

### **Problem Statement**

The research problem addressed in this study is that interactions between supervisors and subordinates have unintended effects on subordinates and are determined by the quality of the LMX between supervisor and a subordinate. Research on LMX has shown that leaders do not behave consistently with their employees, thus affecting the productivity, behaviors, and motivations of those subordinates (Li & Hung, 2009; Lunenburg, 2010; O'Donnell et al., 2012; Sin et al., 2009).

### **Purpose of the Study**

The purpose of this study was to examine further the impact of supervisor-subordinate exchanges in the public sector and how the evolution of these exchanges impact the subordinate in a variety of attitudes and outcomes. I employed a phenomenological approach to understand the essence of the supervisor-subordinate exchange through LMX and how this relationship impacted the subordinate. I focused on state government employees in the North Carolina Division of Motor Vehicles Driver's License Section. This study was conducted by administering semi structured interviews

with 12 subordinates to gather data about their understanding of their relationships with their supervisors and how their understanding of that relationship impacted their performance, motivation, and other attitudes. The interview questions for this research were based on the LMX-7 instrument recommended during the 1995 study by Graen and Uhl-Bien. The LMX-7 instrument is a quantitative instrument that was altered to a qualitative instrument with permission from Dr. Graen (Appendix E).

### **Nature of the Study**

This research was qualitative in nature while employing a phenomenological approach. A phenomenological approach is used to explain the essence of the phenomenon through the lived experiences of that phenomenon by the participants. Phenomenology is focused on describing what all of the participants have in common, as a result of their lived experience of the phenomenon being studied (Creswell, 2013). Qualitative researchers focus on investigating and comprehending a meaning that groups or individuals have about a human or social problem (Creswell, 2009). The primary focus of this research was to understand the lived experiences of the subordinates based on the quality of their relationship with their supervisors in state government; this is why a qualitative approach was appropriate. Using a phenomenological approach allowed for dialogue with state government employees to understand their perceptions of the relationships with their leaders and how these relationships impacted their performance, motivation, and behavior. Eleven Skype interviews and one face to face interview were conducted with state government employees using 10 open-ended interview questions (Appendix D).

The basis of sampling size was a result of recommendations found in the research of Morse (2000) who suggested a range of six-10 participants for a phenomenological study, Creswell (2013) who recommended five-25 participants, and Onwuegbuzie and Collins (2007) who suggested six-10 participants for a phenomenological study. According to Morse, a range of six-10 participants is appropriate in a phenomenological study because the researcher will gain a substantial amount of information as each participant is interviewed several times during the data gathering process. According to Onwuegbuzie and Collins, a qualitative sample size should not be so large that difficulties arise in undertaking a deep, case oriented analysis of the data collected by the researcher. This argument is specific to this phenomenological research. One reason for conducting a phenomenological study was to gain an understanding of the lived experience of the participant based on their experience with the phenomena being studied.

This study was conducted using a purposive form of sampling to gather data. Purposive sampling is a form of sampling that a researcher uses to select individuals to study because they have particular features or characteristics that will allow them purposively to provide information rich data about the area of inquiry (Creswell, 2013; Patton, 2002; Ritchie, Lewis, & Elam, 2004). Individuals from the NC DMV were purposively chosen as participants for this research. I chose purposive sampling for two reasons. First, it was imperative that the subject matter was covered with key members of the constituency. Second, it was crucial to assure diversity was included into the key criteria of the sample (Ritchie et al., 2004).

I selected purposive sampling because the focus of this study was state government employees, specifically employees who worked for the DMV. Incorporating purposive sampling allowed detailed data to be gathered regarding the impact of the supervisor-subordinate relationship on the performance of the employee in the DMV (Creswell, 2013). I incorporated two criteria for selection of participants. The first criterion was that employees must have worked for the agency for at least 2 years so that they had ample experience with the organization. The second criterion was that they must have worked for their immediate supervisor for at least a year so that they had adequate experience with a specific supervisor.

The methodology for this study involved many steps. Individuals who experienced the phenomena were sought so that a one on one interview could be conducted with each of the 12 subordinates. I then conducted standardized and open-ended interviews with the selected individuals, taking notes and recording the interviews (with participants' permissions) so that the interviews could be transcribed and then analyzed. I kept a running journal to use during the data analysis phase of research, examining employee evaluations (with permission) to further enrich the data collected. Standardized and open-ended interviews were selected so that each participant could be asked the same questions and respond to the same stimuli as the participant before and after them.

Analyzing data collected during a qualitative study can be challenging due to the large amount of data collected. The Stevick-Colaizzi-Keen method of analysis of phenomenological data as represented by Moustakas (1994) was the most appropriate

method of analysis for this study. Moustakas listed the steps of the Stevick-Colaizzi-Keen method as:

1. Obtain a full description of personal experience of the phenomenon.
2. From the verbatim transcript personal experience, complete the following:
3. Consider each statement with respect to the significance for description of the experience.
4. Record all relevant statements.
5. List each non repetitive, non overlapping statement.
6. Relate and cluster the invariant meaning units into themes.
7. Synthesize the invariant meaning units and themes into a description of the textures of the experience. Include verbatim examples.
8. Reflect on personal textural description. Through imaginative variation, construct a description of the structures of personal experience.
9. Construct a textural-structural description of the meanings and essences of personal experience.
10. From the individual textural-structural descriptions of all experiences, construct a composite textural-structural description of the meanings and essences of the experience, integrating all individual textural-structural descriptions into a universal description of the experience representing the group as a whole. (p. 122)

Writing notes, memoing, and coding were also a part of the data analysis process to ensure that the data were analyzed completely. All notes and memoing taken in

response to a participant's interview were included in the data analysis to analyze fully all data gathered during the research. I conducted coding with the intention of examining themes and commonalities within the data gathered during the interview process, in order to analyze the data and understand the essence of the supervisor-subordinate relationship.

### **Research Question**

What is the effect of the quality of the supervisor-subordinate exchange on employee performance within the North Carolina Division of Motor Vehicles?

### **Theoretical Framework**

The theoretical framework for this study was LMX theory. I explored how LMX influenced follower productivity, behavior, motivation, and other outcomes and attitudes. LMX has its roots in role theory and social exchange theory, which describe how the supervisor and subordinate interact in a dyadic process of negotiating and developing roles and expectations over time through a series of exchanges (Blau, 2007; Graen & Uhl-Bien, 1995; Hassan & Hatmaker, 2014; Kandan & Bin Ali, 2010). This relationship between supervisors and subordinates has received a significant amount of attention from researchers over the past few decades. In role theory, supervisors and subordinates engage in social interaction in which work assignments are provided by the supervisor. In social exchange theory, any exchange between two people involves obligations of reciprocity in some form, whether the obligations are implicit or explicit. This means that when one person does something for the other person, there is an expectation of reciprocity (Hassan & Hatmaker, 2014; Kandan & Bin Ali, 2010). I examined the impacts on employee performance, motivation, behavior, and attitudes based on the

quality of supervisor-subordinate exchange. Lunenburg (2010) discussed that there are job consequences as a result of the quality of the relationship between leader and follower and further suggested that leaders should develop as many high quality relationships with as many employees as possible.

LMX has a positive impact on subordinate performance; this occurs through mutually beneficial relationships between leader and subordinate (Chan & Mak, 2012). Cogliser et al. (2009) asserted that high quality LMX relationships characterized by high levels of trust, commitment, and loyalty positively impacted employee performance. According to Chang and Johnson (2010), “Effective leadership involves high-quality relationships between leaders and followers. LMX theory describes how leaders and followers develop successful relationships and how these relationships lead to favorable individual and organizational outcomes” (p. 797). Maxwell (2013) described a theoretical framework as the actual beliefs and ideas that the investigator reserves about the phenomenon being cogitated; these thoughts or ideas can be kept in memory or written down.

Supervisors and subordinates engage in some form of a relationship at the workplace, either a high quality or low quality relationship which results in different outcomes for either relationship. LMX describes the nature of a positive or high quality relationship and the nature of a negative or low quality relationship between supervisor and subordinate. LMX will be discussed in further detail in the literature review portion of this dissertation in Chapter 2.

This theoretical framework relates to the research question in the context that the study examined the impact of the supervisor-subordinate exchange on state government employees. LMX theoretically can impact many facets of the employees' behavior, attitudes, and performance. LMX focuses on the relationship and exchanges between a supervisor and a subordinate. I applied this theoretical framework to supervisors and subordinates in a state government setting.

### **Definition of Terms**

*Leader-member exchange:* The principal premise of the leader-member exchange (LMX) theory is that supervisors create two groups, an in-group and an out-group, of subordinates. In-group members receive greater responsibilities, more rewards, and more attention. The supervisor permits these subordinate some latitude in their roles. They work within the supervisor's inner circle of communication. In contrast, out-group members are outside the leader's inner circle, receive less attention and fewer rewards, and are managed by a more formal relationship (Lunenburg, 2010).

*In-group:* This is a group of subordinates who have a favorable or high quality relationship with the supervisor and as a result receive certain benefits (Lunenburg, 2010).

*Out-group:* This is a group of subordinates who do not have a favorable relationship and have a low quality relationship with the supervisor, and as a result these subordinates are managed in more formal terms of an exchange contract (Lunenburg, 2010).

*Role theory:* Role theory describes roles as the phenomenon of individuals having expectations for them and others based on their position in society. Expectations are the major generators of roles, with expectations being learned through experiences (Biddle, 1986).

*Social exchange theory:* Social exchange theory describes an exchange between two people that involves obligations, whether implied or explicitly stated, so that when one person does something, such as completing a task, there is an expectation of reciprocity in some form (Blau, 2007).

*Transformational leadership:* This is a leadership theory in which leaders seek ways to motivate their followers to satisfy the higher needs of the organization while engaging or empowering the subordinate (Bass & Riggio, 2010).

*Organizational citizenship behavior (OCB):* This term regards behaviors that individual subordinates perform outside of their normal job requirements that are a benefit to the organization, though not usually enforceable by the organization. OCB is further divided into two categories: OCBO, which is OCB toward the organization and OCBI which is OCB toward the individual (Anand, Vidyarthi, Liden, & Rousseau, 2010).

*Affective organizational commitment:* This is the commitment or the feelings the subordinate has about his organization (Dulebohn et al., 2012).

*Leader-member exchange congruence/agreement:* This term involves both the supervisor and subordinate rating LMX quality at the same level after a series of interactions and exchanges over a period of time (Cogliser et al., 2009).

*Leader-member exchange differentiation:* LMX differentiation happens when supervisors vary their level of treatment (high quality and low quality relationships) of subordinates (Chen, Yu, & Son, 2014).

*Public sector organizations:* Public sector organizations are designed to serve the interests of the citizens and meet the needs of the community by providing funding for these services through appropriations of tax dollars (Jordan, Lindsay, & Schraeder, 2012).

### **Assumptions**

The research involved several assumptions about the selected participants and the semi-structured interviews. The first assumption was that the sampling method used to select 12 employees of the NC DMV was appropriate. The second assumption was that all participants responded truthfully to the interview questions. The third assumption was that the true essence of the supervisor-subordinate relationships was captured through interview responses.

### **Scope and Delimitations**

The sample in this research was specifically employees of the NC DMV. The scope does not include employees from other state government organizations in North Carolina, employees from other states, nor any other agencies throughout the United States. As a result, the findings should not be applied to any other agency without a replication study or future research.

### **Limitations**

There are limitations to this study. This research involved state government employees from the NC DMV who agreed to participate voluntarily. The study, was limited to the state government employees of the NC DMV. This research was focused on the subordinates in the supervisor-subordinate exchange; therefore, not collecting data from the supervisors is a limitation to this study. Data collection involved interviewing 12 subordinates from the NC DMV. These interviews consisted of 10 semi structured questions. The interviews were conducted in two manners: one interview was conducted face to face and the remaining 11 interviews were conducted using Skype. There was a limitation associated with scheduling the interviews, as all 12 participants wanted to make sure that the interviews were conducted later in the evening so that they were away from work. This limitation in scheduling the interviews to one interview per day delayed data analysis. Conducting a longitudinal study could provide further insight into the phenomenon of supervisor-subordinate exchange.

### **Significance of the Study**

There was a need to explore how LMX impacts subordinate productivity, behavior, and motivation in state government. This need to explore LMX specific to state government organizations was supported by research conducted by Haenisch (2012) that noted that few, if any, studies have concentrated specifically on state government workers' perceptions about what factors affect their productivity, "with more than 5 million workers employed by state governments in the United States, any improvement in

state workplace productivity could have significant financial and service impact for society” (p. 2).

Haenisch (2012) also noted that generalizing the results of a limited study such as his could not guarantee the applicability of these results in other states, thus requiring further study in other states. This study will allow researchers to generalize the applicability of these results and results from previous studies throughout state governments.

Other scholars argued that employees who are involved in high level relationships with their leaders perform at a higher level, and followers who are engaged in a low quality exchange with their leaders end up despising their less than equal status, resulting in negative effects on their productivity, behavior, and motivation (Lunenburg, 2010). Public sector organizations must react effectively to the changing demands of the public, and it is imperative that the leader and subordinates work together to meet these demands and changes. LMX is a tool that public sector organizations can use to ensure leaders and subordinates can react to the constant demands from the citizens they serve (Kandan & Bin Ali, 2010).

This study made contributions to the LMX literature. There are multiple researchers who have explored LMX and how leaders influence their followers’ performance based on the level of trust between leader and follower (Chan & Mak, 2012; Li & Hung, 2009). According to Jha and Jha (2013), “the manner in which supervisors and subordinates relate to each other has a significant bearing on organizational

outcomes” (p. 42). The ability of supervisors and employees to coexist and work together is an important aspect of a successful organization.

Findings from this research can lead to positive social change in several ways. The findings may motivate North Carolina government agencies to consider policy changes, such as the development or adaptation of leadership development programs. The results of this study can also entice other government agencies to examine and replicate the study so that these organizations can potentially identify similar issues in their own organizations. The results of this study can also assist other government agencies in creating or refining policies that improve supervisor-subordinate exchanges within their own organizations.

### **Summary**

Chapter 1 was an introduction of what the research examined, the theoretical framework, nature of the study, purpose of the study, problem statement, research question, and other areas to be discussed in later chapters of this dissertation. This chapter included a foundation and background of LMX and its origin which involves role theory, social exchange theory, and vertical dyad linkage. Chapter 2 consists of a review of current and relevant literature pertaining to the topic of study. Chapter 3 is an explanation of the methodology being proposed for the research to including, but not limited to, methods, sample, population, instrumentation, data collection and analysis procedures. Chapter 4 is an explanation of where the research was conducted, the demographics of the participants, the data collection and analysis processes, and the results of the study.

Chapter 5 is the interpretations of the findings, the limitations of the study, recommendations for future research, and the implications of positive social change.

## Chapter 2: Literature Review

### **Introduction**

The research problem for this study was that exchanges between supervisors and subordinates have dissimilar effects on subordinates that are determined by the quality of LMX. The impact of the supervisor-subordinate exchange can impact different work outcomes and attitudes, such as performance, trust, loyalty, and affective commitment. Leaders develop an in-group and out-group. Employees are placed in one of these groups based on their relationship with their superiors, and because of this exchange, the leader can dictate their productivity, behaviors, and motivations, (Li & Hung, 2009; Lunenburg, 2010; O'Donnell et al., 2012; Sin et al., 2009).

The purpose of this qualitative study was to examine further the impact of supervisor-subordinate exchanges in the public sector and how the evolution of these exchanges impacted the subordinate in a variety of attitudes and outcomes. I employed a phenomenological approach to understand the essence of the supervisor-subordinate exchange through LMX and how this relationship impacted the subordinate. I concentrated on state government employees in the NC DMV Driver's License Section.

The following databases were used to search: ERIC, Google scholar, Proquest, Sociological Abstracts, and The Social Sciences Citation Index. The following databases available through Walden's library website were searched: Business Source Complete/Premier, ABI/INFORM Complete, Emerald Management, and Sage Premier. The following policy administration databases were used: Political Science Complete, Business Source Complete, and Political Science Complete (Sage).

The following terms were entered into the aforementioned search engines and library databases: “*LMX*,” “*leader-member exchange*,” “*performance*,” “*productivity*,” “*government employees*,” “*public sector employees*,” “*role theory*,” “*social exchange theory*,” and “*transformational leadership*.” I began the literature search by searching LMX in the Google Scholar database. I then followed that search by entering “*leader-member exchange*,” “*government employee*,” “*performance*.” These same terms were used in the Walden library databases. I also searched “*transformational leadership*” in Google Scholar. I then gathered the relevant articles and scanned their reference pages.

This chapter consists of several sections that synthesize relevant literature pertaining to leadership theories, supervisor-subordinate exchange, and their impact on state government employees. The upcoming section discusses different leadership theories and their impact on subordinates by way of the supervisor-subordinate exchange. This section includes evidence from previous research to convey the impact on a subordinate when leaders employed different leadership styles. This chapter is also an examination of the gaps in the current literature on leadership and its impact on subordinates’ performance, motivation, commitment, and other attitudes affected by a supervisor-subordinate exchange. The upcoming section includes a discussion on public sector employees and the impact of leadership on these employees.

### **Leadership**

There are myriad leadership theories available in the literature, such as transformational leadership, transactional leadership, servant leadership, situational leadership, trait approach, style approach, contingency theory, path-goal theory, and

many more. I will discuss some of these theories to show how these theories such as transformational leadership, social exchange theory, role theory, LMX, and other theories impact subordinates' performance and other outcomes. Leadership is a cogitation or concept that has many meanings to different individuals. The concept of leadership for the purposes of this literature review is the ability of the supervisor to encourage or motivate his subordinates to accomplish the goals of the organization by getting the maximum performance from the subordinates while providing the subordinates the opportunity to grow their leadership skills. Yukl (2010) provided several definitions of leadership he gathered from multiple sources in his book. These definitions of leadership are different but share some common points, such as motivating subordinates toward a shared goal or the goal of the organization.

Burns (2010) developed the idea of transforming leadership that was the foundational precursor to the transformational leadership that Burns developed. Transforming leadership is the ability of the leader to recognize and exploit a need or demand in a subordinate to obtain a higher need within the organization (Burns, 2010). Transformational leadership developed by Burns involves the ability of supervisors to motivate subordinates to perform at a level higher than they originally planned on performing. Transformational leaders set higher goals and have higher expectations for their subordinates which results in more satisfied subordinates (Bass & Riggio, 2010).

Northouse (2012) mentioned two additional leadership theories for potential leaders to consider. Supportive leadership is a style in which supervisors are friendly toward subordinates and are considered approachable. This type of leader is concerned

with the needs of subordinates. Participative leadership is a leadership style that involves the supervisor inviting the subordinates into the decision-making process by consulting with subordinates and asking for their input before making a decision.

### **Transformational Leadership**

Transformational leadership is a leadership theory introduced by Burns in 1978 (Bass & Riggio, 2010) in which Burns (2010) asserted that leaders seek ways to motivate their followers to satisfy the higher needs of the organization while engaging or empowering the subordinate. One result of this approach is the relationship of mutual commitment and elevation that prepares subordinates to be supervisors.

Transformational leadership motivates and inspires subordinates to achieve the highest levels of performance and to develop their leadership skills. Transformational leaders encourage the subordinates to develop their leadership skills by empowering them and aligning the subordinates' goals with those of the organization (Burns, 2010).

Transformational leadership can inspire subordinates to perform at levels higher than originally expected (Bass & Riggio, 2010). Transformational leaders set goals at higher levels than the subordinate initially expected, and the subordinates normally achieve these higher goals (Aryee, Walumbwa, Zhou, & Hartnell, 2012; Bass & Riggio, 2010; Gooty, Gavin, Johnson, Frazier, & Snow, 2009; Hobman, Jackson, Jimmieson, & Martin, 2011; Lo, Ramayah, Min, & Songan, 2010; Schyns & Day, 2010; Wright, Moynihan, & Pandy, 2011; Yukl, 2010).

Transformational leadership consists of five components, which are idealized influence (attributed), idealized influence (behavioral), inspirational motivation,

intellectual stimulation, and individualized consideration. Idealized influence, both attributed and behavioral, is the manner in which supervisors behave that allows them to serve as role models for their followers. This role model behavior allows the supervisors to be respected and trusted by the subordinates who are thus more motivated to follow them and emulate the supervisor (Bass & Riggio, 2010; Gooty et al., 2009). Inspirational motivation is the way that supervisors behave to motivate and inspire their subordinates by providing meaning and challenge to the subordinates' work. This behavior increases team spirit, enthusiasm, and optimism. Intellectual stimulation is the manner in which supervisors stimulate their subordinates to be innovative and creative. Individualized consideration is the manner in which supervisors pay special attention to the need for achievement and growth for each subordinate by acting as their coach or mentor. There is evidence to suggest that transformational leadership is productive and satisfying to subordinates because both supervisor and subordinate work for the overall good of the organization based on shared visions due to higher levels of mutual trust and respect (which are aspects displayed in LMX) (Aryee et al., 2012; Bass & Riggio, 2010; Gooty et al., 2009; Li & Hung, 2009; Lo et al., 2010; Tims, Bakker, & Xanthopoulou, 2011; Wright et al., 2011). Li and Hung showed support for transformational leadership, including individualized consideration, inspirational motivation, idealized influence, and intellectual stimulation positively relates to LMX.

Transformational leadership has become one of the most noticeable theories in organizational behavior because supervisors motivate and inspire their subordinates to achieve higher goals. Prior researchers have linked transformational leadership practice

to higher levels of employee performance and satisfaction (Aryee et al., 2012; Bass & Riggio, 2010; Hobman et al., 2011; Hu & Liden, 2013; Li & Hung, 2009; Wright et al., 2011). Because transformational leadership focuses on the goals of the organization it can be useful to public sector organizations, which will be discussed in a later section.

Researchers on transformational leadership has documented the impact on subordinate behavior and attitudes in organizations (Gooty et al., 2009).

According to Grant (2012), transformational leadership does not always improve subordinate performance because of inconsistencies on behalf of the supervisor. One inconsistency is that supervisors create meaningful visions but fail to make these visions tangible for the subordinates. One focus of transformational leadership is for the leader to create a vision that invites subordinates to focus their attention and contributions on others. A core tenet of transformational leadership is for subordinates to forsake their interests for those of the team or organization (Aryee et al., 2012; Grant, 2012; Walumbwa & Hartnell, 2011).

Service motivation and performance in public organizations are key components being explored. In a 2012 study by Wright et al., senior managers from local jurisdictions with a population of more than 50,000 were surveyed regarding subordinate mission valence, public service motivation, and influence on goal clarity. The results of this study showed that transformational leadership behaviors do not have a direct positive impact on subordinate mission valence. Wright et al. did show that transformational leadership behaviors had an indirect positive impact on subordinate mission valence due to the influence on public service motivation. Wright et al. further showed that transformational

leadership behaviors did have an indirect positive impact on subordinate mission valence because of its influence on goal clarity. The results from this study illustrated that the relationship between leadership and public service motivation is important but that the organization can also benefit from higher mission valence.

Wang, Oh, Courtright, and Colbert (2011) conducted a meta-analysis using 117 samples from 113 studies examining transformational leadership and performance. The results of this meta-analysis showed that transformational leadership is positively related to individual subordinate task, contextual, and creative performance. Wang et al. indicated that transformational leadership has a stronger positive relationship with individual subordinate contextual performance than with individual follower task performance; it was also notable that transformational leadership was positively related to team level and organizational level performance. Wang, et al. concluded that transactional leadership explains unique variance in individual follower task performance beyond the effects of transformational leadership. Wang, et al. posited that transformational leadership explains unique variance in individual follower contextual performance and in team performance beyond transactional leadership. However, they could not conclude that transformational leadership explains unique variance in individual follower task performance beyond the effects of transactional leadership.

Belle (2013) studied transformational leadership and public service motivation through 138 nurses from a public hospital in Italy. The results of the study showed that transformational leadership positively impacts public sector employee performance and that beneficiary contact strengthens the impact of transformational leadership on public

sector employee performance. Belle (2013) also indicated that intervening with self-persuasion strengthens the impact of transformational leadership on public sector employee performance and that public sector employee perceptions of pro-social impact and self-persuasion intervention mediate the moderating effects of beneficiary contact on the relationship between transformational leadership and public employee performance.

Belle (2013) also noted that transformational leadership has a greater performance effect on public employees with stronger public service motivation and that the positive interactions between transformational leadership and beneficiary contact has a greater performance effect on public employees with stronger public service motivation. The researcher further found that positive interactions between transformational leadership and self-persuasion interventions have a greater performance effect on public employees with stronger public service motivation. Belle concluded that transformational leadership can positively impact public sector employee performance.

Grant (2012) conducted a study involving two groups of participants. The first group of participants consisted of 71 new employees at a private company in the Midwestern United States. The second group of participants consisted of 329 subordinates and their direct supervisors in a large government agency. Grant examined if beneficiary contact strengthens the relationship between transformational leadership and subordinate performance. Grant also examined if subordinates' perceptions of prosocial impact mediate the moderating effect of beneficiary contact on the relationship between transformational leadership and subordinates' performance. The results of the

study showed that the relationship between transformational leadership and subordinate performance is stronger under beneficiary contact.

Psychological capital is defined as a higher order construct that represents an individual's perseverance and motivational tendency toward a goal (Gooty et al., 2013). Gooty et al. examined subordinates' perceptions of transformational leadership and whether they positively related to their psychological capital. Gooty et al. also examined the subordinates' psychological capital and whether it related positively to their performance and their organizational citizenship behaviors. This study was conducted on members of a marching band at a major university in the Midwestern United States whose band director was appointed only seven weeks prior to the study. The results of the study showed that the perceptions of a subordinate about transformational leadership positively relate to their psychological capital and that his/her psychological capital positively relates to performance and organizational citizenship behaviors.

Aryee et al. (2012) suggested that transformational leaders motivate subordinates through articulating a vision and mission in terms of the values they represent. Aryee et al. further suggested that the link between transformational leadership and subordinates' experienced responsibility for work outcomes has not been tested. Aryee et al. conducted their study in a large telecommunication company in one northeastern province of the People's Republic of China. The results of this study showed that transformational leadership is positively related to subordinate work engagement, subordinates' experienced meaningfulness of work, and subordinates' experienced responsibility for work outcomes.

Aryee et al. concluded that an experienced meaningfulness of work is positively related to work engagement and that experienced responsibility for work outcomes is positively related to work engagement. Aryee et al. indicated that experienced meaningfulness of work and experienced responsibility for work outcomes will partially mediate the positive influence of transformational leadership on work engagement. The results further showed that work engagement is positively related to innovative behavior, that innovative behavior is positively related to task performance, and that LMX moderates the relationship between work engagement and innovative behavior such that the relationship is more positive in high quality LMX exchanges.

Tims et al. (2011) focused on consultants from two organizations in the Netherlands and explored whether transformational leadership enhanced the daily work engagement of their subordinates. Work engagement is operationalized as a positive affective-motivational work-related state that is portrayed by power, allegiance, and absorption. The results showed that transformational leadership correlates positively with the daily work engagement of subordinates and that optimism mediates the relationship between transformational leadership and daily subordinate work engagement. However, the results showed that self-efficacy does not mediate the relationship between transformational leadership and daily subordinate work engagement.

Transformational leadership behaviors have an impact on subordinate outcomes. Hobman et al. (2011) explored this concept. This study consisted of 179 subordinates and 44 supervisors from the healthcare field who volunteered to participate in this study. The data collected during the study were analyzed using descriptive statistics. The results of

the study showed that supportive leadership is positively correlated with leader identification; intellectual stimulation is positively correlated with leader identification; personal recognition is positively correlated with leader identification; and supportive leadership, intellectual stimulation, and personal recognition are positively correlated with subordinate outcomes such as job satisfaction and supervisor-rated performance with these correlations being mediated by leader identification. Hobman et al. showed that vision leadership and inspirational communication do not positively correlate with group identification. Vision and inspirational communication were not positively correlated with subordinate outcomes such as job satisfaction and supervisor-rated performance, and these correlations were not mediated through leader identification.

Transformational leadership has been empirically and theoretically linked to LMX (Aryee et al., 2012; Dulebohn et al., 2012; Gerstner & Day, 1997; Schyns & Day, 2010; Wang et al., 2005). Transformational leadership and LMX have been described as important for innovative behavior in organizations (Aryee et al., 2012). Transformational leadership is one way of creating high quality LMX relationships with all subordinates because of individualized consideration which also increases subordinate performance (Gerstner & Day, 1997; Schyns & Day, 2010; Wang et al., 2005). According to Li and Hung (2009), LMX is an indicator of a subordinate's social-exchange relationship with his/her supervisor and because of this social-exchange mediated by LMX the subordinate interacts more frequently with the supervisor and is more satisfied with the supervisor based on this high-quality LMX.

## **Role Theory**

Exchanges between a supervisor and subordinate are either formal or informal which categorizes the group into which the subordinate is placed into by the supervisor. High-quality exchanges or in-group members enjoy an informal or social relationship with their supervisor and low-quality exchanges, or out-group members, are subjected to a more formal or economic relationship with their supervisor. According to Kandan & Bin Ali (2010), “Role theory is a science concerned with the study of behaviors that are characteristic of persons within contexts and with various processes that presumably produce, explain, or are affected by those behaviors ” (p. 64).

One important characteristic of role theory as described by Biddle (1986) is that it is focused on one important attribute of social behavior; this is the idea that all humans behave in different and predictable ways depending on their social identities and situations. Role theory began as a theatrical metaphor because performances in theatre were different and predictable since actors had to perform their parts based on the scripts that were written for them. Based on the beginnings of role theory it seems reasonable that social behaviors are associated with parts and scripts on the part of the humans. Role theory describes roles as individuals having expectations for themselves and others based on their position in society.

Expectations are the major generators of roles, with expectations being learned through experiences and with individuals being aware of the expectations that they hold (Biddle, 1986; Kandan & Bin Ali, 2010). Supervisors have expectations for their subordinates, and the subordinates have expectations for their supervisors. The

expectations will be different based on the role of each actor; for example, the expectations placed on the subordinate by the supervisor may range from higher levels of performance to higher levels of OCB. The expectations placed on the supervisor by the subordinate might be fair treatment and equal distribution of work assignments to all followers within the work group.

Linking role theory to LMX quality, supervisors and subordinates engage in social exchanges over a period of time during which the supervisor hands out work assignments to the subordinates based on these interactions. Based on this role theory model and a link to LMX, supervisors give more important organizational tasks to the subordinates who enjoy a high quality LMX exchange with their supervisor because the supervisor likes these subordinates and views them as stronger performers. Subordinates with a lower quality LMX receive roles that are not as important to the organization (Kandan & Bin Ali, 2010; Katz & Kahn, 1978).

According to Katz and Kahn (1978), supervisors interact with their subordinates, their supervisors, and their peers (other members of management equal to them). The interactions by the supervisor and these three groups furnish significant information and resources about their roles that impact the supervisors' exchange with their subordinates. Each individual in the aforementioned groups plays an important role in the organization, and they must understand their part for the organization to be successful. The supervisor must understand his role as a leader and how exchanges with his subordinates impact the organization.

The subordinate must understand his role as a subordinate and that his exchange with his supervisor is based on several work outcomes and attitudes such as his performance, OCB, loyalty, and other attitudes, which will be discussed later. Finally, the peer group of supervisors must understand their individual roles to their subordinates and their roles to other members of the peer group work accordingly. A formal organization is a social setting and, as a result, the role that the actors (employees) play is a result of this setting and not based on their individual personality. This setting has expectations of all of the actors based on their role in the organization or social setting, and these expectations are learned (Katz & Kahn, 1978).

### **Social Exchange Theory**

This section includes the evolution of LMX from the perspective of social exchange theory. Social exchange between two people involves obligations, whether implied or explicitly stated, to each other, so when one person does something, such as completing a task, there is an expectation of reciprocity in some form. When applying this concept of social exchange to LMX it is possible to understand that employees will feel obligated or duty bound to help those (supervisors or peers) who have helped them (Chen, Lam, & Zhong, 2012; Lo et al., 2010; Venkataramani, Green, & Schleicher, 2010; Vidhyarthi, Erdogan, Liden, Anand, & Ghosh, 2010).

Social exchange is a theoretical foundation for the positive effects of high LMX which can result in higher levels of performance and loyalty from subordinates (Eisenberger et al., 2010; Rockstuhl, Ang, Dulebohn, & Shore, 2012). In order for relationships to develop trust, loyalty, and mutual commitment there are rules to be

followed. The first rule is reciprocity, which simply states that one individual will do something for another with the expectation that this act will be reciprocated in some manner. The second rule is negotiation, which states that the two individuals will negotiate a beneficial arrangement such as a quid pro quo; this arrangement is much more detailed. The third rule is rationality and uses logic to obtain likely outcomes. The fourth rule is altruism, in which one seeks to benefit another person at an absolute cost to the individual providing that benefit. The fifth rule applies to groups, and it is toward the group gain that benefits are put. The sixth rule is competition, which is the opposite of altruism, and the individual seeks to destroy or hurt others even if they are hurt themselves (Cropanzano & Mitchell, 2005; van Gils, van Quaquebeke, & van Knippenberg, 2010; Walumbwa, Cropanzano, & Goldman, 2011a).

### **LMX**

LMX was developed from both social exchange theory and role theory approximately 40 years ago (Jha & Jha, 2013; Sin et al., 2009). Social exchange, simply explained, is the voluntary actions of one individual that are motivated by the potential returns he/she is expected to receive, i.e., the desired return that was sought. These behaviors by both subordinate and supervisor are based on the obligation of reciprocity by the individual who is the recipient of the initial voluntary action. This initial action on the part of the one individual obligates the second individual to supply the benefits back to the original individual. This exchange process fosters the evolution of the supervisor-subordinate relationship outlined in LMX by regulating the social interaction among the supervisor-subordinate and within a group of subordinates or supervisors (Blau, 2007).

LMX was first introduced by Dansereau, Graen, & Haga (1975) as VDL. VDL originally concentrated on comprehending the differentiation in supervisor behaviors toward subordinates through role making. LMX has developed into a multidimensional makeup and is one of the most studied and useful approaches to understanding the effects of leadership in organizations (Cogliser et al., 2009; Dansereau et al., 1975). LMX has evolved through four stages of theory (Graen & Uhl-Bien, 1995). Originally, VDL provided validation to the leadership differentiation in organizational work units. The second stage was validated work relationships at the dyadic level. The relationship between supervisor and subordinate has been described as the primary concentration of LMX theory (Cogliser et al., 2009; Graen & Uhl-Bien, 1995). The theory then evolved into a prescriptive method on the leadership process; ultimately the fourth evolution of LMX theory focuses on the group making phases of how dyads evolve and operate at a system level (Rahn, 2010).

According to Graen & Uhl-Bien (1995), LMX uses a relationship based route to describe leadership processes and outcomes and emphasizes that both the supervisors and subordinates develop the dyadic exchange relationship to create foundations of leadership influence (Graen & Uhl-Bien, 1995; Schyns & Day, 2010). The rudimentary construct of LMX (Graen & Uhl-Bien, 1995) is that supervisors form different types of mutual and reciprocal exchange relationships with their subordinates. According to Choi (2013), LMX portrays the quality of exchange relationships between the supervisor and subordinates, and in high-quality relationships the supervisor and subordinate have developed mutual trust, loyalty, respect, support, openness, and honesty; whereas the

exchanges are based squarely on a formal contract between supervisor and subordinate in low-quality relationships .

LMX has been studied since the 1970's (Cogliser et al., 2009; Dansereau et al., 1975; Dulebohn et al., 2012; Hu & Liden, 2013; Othman et al., 2010; Tse, Ashkanasy, & Dashborough, 2012) and has developed from vertical dyad linkage. Contemporary models of leadership failed to evolve from their primitive status in the 20 plus years of active research prior to the development of VDL. The failure of these leadership models to develop was based on two assumptions. The first assumption is that subordinates who report to the same supervisor and share relevant dimensions about work are considered a single entity, "work group." The second assumption is that a supervisor essentially treats his subordinates the same. VDL was developed and evolved as an alternative to the contemporary leadership models because VDL was not restricted by the two aforementioned assumptions about leadership models. Vertical dyad focuses on the relationship between the supervisor and subordinate. The alternative approach of VDL allowed for the notion that relationships between supervisors and subordinates are fundamentally different and for the traditional ideology of the relationships being essentially the same within an organization. Based on the alternative approach both members of the dyad became the focus of leadership studies (Dansereau et al., 1975; Graen & Schiemann, 1978; Liden & Graen, 1980).

In a study by Liden and Graen (1980), supervisors formed different quality relationships with their subordinates in over 90% of the dyads studied. The researchers further found that in almost all units supervisors differentiated among subordinates based

on leader behavior, competence and skill of subordinate, trust, and motivation to take on greater responsibility are selected by the supervisor. These subordinates selected by the supervisor form the in-group and produce at levels that go above and beyond the formal expectations and take on more responsibility to contribute to the success of the organization. The subordinates receive greater attention, support, and treatment from their supervisors as a result of their efforts. Subordinates who are not selected by the supervisor form the out-group and perform the ordinary tasks of the organization and experience a more formal relationship with their supervisor.

LMX agreement develops over a series of social exchanges between supervisor and subordinate based on their roles in the exchange. During this phase of exchanges, the supervisor assigns tasks to the subordinate in order to evaluate his/her ability to complete the task; meanwhile the subordinate is also evaluating the supervisor; and it is based on this series of exchanges both members are deciding if mutual trust, respect, loyalty among other attributes can be established (Cogliser et al., 2009; Kalisch & Lee, 2012; Markham, Yammarino, Murry, & Palanski, 2010; Schriesheim, Wu, & Cooper, 2011; Schyns & Day, 2010; Sin et al., 2009; van Gils et al., 2010; Zhang et al., 2012b). According to Sin et al. (2009), increases in social interactions between supervisor and subordinate will lead to their LMX ratings being based on the more common experiences from these exchanges. They further found that LMX congruence increases with a longer tenured relationship and an increase in intensity of interactions between supervisor and subordinate. They further concluded that familiarity between supervisor and subordinate

leads to higher levels of congruence. Schyns and Day (2010) argued that a higher quality LMX between supervisor and subordinate will result in higher levels of LMX agreement.

The basic idea of LMX differentiation is that supervisors vary their level of treatment (high-quality and low-quality relationships) of subordinates (Chen et al., 2014; Erdogan & Bauer, 2010; Graen & Uhl-Bien, 1995; Hassan & Hatmaker, 2014; Hu & Liden, 2013; Le Blanc & Gonzalez-Roma, 2012; Liao, Liu, & Loi, 2010; Naidoo, Scherbaum, Goldstein, & Graen, 2011; Schyns & Day, 2010). Differentiation within organizations appears to be normal and accepted behavior by both the organization and the subordinates, who are on the receiving end of the differentiated relationships. Evidence supports the claim that LMX differentiation has a positive impact on subordinate performance, particularly in low LMX exchanges (Erdogan & Bauer, 2010; Naidoo et al., 2011). Naidoo et al. (2011) further found that the differentiation has a positive impact on team performance. Research further showed that LMX differentiation can impact attitudes, interactions between co-workers, and level of group attachment (Erdogan & Bauer, 2010; Hassan & Hatmaker, 2014).

LMX differentiation can impact both high and low LMX exchanges because of the implication that subordinates do not have equal access to a supervisor and the benefits of a high-quality LMX exchange (Erdogan & Bauer, 2010). Hassan and Hatmaker (2014) suggested that subordinates who experience positive LMX differentiation from their supervisor in the form of trust, increased support, resources, attention, open lines of communications, and latitude are more likely to reciprocate these behaviors in the form higher levels of commitment toward their work and organizational goals. Schyns and Day

(2010) suggested that individual subordinate performance is increased when supervisors treat their subordinates differently based on the subordinates' level of contribution.

Naidoo et al. (2010) conducted a longitudinal examination of the effects of LMX, ability, and differentiation on team performance. The results of this longitudinal study showed that leader LMX ratings are positively related to team performance at later time periods as opposed to earlier time periods in the team's lifecycle. The results further showed that leader LMX differentiation is positively related to team performance at later time periods as opposed to earlier time periods in the team's lifecycle.

Harris, Li, and Kirkman (2014) examined how LMX differentiation and LMX relational separation attenuate LMX's influence on organizational citizenship behavior and turnover intention. Sixty workgroups comprised of 223 participants from six state-owned companies in three Chinese cities were used for data collection. The results of the study showed that group level LMX differentiation and LMX relational separation moderates the relationships between individual level LMX and both individual organizational citizenship behavior and turnover intention such that the relationships will be stronger when LMX differentiation is lower, rather than higher.

Chen et al. (2014) examined concepts beyond LMX differentiation by exploring an indigenous approach to leader-member relationship differentiation; the sample for this study consisted of 228 participants from 12 different companies within the People's Republic of China. LMG is described as "leader-member guanxi (LMG) is a distinct indigenous Chinese construct compared to leader-member exchange (LMX), and that LMG differentiation is distinct from LMX differentiation" (Chen et al., 2014, p. 612).

The results showed that LMG differentiation is negatively related to employee job satisfaction. These results also showed that LMG differentiation is positively related to employee turnover intention and that the LMG differentiation moderates the positive relationship between LMG and job satisfaction and between LMG and organizational commitment after controlling for LMX differentiation—such that the relationship becomes stronger when the LMG differentiation is higher. The results further showed that LMG differentiation moderates the relationship between LMG and co-worker helping behavior after controlling for LMX differentiation, such that LMG is positively related to co-worker helping behavior only when LMG differentiation is high. The results of the study showed that LMG differentiation is negatively related to employee organizational commitment and co-worker helping behaviors. The results also illustrated that LMG differentiation moderates the relationship between LMG and turnover intention after controlling for LMX differentiation, such that LMG is negatively related to turnover intention only when LMG differentiation is high (Chen et al., 2014).

Le Blanc (2012) conducted a team level investigation of the relationship between LMX differentiation and commitment and performance. Data were collected from 38 teacher teams from seven secondary schools in the Netherlands. The results showed that the median level of LMX within a team moderates the relationship between team-level LMX differentiation and team performance, so that LMX differentiation is positively related to team performance when LMX-quality median is low, but is not related to team performance when LMX-quality median is high. The results further showed that the median level of LMX within a team moderates the relationship between team-level LMX

differentiation and team members' affective commitment to the team, so that LMX differentiation is positively related to members' affective team commitment when LMX-quality median is low, but is not related to members' affective team commitment when LMX-quality median is high. The results confirmed that dissimilarity among team members regarding work values is positively related to LMX differentiation.

### **Follower Outcomes / Attitudes**

Organizational citizenship behavior is summarized as behaviors that individual subordinates perform that are outside of their normal job requirements but that are of benefit to the organization; these are not usually enforceable by the organization. Organizational citizenship behavior is further divided into two categories: OCBO, which is organizational citizenship behavior toward the organization, and OCBI, which is organizational citizenship behavior toward the individual (Bolino, Klotz, Turnley, & Harvey, 2013; Decoster, Stouten, Camps, & Tripp, 2014; Harris et al., 2014; Law, Wang, & Hui, 2010; Sun, Chow, Chiu, & Pan, 2013; Vidhyarthi et al., 2010; Xu, Huang, Lam, & Miao, 2012).

According to Kandan and Bin Ali (2010), a relationship exists between LMX and organizational citizenship behavior because supervisors who engage in higher quality exchanges with subordinates appeal to the higher order social needs of the subordinate by getting him/her to place the long-term good of the organization over his/her short term goals. This behavior by the subordinate who places the needs of the organization over his/her needs is grounded in reciprocity in which a subordinate feels obligated to return a

positive behavior based on positive interaction with a supervisor (Anand et al., 2010; Walumbwa et al., 2011a).

Tummers and Knies (2013) conducted a study to examine to what extent meaningfulness of work mediates the relationship between LMX and outcomes inside the work context (organizational commitment, work effort) and outside the work context (work-to-family enrichment). Participants for this study were sought out from both the healthcare sector and local Dutch government sector: 790 participants from the healthcare sector completed surveys; 313 participants from the education sector completed surveys; and 229 participants from the local Dutch government sector completed surveys. The results of the study show that LMX has a positive direct effect on organizational commitment, work effort, and work-to-family enrichment. They also showed that LMX has a positive indirect effect, through the level of meaningfulness, effect on organizational commitment, effect on work effort, and work-to-family enrichment. These results were shown to be positive for all three sectors surveyed.

Further evidence supported the claim that LMX is positively related to performance in terms of organizational citizenship behavior (Chan & Mak, 2012; Law et al., 2010; Vidyarthi et al., 2010). Research by Gooty et al. (2009), argued that subordinates who engage in organizational citizenship behaviors positively improve organizational performance. According to Sun et al. (2013), supervisors who engage in a high-quality LMX with their subordinates increase their subordinates' organizational citizenship behavior. According to Bolino et al. (2012), there is another side to organizational citizenship behavior that occurs when the subordinate engages in higher

levels of organizational citizenship behavior to make them stand out over their peers due to potential layoffs, job loss, or economic downturn. This higher level of organizational citizenship behavior increases their chances of being retained if layoffs do occur. Bolino et al. argued that subordinates who continually engage in this type of behavior over an extended period of time may cause negative behavior, as the subordinate would have to continue to increase their levels of organizational citizenship behavior. This can lead to competition, friction among co-workers, or even employees taking more work home. Continuous organizational citizenship behavior, which has been described as the dark side of organizational citizenship behavior, can also lead to negative results within the organization, as the organization now accepts the higher levels of organizational citizenship behavior and normal tasks and the subordinate must increase his/her OCB's. This can lead to the organization rewarding results and not the performance (Bolino et al., 2012).

Sun et al. (2013) conducted a study that examined if an outcome favorability existed in a link between LMX and organizational citizenship behavior. Data were collected from 238 subordinates and 42 supervisors in a manufacturing firm from China. The results of their study showed that a procedural fairness climate will moderate the effect of outcome favorability on organizational citizenship behavior in that the effect will be stronger when the procedural fairness climate is high rather than low. The results furthered showed that there is an indirect effect of LMX on organizational citizenship behavior and that outcome favorability will be moderated by a procedural fairness climate; the indirect effect will be stronger when procedural fairness climate is high

rather than low. The study failed to show that outcome favorability will mediate the relationship between LMX and organizational citizenship behavior.

Kim, Lee, and Carlson (2010) examined the nature of the relationship between LMX and turnover intent at different organizational levels. Participants for this study were solicited from eight five-star hotels in South Korea, including 88 supervisors and 232 non-supervisory employees. The results showed that a relationship between LMX quality and turnover intent will be non-linear among non-supervisory employees. The results revealed that the relationship between LMX quality and turnover intent will fail to be non-linear among supervisory employees. The results did prove that the LMX turnover intent relationship for non-supervisory employees will differ from that for supervisory employees.

Lee, Murrmann, Murrmann, and Kim (2010) examined organizational justice as a mediator of the relationships between LMX and employees' turnover intentions by distributing questionnaires to non-supervisor employees at the hotel. The results showed that the higher the level of quality perceived in the supervisor-subordinate relationship by the employee, the higher the level of perceived distributive justice and perceived procedural justice. Lee, Murrmann, and Kim (2010) also explained that the perceptions of distributive justice and of procedural justice will be negatively related to turnover intentions. The results further showed that the perceptions of organizational justice will mediate the relationships between LMX and turnover intentions.

Affective organizational commitment is simply the commitment or the feelings the subordinate has about his organization. Affective organizational commitment is a

psychological bond that the subordinate has with the organization and has been shown to be related to positive behavior, willingness to stay with the organization, and overall goal agreement. The subordinate forms an emotional attachment to the organization and identifies him/herself with the organization and, as a result, wants to continue working for the organization (Brunetto, Farr-Wharton, & Shacklock, 2010; Cogliser et al., 2009; Dulebohn et al., 2012; Eisenberger et al., 2010; Joo, 2010; Kimura, 2013; Lo et al., 2010; Reid, Allen, Riemenschneider, & Armstrong, 2008). Subordinates with low affective organizational commitment are more likely to quit as soon as they find an opportunity more satisfying than their current means of employment.

Supervisors are an important part of the subordinates' affective organizational commitment. If the supervisor and subordinate enjoy a high quality LMX, then the subordinate is more likely to stay with the organization and work hard (Brunetto et al., 2010; Joo, 2010). Multiple studies argued that LMX positively impacts AOC and performance within an organization (Brunetto et al., 2010; Cogliser et al., 2009; Joo, 2010; Lo et al., 2010; Tummers & Knies, 2013). Dulebohn et al. (2012) suggested several reasons for the positive relationship between LMX and affective organizational commitment; in high-quality exchanges supervisors encourage their subordinates to be committed to the organization and convince the subordinate that the organization deserves their commitment. The subordinates commit to the organization because they are loyal to their supervisor (Dulebohn et al., 2012). High-quality LMX exchanges positively impact affective organizational commitment and have been shown to minimize turnover in organizations (Lo et al., 2010; Reid et al., 2008).

Walumbwa et al. (2011a) examined how LMX influences effective work behaviors such as social exchange and internal-external efficacy perspectives by collecting data from nurses using surveys in a large hospital over an eight-week time period. The results showed that LMX will be directly and positively related to employee perceptions of commitment to the supervisor. Results also indicated that LMX will exhibit an indirect relationship to supervisory ratings of job performance (Walumbwa et al., 2012). This relationship will be partially mediated by commitment to the supervisor. Walumbwa et al. also claimed that LMX will exhibit an indirect relationship to supervisory ratings of employee organizational citizenship behaviors targeted toward the organization and of organizational citizenship behaviors targeted toward the supervisor. Both of these relationships will be partially mediated by commitment to the supervisor. The results further showed that self-efficacy will be positively related to job performance, and that LMX will exhibit a direct relationship to employee reports of self-efficacy. The results showed that means efficacy will be positively related to job performance, and that LMX will exhibit a direct relationship to means efficacy. Finally, the results showed that the positive relationship between LMX and job performance is partially mediated by self-efficacy and means efficacy. However, the positive relationship between leader-member exchange and job performance is fully mediated by commitment to the supervisor, self-efficacy, and means efficacy.

### **Performance**

According to Chan and Mak (2012), task performance is defined as the completion of assignments and work roles required by subordinates. Li and Hung (2009)

define task performance as behavior that is recognized by a formal reward system that is part of the described job description. In their 2012 study, Chan and Mak distributed surveys to 250 dyads from a non-profit agency in China; 223 dyads returned their surveys. Their results were obtained by conducting hierarchical multiple regression tests, and as a result of these tests the inference was made that LMX is positively related to follower performance based on the characteristics of high-quality LMX exchange, which contributes to increased levels of subordinate performance (Chan & Mak, 2012).

According to research by Cogliser et al. (2009), LMX was most positively related to follower performance when the LMX exchange was balanced/high which means that both the supervisor and subordinate had a high view of the exchange. This same study also showed that a balanced/low exchange still yielded positive results, but lower than the balanced/high exchange. The balanced /low exchange is one in which both the supervisor and subordinate view the exchange in a less positive status than a high quality LMX. Cogliser et al. employed a cross-sectional design in that they administered survey questionnaires to 669 employees of a large county library system in the southeastern United States. The final sample of 285 dyads was used for the study.

LMX has been shown to correlate positively with subordinate performance with the focal point being the behavior of the supervisor (O'Donnell et al., 2012). The study by O'Donnell et al. incorporated 239 participants from a variety of organizations, industries, and professions. This study measured 11 leadership behaviors, three of which were proven statistically significant after multiple regression analysis tests—supporting, delegation, and leading by example. In this replication study, O'Donnell et al. extended

results of a previous study that specific leader behaviors impact subordinate performance. In their replication study, they used a different sample, a different measure of LMX, and a more comprehensive measure of leadership behaviors.

Factors impacting Wyoming state government subordinates were contained in the results of a qualitative descriptive study conducted by Haenisch (2012). In his study, Haenisch sent emails to 980 Wyoming state government employees posing four open-ended questions, and 105 usable results were received. As a result of this study, poor supervision or management was identified by 35.5 % of responses as a factor that limits an employees' ability to do his/her best work. Poor supervision or management was identified by 23.2 % of responses as a factor that bothered or irritated employees the most about their work area. Autonomy and freedom were identified by 38 % of responses as a factor that was one of the best aspects of their job or work responsibility. Eliminating bureaucracy and red tape was identified by 20.9 % of responses as a factor that would be changed by employees if they were in charge to improve performance.

LMX positively impacts performance on subordinates in virtual world teams. In a 2012 study conducted by Goh and Wasko, researchers found that a high quality LMX will influence the degree of resources allocated to the subordinate and that a high quality LMX will influence the degree that subordinates develop relational resources. A subordinate who has greater access to these resources will have higher levels of performance as a result of higher resource allocations and increased levels of relational resources. The data were collected over an eight-week longitudinal study by web-based surveys being answered by 68 participants.

LMX impacts subordinates who are members of the team. A study conducted by Zhang et al. (2012a) included 416 participants working in 81 teams who responded to surveys. Results from this study showed that LMX is not positively related to a team member's emergence as an informal leader perceived by peers. It was proven by Zhang et al. that team shared vision is positively related to informal leader emergence at the individual level. Informal leader emergence occurs when members of the team take an informal but active leadership role within the team. This study by Zhang et al. further provided results that showed that job performance is improved due to LMX when team shared vision is high. Zhang et al. also provided results that LMX has a negative impact on performance when team shared visions are low. It showed that informal leader emergence is positively related to individual job performance and that team shared vision moderates the mediated relationship between LMX and individual job performance when informal leader emergence is the mediator. In Zhang et al. informal leader emergence at the individual level is positively related to team performance.

Hassan and Hatmaker (2012) conducted a study involving 477 employees from six divisions in a large state government agency in the Midwestern United States. Two electronic surveys were administered over several weeks. The results of this study concluded a positive correlation between LMX and a supervisor's ratings of a subordinate's performance. They further concluded that subordinates in mixed-gender dyads received lower performance ratings than subordinates who enjoyed a same-gender dyad and that mixed-gender dyads moderated the impact of LMX on performance ratings. Their results showed that female subordinates with male supervisors have a

higher performance rating than male subordinates with male supervisors. They further showed that a longer tenured exchange between supervisor and subordinate resulted in a positive correlation between LMX and subordinate performance ratings.

LMX has been shown to impact the relationships between perceived politics, procedural justice, distributive justice, and job performance. Rosen, Harris, & Kacmar (2011) conducted a study involving 157 subordinates and 42 supervisors from a state government health agency. Their study found that low LMX is an indicator of distributive injustice negatively impacting performance. They further found that high LMX is an indicator of a positive impact on performance by perception of politics and justice (both procedural and distributive). Low LMX results in a negative impact on performance by perception of politics and justice (both procedural and distributive).

In a 2011 study by Loi et al., the researchers examined the interactions between LMX and perceived job security in predicting employee altruism and work performance. Altruism is considered actions at work that are not in a formal job description, but that are completed voluntarily by the employee. The results of their study showed that LMX is positively correlated to subordinate work performance and subordinate altruism and that perceived job security moderates the relationship between LMX and subordinate altruism—specifically, the relationship is stronger when subordinates perceive lower levels of job security. However, the results did not show that perceived job security is positively related to work performance and altruism of subordinates. Loi et al. also could not show that perceived job security moderates the relationship between LMX and

subordinate work performance and that, specifically, the relationship is stronger when subordinates perceive lower levels of job security.

LMX impacts performance in a positive manner because of its beginning in social exchange theory (Blau, 2007) and the norm of reciprocity in which subordinates want to pay back or return the favor that was given to them by their supervisor by increasing performance (Chang & Johnson, 2010; Walumbwa et al., 2011b). Subordinates increase their motivation to want to pay their supervisor back over a longer tenured exchange with their supervisor. According to Hassan and Hatmaker (2014), expectations and impressions of both the supervisor and subordinate vary over the tenure of the exchange in that the longer the tenure of the dyadic relationship the higher the increase in performance. Hassan and Hatmaker (2014) also argued that subordinates who are engaged in a low-quality exchange with their supervisor had performance ratings consistent with their performance levels in the short term. They further argued that subordinates in low-quality LMX exchange over a longer period of time received higher than deserved performance ratings from their supervisor.

Schyns and Day (2010) argued that supervisors treating subordinates differently (in-group and out-group) could improve subordinate performance based on the subordinates' level of contribution (Law et al., 2010). The supervisor is assuming that his followers will accept this behavior as equitable. Schyns and Day also provided a counterargument to treating subordinates differently based on the idea that a difference in treatment could lead to poor performance from subordinates with low-quality exchanges because of feelings of unequal treatment. They further argued that differentiation can

result in increased levels of performance from the subordinate when the supervisor chooses the right subordinate for the right task according to the subordinates' skill and abilities to accomplish this task. Schyns and Day counterargued with the idea that subordinates who have feelings of unequal treatment could begin to hold back their effort based on the feelings of unequal treatment and that decreased levels of performance would appear.

LMX exchanges can have an adverse impact on performance, and this adverse impact happens when supervisors engage in low quality LMX exchanges with their subordinates (Jha & Jha, 2013). The negative effects of LMX will be discussed in an upcoming section. Supervisors choose their subordinates for their in-group because the supervisor believes that the subordinate is motivated and willing to assume more responsibility within his/her roles. Because the subordinate is chosen for the in-group, he receives better benefits from his supervisor and, as a result, is willing to perform at a higher level than members of the out-group. Supervisors are more likely to give subordinates in the in-group higher performance ratings along with better assignments and other benefits (Grodzicki & Varma, 2011). Supervisors who are engaged in high quality LMX exchanges with subordinates rate the performance of these subordinates at a much higher level than those subordinates with low-quality exchanges even when both subordinates perform the same quality of work (Grodzicki & Varma, 2011; Schyns & Day, 2010).

Goh and Wasko (2012) argued that LMX alone does not impact performance directly, but that exchange between supervisor and subordinate will influence the

allocation and development of resources by the subordinate. The ability of the subordinate to allocate and develop more resources will increase performance. Graen and Uhl-Bien (1995) explored the notion that the quality of LMX between supervisor and subordinate impacts the allocation of resources by which subordinates with high quality LMX exchanges would have access to more resources. Goh and Wasko (2012) added to the work of Graen and Uhl-Bien by asserting that when subordinates gain access to the resources of their supervisors they receive better assignments and are given more responsibility. The opposite is true for members of the out-group who don't receive access to the resources of the supervisor; they perform at lower levels because they don't have the full benefits of high-quality LMX exchanges (Goh & Wasko, 2012; Graen and Uhl-Bien, 1995).

### **Public Sector Organizations**

The public sector will be referred to as government organizations or agencies, such as police departments, fire departments, emergency medical services, public hospitals, public education, public libraries, financial administration, judicial and legal, corrections, transportation and highways, public welfare, solid waste management, parks and recreation, and other agencies that operate under the umbrella of a government or public entity. According to Jordan et al. (2012), public sector entities are designed to serve the interests of the citizens and to meet the needs of the community by providing funding for these services to be carried out through the appropriations of tax dollars. According to a 2010 U.S. Census report, there were approximately 3.8 million full-time state government employees and approximately 1.5 million part-time state government

employees (State Government Employment Data, 2010). Very few studies have been conducted focusing primarily on state government employees, and improvements in state government employee performance could have significant financial and service impacts for the citizens, particularly when considering that there are approximately five million full and part-time state government employees (State Government Employment Data, 2010) in the United States (Andrews & Boyne, 2010; Haenisch, 2012; Hassan & Hatmaker, 2014).

The relationship between supervisor and subordinate is crucial to public sector employees (Brunetto, Farr-Wharton & Shacklock 2011). This relationship between supervisors and subordinates has become even more paramount because of increased assignments and tasks due to higher accountability and governance standards (Brunetto et al., 2011; Dick, 2010). The supervisor-subordinate exchange is vital to the level of negative impact on the subordinate due to the supervisor having more discretionary power in terms of assigning tasks. A positive relationship between supervisor and subordinate allows for the supervisor to mediate between higher levels of accountability and organizational demands placed upon the subordinate (Brunetto et al., 2010; Brunetto et al., 2011; Dick, 2010). According to Haenisch (2012), poor supervision and management were the most frequently noted factors that limit the productivity of state government employees. Managerial leadership is a vital factor for government agencies to function effectively and deliver high-quality services to citizens. However, research on managerial leadership in the public sector is lagging (Andrews & Boyne, 2010; Hassan & Hatmaker, 2014).

Judging performance in the public sector is different than judging performance in the private sector. Performance by public sector employees is judged by varying constituents, taxpayers, staff, politicians, and other stake-holders (Andrews & Boyne, 2010). Improving the efficiency and effectiveness of public services by public sector employees has gained significant attention from scholars, and public administration literature has concentrated on this area for the past two decades. One strategy that has been explored in regards to addressing the issue of improving public sector performance and quality of services being delivered is one of influencing their job performance and motivation. A second strategy that can be explored to address the area of improving public sector employee performance and quality of services delivered is improving the quality of the relationship between supervisor and subordinate (Hassan & Hatmaker, 2014; Tummers & Knies, 2013). This strategy can be employed through the incorporation of LMX. A key principle in leadership is the relationship between supervisor and subordinate (Burns, 2010; Gerstner & Day, 1997; Hassan & Hatmaker, 2014). Effective leadership occurs when the supervisor and subordinate are able to form and maintain a high quality LMX and understand the benefits of this relationship (Graen & Uhl-Bien, 1995; Hassan & Hatmaker, 2014). According to Andrews and Boyne (2010), lack of leadership is the primary cause for the performance failures or inability to perform at desired levels by public sector employees.

Hassan and Hatmaker (2014) conducted a study in which they explored the leadership and performance of public sector employees by focusing on the impact of the quality and characteristics of supervisor-subordinate exchanges. The results of their study

showed that LMX quality is positively associated with the ratings of public employee in-role performance and interpersonal citizenship behavior. Results also showed that public sector subordinates in mixed-gender dyads will receive lower ratings on in-role performance and interpersonal citizenship behavior than employees in same-gender dyads. Hassan and Hatmaker further showed that differences in gender will moderate the association of LMX with ratings of public sector subordinate in-role performance and interpersonal citizenship behavior, such that the strength of this exchange in mixed-gender dyads will be weaker than in same-gender dyads. They further showed that longer tenure with the supervisor will have a positive impact on supervisor ratings of public sector subordinate in-role performance and interpersonal citizenship behavior. The results showed that longer tenure with the supervisor will moderate the effects of LMX on public sector subordinate performance ratings such that low-quality LMX subordinates with a long tenure will receive higher ratings than low-quality LMX subordinates with a short tenure.

Brunetto et al. (2010) explored the impact of supervisor-subordinate exchange on public and private nurses to examine if any differentiation exists between the public and private sector nurses. They had two primary research questions that they sought to answer: “What is the impact of the supervisor-subordinate exchange upon the morale and affective commitment of nurses?” and “Is the impact the same for public and private sector nurses?” The study consisted of qualitative and quantitative methods. The results of the study by Brunetto et al. showed that a significant positive relationship exists between satisfaction with LMX and nurses’ subsequent perceptions of morale. The

results showed that a significant positive relationship exists between nurses' perceptions of morale and their levels of affective commitment. The results show that a significant positive relationship exists between nurses' level of satisfaction with LMX, their perceptions of morale, and their levels of affective commitment. The results further showed that private sector employees experience higher levels of satisfaction with LMX, higher perceptions of morale, and higher levels of affective commitment than public sector employees. The study showed that impact is not the same for both private and public sector employees.

### **Leadership in Review**

Chan and Mak (2012) defined a benevolent leader as one who devotes energy to take care of, show genuine concern for, and encourage subordinates when they are faced with problems. A benevolent leader is a leader who shows interest in his/her subordinates' personal life and is concerned about subordinates' family, helping them if they need help. Chan and Mak (2012) explored the correlation between benevolent leadership and subordinate performance. This study was conducted by distributing questionnaires to 223 dyads from a non-profit organization in Hong Kong. The results of this study showed that benevolent leadership is positively correlated to subordinate task performance and organizational citizenship behavior toward the organization. Chan and Mak further showed that LMX is positively correlated to subordinate task performance and organizational citizenship behavior toward the organization and that LMX mediates this relationship between benevolent leadership, subordinate performance, and organizational citizenship behavior toward the organization.

Walumbwa et al. (2011b) defined ethical leadership as a demonstration of normal appropriate behavior through personal conduct and exchanges and the promotion of such behaviors to subordinates through two-way communication, reinforcement, and decision-making. Their study explored the impact of ethical leadership on subordinate performance by surveying 72 supervisors and 201 subordinates from the People's Republic of China. The results of the study by Walumbwa et al. showed that ethical leadership is positively correlated to LMX, subordinate perceptions of self-efficacy, and organizational identification. Their results further showed that subordinate perceptions of LMX, subordinate perceptions of self-efficacy, and subordinate organizational identification partially mediate the relationship between ethical leadership and subordinate performance.

In a study conducted by Zhang et al. (2012a), LMX, informal leader emergence, individual and team performance were examined by surveying participants from a service center at a large telecommunications center in China. The results of this study showed that LMX was not positively correlated to a team member's emergence as an informal leader as perceived by peers. Team shared vision was shown to be positively correlated to informal leader emergence at the individual level. Team shared vision was shown to moderate the relationship between a member's LMX and his emergence as an informal leader as perceived by his peers. The results showed that teams with high shared vision had a positive relationship between LMX and leader emergence, whereas teams with low shared vision had a negative relationship. Informal leader emergence was shown to correlate positively with individual job performance. The results further showed that team

shared vision moderates the mediated relationship between LMX and individual job performance, such that a higher team shared vision equates to a more positive mediated relationship. Informal leader emergence at the individual level was shown to be positively correlated to team performance.

Wang et al. (2014) explored the impact of authentic leadership on performance by surveying 794 subordinates and 49 supervisors from a Chinese Logistics firm in China. According to Wang et al., authentic leadership is characterized by a supervisor's self-awareness, openness, and clarity behaviors. Authentic leaders share the information with subordinates needed to make decisions, accept inputs from subordinates, and disclose their personal values, motives, and sentiments. The results of the study showed that authentic leadership is positively correlated to subordinate performance and subordinate LMX. The results showed that LMX mediates the relationship between authentic leadership and subordinate performance. Subordinates' psychological capital moderated the relationship between authentic leadership and the performance of subordinates and between LMX and subordinate performance, such that the relationships are stronger among subordinates with low rather than high levels of psychological capital. The results further showed that the mediation of LMX underlies the overall moderating effect of psychological capital on the relationship between authentic leadership and subordinate performance in such a way that authentic leadership is positively related to LMX, and the relationship between LMX and subordinate performance is stronger among followers with low rather than high levels of psychological capital.

Fernandez, Cho, and Perry (2010) defined integrated leadership as a combination of five leadership roles performed collectively by subordinates and supervisors at different levels of the organizational chart. These leadership roles involve task, relations, change, diversity, and integrity-oriented leadership. The results of their study showed that 49 out of the 97 federal agencies had a positive correlation to integrated leadership to prove that integrated leadership has a positive effect on organizational performance in the public sector.

In a 2014 study by Decoster et al., the researchers examined the role of employees' organizational citizenship behavior and of leaders' hindrance stress in the emergence of self-serving leadership. In this study, the researchers conducted four individual studies involving four different samples. Study one involved 73 undergraduate students from a university who had to respond to a scenario presented to them. The results of study one showed that employees' organizational citizenship behavior toward the individual negatively affected leaders' self-serving leadership. Study two had 121 triads (one supervisor, one subordinate and one co-worker of the subordinate) from various industries, such as government, healthcare, technology, and others. The results of study two showed that an employee's organizational citizenship behavior toward the individual would negatively impact the leader's self-serving leadership and the leaders' hindrance stress. The results further showed that leaders' hindrance stress will positively impact leaders' self-serving leadership and that leaders' hindrance stress will mediate the effect of employees' organizational citizenship behavior toward the individual on leaders' self-serving leadership. Study three involved 52 undergraduate students who were

subjected to the same scenario as in study one. The results showed that employees' organizational citizenship behavior toward the individual would negatively impact leaders' hindrance stress. Study four involved 55 undergraduate students who were subjected to similar conditions as in study two. The results showed that leaders' hindrance stress will positively impact leaders' self-serving leadership.

Xu et al. (2012) described abusive supervision as subordinates' perceptions to the extent that supervisors engage in the sustained display of abusive verbal and nonverbal behaviors, excluding physical contact, such as loud outbursts toward subordinates, berating subordinates, making derogatory statements to subordinates, and humiliating or ridiculing subordinates in front of their peers. This study included 366 subordinates and 141 supervisors from a large Fortune 500 company in China who were recruited to participate in the study. The results showed that abusive supervision negatively impacts performance, along with organizational citizenship behavior toward the organization and toward the individual. The results further showed that LMX quality will mediate the relationship between abusive supervision and subordinates' performance, along with organizational citizenship behavior toward the organization and toward the individual.

### **Criticisms of LMX**

This section will discuss a few antitheses to LMX. One such fault of LMX is that differentiation can have a negative impact on an employees' performance, which in turn impacts the organization. This negative impact occurs because a supervisor focuses on establishing as many high-quality exchanges as possible with his subordinates so that the subordinates who are in the out-group feel left out or neglected and, as a result, their

performance is negatively affected (Dulebohn et al., 2012; Erdogan & Bauer, 2010; Jha & Jha, 2013; Othman et al., 2010). A second criticism of LMX is that subordinates who fall into the in-group are relied on so heavily by supervisors to perform at high levels that the subordinates burn out due to stress and work overload which negatively impacts performance. A third criticism of LMX is that supervisors tend to overlook lower levels of performance by subordinates of the in-group due to these subordinates having a high-quality exchange with their supervisor, who can negatively impact performance of the organization (Dulebohn et al., 2012; Erdogan & Bauer, 2010; Jha & Jha, 2013). According to Othman et al. (2010), dysfunctional environments can sprout from low-quality exchanges with subordinates who feel disrespected, left out, or with those whose supervisor is treating them in a negative manner, resulting in a subordinate with the low-quality exchange reciprocating negatively in the form of low-performance levels.

### **Gaps in the Literature**

Two gaps in the literature were discovered from an exhaustive review of current and relevant literature. The first gap discovered during the literature review was that a large majority of studies concerning LMX are quantitative in design; more specifically a cross-sectional design was employed for these studies. With this idea in mind, it was supposed that future researchers could employ qualitative methods when studying LMX in order to explore the reality of leader and follower perceptions in regards to LMX and how LMX impacts not only subordinates but organizations (Cogliser et al., 2009). O'Donnell et al. (2012) suggested using a qualitative methodology that includes detailed diaries, semi-structured interviews, videotaped interactions, questionnaire items, and

other qualitative measures to explore the meaning of the supervisor-subordinate exchange on both the supervisor and subordinate. Using qualitative methodologies in future studies provides the researcher the opportunity to explore LMX in a manner that is not usually employed due to the majority of quantitative studies employing a cross-sectional design. Researchers who utilize a qualitative methodology for studying LMX can gather feedback from participants in the research about their feelings on LMX, their thoughts on how their supervisor treats them compared to peers, and their feelings in other areas that can be impacted by LMX.

The second gap in the literature was a lack of longitudinal designs used when studying LMX. The majority of the studies examined for this literature review employed a quantitative methodology with a cross-sectional design, which doesn't allow for the researchers to infer the possibility of cause and effect or to track changes over a period of time. The common denominator in the studies examined for this literature review was that causality could not be determined due to a lack of longitudinal examination (Anand et al., 2010; Chan & Mak, 2012; Erdogan & Bauer, 2010; Gerstner & Day, 1997; Hassan & Hatmaker, 2014; Hu & Liden, 2013; Joo, 2010; Kandan & Bin Ali, 2010; Law et al., 2010; Le Blanc & Gonzalez-Roma, 2012; Lo et al., 2010; Sin et al., 2009; Vidyarthi et al., 2010; Xu et al., 2012; Zhang et al., 2012b).

According to Sin et al. (2009), newly formed dyads can be studied longitudinally to observe changes in LMX agreement based on role testing through daily interactions between supervisor and subordinate. Kandan & Bin Ali (2010) argued that a longitudinal study can provide more insight into LMX and OCB. A longitudinal study can provide

more insight about performance within a team impacted by LMX and the impact of performance of subordinates over the course of increased tenure with their supervisor (Hassan & Hatmaker, 2014; Hu & Liden, 2013). Erdogan & Bauer (2010) contributed to the argument for employing a longitudinal design involving tenure of the relationship between supervisor and subordinate when studying the attitudes of the subordinate. According to Gerstner and Day (1997), a longitudinal study is a more desirable way to comprehend the full spectrum of LMX and potentially distinguish LMX antecedents. LMX relationships are the result of negotiations between a supervisor and subordinate, and careful examination with a longitudinal design may provide strong evidence related to the impact of constitutional characteristics of the dyad, along with interactive behaviors and situational factors regarding the LMX relationship. Finally Le Blanc and Gonzalez-Roma (2012), argued that longitudinal studies are needed to clarify relationships between LMX differentiation and possible antecedents and how these antecedents impact LMX between supervisor and subordinate.

### **Summary**

This chapter discussed different leadership theories and how they impacted performance, attitudes, and other outcomes of employees both in the private sector and public sector including studies conducted domestically and internationally. This chapter also defined LMX, provided an overview of the theory, and discussed the beginning of LMX from vertical dyad linkage, social exchange theory, and role theory and how these theories helped shape LMX into its current format. This chapter also provided evidence to show support or a lack of support for the various leadership theories and their impact

on employees, pertaining to performance, attitudes, turnover intentions, organizational citizenship behaviors, and other outcomes. The review of relevant literature further supported the qualitative methodology employed due to a majority of the literature having conducted quantitative studies about leadership and its impact on subordinates in both private and public sectors. Chapter 3 will introduce the methodology recommended for the research and will include sample and population sizes, instrumentation, and data collection and analysis procedures.

## Chapter 3: Research Method

### **Introduction**

The purpose of this qualitative, phenomenological study was to examine further supervisor-subordinate exchanges and how they impact state government employees. I employed a phenomenological approach to understand the essence of the supervisor-subordinate exchange through LMX and how this relationship impacted the subordinate. The research focused on state government employees in the NC DMV. I conducted semi structured interviews with 12 subordinates to gather data about their understanding of their relationship with their supervisors and how these relationships impacted their performance, motivation, and other attitudes.

The interview questions for this research were based on the LMX-7 instrument recommended during the 1995 study by Graen and Uhl-Bien (Appendix C). The LMX-7 instrument is a quantitative instrument that was altered to a qualitative instrument with permission from Graen (Appendix E). This chapter includes the following sections: research question, research method and design appropriateness, the central concept, research tradition, role of the researcher, methodology, population and sample, informed consent, instrumentation, data collection procedures, data analysis procedures, and ethical concerns.

### **Research Question**

The research question was developed based on a comprehensive and exhaustive literature review. The terms of the literature review are described in Chapter 2. After discovering a lack of qualitative studies on LMX in the literature review, I developed the

following research question to understand the essence of the supervisor-subordinate exchange on subordinate productivity within state government. The research question is as follows:

What is the effect of the quality of the supervisor-subordinate exchange on employee performance within the North Carolina Division of Motor Vehicles?

### **Research Method and Design Appropriateness**

The following section introduces the research method and research design with supporting arguments for conducting this research. This section explains why a qualitative method and a phenomenological approach were employed for this research. The sample and population methods will be discussed, along with the supporting arguments for their selection. The researcher's role and involvement in this study pertaining to the method of data collection from participants will also be discussed. The instrumentation for this research was a qualitative variation of the LMX-7 model identified during a 1995 study by Graen and Uhl-Bien.

### **Research Method**

Qualitative research can be defined in several different ways depending on the scholar. Qualitative research is a specific activity that places the researcher in the field and consists of a set of interpretive, visible material practices. These practices become representations in the form of field notes, conversations, interviews, photographs, recordings, and memos (Snape, Spencer, & Elam, 2004). Qualitative research is the instrument for investigating and comprehending the meanings individuals or groups

apply to a problem in society involving emerging questions and procedures (Creswell, 2013).

According to Creswell (2013), qualitative research starts with interpretive/theoretical frameworks and assumptions that instruct the research problems describing the societal problem by way of essence and means pertaining to the individuals or groups being studied. Creswell suggested that qualitative research uses a materializing qualitative approach to research, includes collecting data in the natural setting of the participants being studied, requires the researcher to be a key instrument in collecting data, necessitates multiple methods of data collection such as interviews, observations, and field notes, and uses a combination of inductive and deductive reasoning. According to Maxwell (2013), qualitative research can be compared to paleontology in that any component of qualitative research design may need to be reconsidered at any point if new developments in the research dictate changes to another component. Maxwell added that designs are not fixed but flexible and do not follow a strict sequence or steps.

A phenomenological approach aims to explain the essence of the phenomenon through the lived experiences of that phenomenon by the participants. Phenomenology focuses on describing what all of the participants have in common as a result of their lived experience with the phenomenon being studied (Creswell, 2013). Qualitative research focuses on investigating and comprehending a meaning that groups or individuals have about a human or social problem (Creswell, 2009). The primary focus of this research was to understand the lived experiences of the followers based on the

quality of their relationship with their supervisors in state government; this is why a qualitative approach was appropriate. Using a phenomenological approach allowed for me to speak with state government employees to understand their perceptions of their relationship with their leader and how this relationship impacted their performance, motivation, and behavior.

One gap in the literature described in Chapter 2 was the lack of qualitative studies focusing on LMX. This is one reason that a qualitative approach research design was incorporated for this study. The literature review conducted for this study involved examining approximately 70 research articles and two dissertations, all of which were quantitative studies, and the majority of these quantitative studies were cross-sectional in design. Two of these studies conducted by Coglisier et al. (2009), and O'Donnell et al. (2012), were explicit in their suggestion of using qualitative studies in future research of LMX. This lack of qualitative research on LMX supported the argument for qualitative research.

### **Role of the Researcher**

Patton (2002) argued that a researcher is the instrument in qualitative research, and the researcher should provide some information about himself. With this notion in mind, it is pertinent to describe my role in the current study. Non-verbal behaviors on the part of the participants were recorded as they responded to the interview questions. Observations were noted concerning their reactions to the interview questions if any significant response was given, along with any non-verbal communication, such as moving hands while talking.

According to Chenail (2011) and Frels and Onwuegbuzie (2012), bias management is one challenge of collecting data through interviews during qualitative research. I was a state government employee for over 5 years, an employee of a municipality for 3 years, and a member of the military for over 5 years. During the 13 plus years tenure as a government employee, both formal and informal leadership positions were held and impacts, both positive and negative, were observed of supervisor-subordinate exchanges on government employees.

Impacts regarding supervisor-subordinate exchanges were anticipated in this study; however, the extent of the impact was unknown as well as why the impact occurred. I was fully cognizant of these biases during the study and remained neutral during the data collection and analysis phases so as not to influence the participants' responses to the questions. No conflicts of interests were anticipated or encountered as participants were specifically chosen from a separate state agency. Participants were selected from a separate agency to prevent or mitigate any ethical issues that could have been associated with conducting a study in my "own backyard." No personal or professional relationships were formed with any of the participants for this research.

### **Methodology**

The methodology for this study was qualitative with a phenomenological approach. Individuals who experienced the phenomenon were sought out in order to conduct one on one interviews with 12 employees selected using a combination of homogeneous and criterion sampling methods. Structured and open-ended interviews were conducted with the selected individuals; interview notes were taken, and the

interviews were recorded (with participant's permission) so that the interviews could be transcribed at a later date for analysis. I kept a running journal to analyze during the data analysis phase of research and examine employee evaluations (with permission), further enriching the data collected. Structured and open-ended interviews were selected so that each participant could be asked the same questions and respond to the same stimuli as the participant before and after them. I collected data by conducting 11 Skype interviews and one face to face interview.

**Population and sample.** Qualitative and quantitative inquiries have differences, and one of those differences is the sample size. In general, qualitative studies use smaller sample sizes. If the data gathered are properly analyzed then nothing of significance will be gained by accruing additional units of fieldwork. Qualitative research is not concerned with prevalence or incidence, nor is there a need to ensure the sample is sufficient to scale. Data gathered during a qualitative study are rich in detail, thus negating gathering a copious amount of data from many sources (Ritchie et al., 2004). Determining sample size relies on what the researcher wants to learn and the purpose of the study. I conducted 11 Skype interviews and one face to face interview involving state government employees and 10 open-ended interview questions (Appendix D).

The sampling method for this research was purposive sampling. Purposive sampling is a form of sampling that a researcher will use to select individuals to study because they have particular features or characteristics that allow them to provide information-rich data about the area of inquiry (Creswell, 2013; Patton, 2002; Ritchie et al., 2004). The basis of sampling size was a result of recommendations found in the

research of Morse (2000), who suggested a range of 6-10 participants for a phenomenological study, Johnson and Christensen (2004), who suggested 6-10 participants for interviews, Creswell (2013), who suggested 5-25 participants, and Onwuegbuzie and Collins (2007), who suggested 6-10 participants for a phenomenological study. Based on this notion, the purposive sample size was 12 individuals who met the criteria and provided sufficient information-rich data that were analyzed for this research.

According to Morse (2000), a range of six-10 participants is appropriate in a phenomenological study because the researcher will gain a substantial amount of information as each participant would be interviewed several times during the data gathering process. According to Onwuegbuzie and Collins (2007), a qualitative sample size should not be so large that difficulties arise in undertaking a deep, case oriented analysis of the data collected by the researcher. This argument is specific to the phenomenological study that was conducted. One reason for conducting a phenomenological study is to gain an understanding of the lived experience of the participant based on his/her experience with the phenomenon being studied.

Individuals from the NC DMV, specifically from the Driver's License Section were purposively chosen as participants for this research. Purposive sampling was selected for two reasons. It was imperative that the subject matter is covered with key members of the constituency. It was crucial to assure diversity is included into the key criteria of the sample (Ritchie et al., 2004). Incorporating purposive sampling allowed

detailed data to be gathered about the impact of the supervisor-subordinate relationship on the performance of the employee in the DMV (Creswell, 2013).

I incorporated two criteria for the selection of participants. The first criterion was that employees must have worked for the agency for at least 2 years so that they would have ample experience with the organization. The second criterion was that they must have worked for their immediate supervisor for at least a year so that they would have adequate experience with a specific supervisor. Purposive sampling was selected because the focus of this study was state government employees, specifically employees who worked for the DMV. Incorporating a purposive sampling allowed detailed data to be gathered about the impact of the supervisor-subordinate relationship on the performance of the employee in the DMV (Creswell, 2013).

Participants were known to meet the aforementioned criteria when they received an initial email outlining the research. This e-mail explicitly asked them if they met the required criteria in order to participate in this research. I have letters of agreements from the Commissioner of NC DMV, Director of NC License & Theft Bureau, and Director of Driver License Services (Appendix B) approving this research and authorizing the study to seek out participants. I gathered e-mail addresses of members of the Driver License Section, and they received an e-mail outlining the research, criteria for participants, informed consent, and instructions on how to respond if they wished to participate in this research.

**Instrumentation.** The instrumentation for this study was the LMX-7 instrument that was recommended during the 1995 study by Graen and Uhl-Bien. The LMX-7

instrument is a quantitative instrument has been used in several studies since being developed by Graen and Uhl-Bien (1995). The LMX-7 instrument was altered into a qualitative instrument with the permission granted by Graen (Appendix F) for use in this research. A qualitatively altered LMX-7 instrument has been used in previous dissertations by Adair (2013) when he explored perceptual effects of life threatening illnesses on supervisor-subordinate relationships and by Dodson (2006) when she explored the relationship of supervisor-subordinate MBTI similarity to perceptions of supervisor effectiveness. LMX-7 is a validated established measure of supervisor-subordinate relationships (Graen & Uhl-Bien, 1995) and was altered into qualitative semi-structured interview questions.

Goh and Wasko (2012) used the LMX-7 instrument when they examined the effects of LMX on member performance in virtual world teams. Walumbwa et al. (2011b) employed an LMX-7 instrument when exploring ethical leadership and performance in a pharmaceutical company in China. Chang and Johnson (2010) also employed the LMX-7 instrument with 107 pairs of employees and supervisors from various businesses in southeastern United States.

The LMX-7 instrument that was altered to a qualitative measure for this research was appropriate because the instrument allowed participants to provide rich data, as open-ended interview questions were used for this study. According to Graen and Uhl-Bien (1995), LMX-7 is the most appropriate and recommended measure of LMX. Since I was exploring the impact of the supervisor-subordinate exchange in state government employees, this instrument was appropriate for this research.

According to Golafshani (2003), validity in quantitative research concerns whether the methods of measurement are accurate and are actually measuring what they are intended to measure; validity in qualitative research is not as concrete as it is in quantitative research in that validity in qualitative research is dependent on the researcher. Member checking was incorporated to ensure content validity during the data collection phase of this research. According to Creswell (2013), member checking is a process that the researcher uses to ensure credibility and validity of the collected data by soliciting the participants to review the analysis, interpretations, and conclusions.

**Data analysis procedures.** Analyzing the data collected during a qualitative study can be challenging due to the large amount of data collected. The Stevick-Colaizzi-Keen method of analysis of phenomenological data as represented by Moustakas (1994) was the most appropriate method of analyzing the data collected, this method was described in detail in Chapter 1.

Writing notes, memoing, and coding were also included as part of the data analysis process to ensure that the data were analyzed completely. Any notes and memoing performed in response to a participant's interview have been included in the data analysis to analyze all data gathered during this research. Coding was conducted with the intention of examining themes and commonalities within the data gathered during the interview process to understand the essence of the supervisor-subordinate relationship.

### **Trustworthiness Issues**

Credibility of this research was met by using the member checking method. After the data were collected, analyzed, interpreted, and after the conclusion was inferred, I presented this written material to the participants so that they could verify its accuracy (Creswell, 2013). Patton (2002) discussed the credibility of the researcher as dependent on training, experience, status, self-presentation, and track record. The study's credibility was further enhanced based on these criteria discussed by Patton. Furthermore, my history as a public sector employee for the past eight years and a trained law enforcement investigator assisted during the data collection phase.

External validity or transferability was ensured for this study through means of rich, thick description. I provided very rich and detailed descriptions about the settings and participants of the study. Providing a detailed description allowed readers of this research to transfer information in this study to other settings and determine if the findings can be transferred because of a shared characteristic (Creswell, 2013).

Dependability or reliability for this study was accomplished by taking detailed field notes during interviews, employing good quality recording devices to record interviews, transcribing every detail of those interviews, and conducting detailed coding of this data (Creswell, 2013).

Confirmability or objectivity for this study was achieved using reflexivity in that I remained cognizant of biases, values, and experiences about the topic of inquiry during the entire study. Achieving confirmability required two parts: discussing my past

experiences with the phenomenon being studied and then discussing how these experiences influenced his interpretation of the phenomenon (Creswell, 2013).

### **Ethical Concerns**

I sought agreements from the Commissioner of the NC DMV, the Director of the NC License & Theft Bureau, and from each participant in this study. The agreements from the Commissioner of DMV and Director of License & Theft Bureau were sought because the participants that were interviewed were from a state government agency that has a formal chain of command that must be followed. The agreements were sought from senior members in the chain of command so that they were fully aware of what the study would entail and what their subordinates would be participating in, if they chose to do so.

The participants of this proposed study were treated in a respectful, humane manner. A minimal risk was realized in that participants in this study were at risk for possible retribution from a supervisor if any data were leaked or if the supervisor thought that the participant was providing negative information during the interviews. I was fully aware of the possibility of this risk and minimized the danger by conducting the interviews in a restaurant or from the participants' residence via Skype. Both settings were away from the participants' place of employment. Conducting the interviews at a neutral location such as a restaurant or from their residence using Skype put the participants at ease by reducing the likelihood of their being seen by their supervisor while participating in this study.

IRB approval (approval number is 01-22-15-0403354) was sought to conduct this study involving semi-structured interviews with the participants. Informed consent forms

from each participant were used to insure each participant was fully aware of the study and the details of their participation. I did not anticipate any ethical concerns during the recruitment process, as emails were sent to potential participants explaining the purpose of the study in detail with an attached copy of the informed consent form. I did not anticipate any ethical concerns during the data collection phase of the study either. During the research, no participants dropped out of their interviews, but I did maintain a plan of termination should a participant have chosen to stop.

All data collected during this study will remain confidential as there will not be a need to disclose any identifying information from any participant. All information pertaining to the identification of each participant will remain strictly confidential, and I alone will know the identities of the participants. At no point will names or any other identifying information about participants be presented. The data collected during this study is stored on an external hard drive that is password protected and on two-computer disks locked in a filing cabinet. Only I will have access to these storage devices. The data collected during this proposed study will be kept for five years to defend any challenges to the results of the study and after the five year period all data will be destroyed and deleted.

### **Summary**

This chapter has outlined the methodology, research design, method for selecting an appropriate sample size, method of collecting data, data analysis procedures, the central concept, ethical concerns, issues of trustworthiness, and my role for the proposed study. This chapter provided arguments to support the selection of qualitative

methodology and a phenomenological research design for this proposed study. This chapter provided details on the procedures taken to ensure complete anonymity regarding participants' identifying information and explained in detail the procedures for keeping and protecting collected data. Chapter 4 will discuss the results obtained from data collection and analysis.

## Chapter 4: Results

### **Introduction**

The purpose of this dissertation was to explore further supervisor-subordinate exchanges and how they impact state government employees. I employed a phenomenological approach to understand the essence of the supervisor-subordinate exchange through LMX and how this relationship affects the subordinate. I focused on state government employees in the NC DMV by exploring the following research question: What is the effect of the quality of the supervisor-subordinate exchange on employee performance within the North Carolina Division of Motor Vehicles? I conducted semi structured interviews with 12 subordinates in order to gather data about their understanding of the relationships with their supervisors and how these relationships impacted their performance, motivation, and other attitudes.

The interview questions were based on the LMX-7 instrument recommended by the 1995 study by Graen and Uhl-Bien (Appendix C). The LMX-7 instrument is a quantitative instrument that was altered to a qualitative instrument with permission from Dr. Graen (Appendix E). This chapter is a description of the setting of the completed interviews, the demographics of the participants, and the methods for data collection and analysis. This chapter includes evidence of trustworthiness and the results of the completed study. This chapter will close with a summary of what was discussed and provide a preview of Chapter 5.

### **Setting**

Interviews for this study were conducted in two settings. One interview was conducted face to face in a restaurant away from the participant's place of employment. This location was selected by the participant to make the participant as comfortable as possible during the interview. The restaurant was not full of customers at the time of the interview which resulted in minimal noises or distractions during the interview. This location was a private business open to the general public, and the participant was not asked if he/she ever visited the site prior to the interview. The remaining 11 interviews were conducted via Skype from the homes of the participants. Most of the 11 participants that selected to participate via Skype stated that they chose to do so for several reasons. These reasons included being in the comfort of their homes, being away from their place of employment, and mitigating the possibility of their supervisor finding out that they participated in this study.

None of the participants mentioned any specific reasons that would influence their responses to the interview questions (such as having an encounter with their supervisor prior to leaving work). All interviews were conducted at least three hours after the participant left his/her place of employment to allow time to decompress. There was no direct dialogue concerning the participant's state of mind before or during the interviews. Several participants noted that they wanted to participate via Skype or in a location away from their place of employment so that they could provide honest responses to the interview questions. Several participants noted that they were initially hesitant about

participating in this study due to the possibility of their supervisor finding out, thus subjecting them to retaliation.

In accordance with the semi structured scripted interview, I advised all participants of the agenda for the interview via the informed consent form received during the recruitment phase. All participants were given the opportunity to ask clarifying questions, with the only question asked concerning whether the participant should discuss a recent event. All participants agreed to participate in the study by both signing the consent form and providing it during the interview (or providing electronic consent via email). All participants consented to be audio recorded both before the interview and again once the interview started. No participant objected to being audio recorded during the interview.

### **Participant Demographics**

The goal was to interview a minimum of 10 participants for this study. Twelve responded to the request for participation and were subsequently interviewed. All participants were working adults over the age of 21, both male and females, and of different races, origins, creeds, and nationalities. Figure 1 captures the breakdown of females, males, African-Americans, and Caucasians that participated in this research. Female participants represented two-thirds (66%), and male participants accounted for one-third (33%) of the sample size. Over half (58%) of the participants were African-American, while Caucasians accounted for 42% of the sample size in this research.

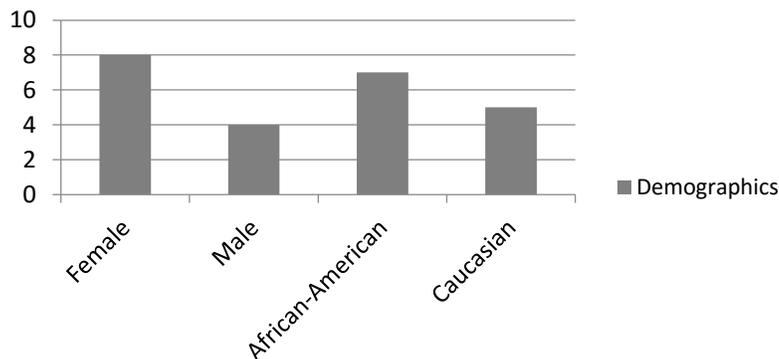


Figure 1. Demographics.

Figure 2 shows that the majority of the participants were in the 40 and older category. Over two-fifths (41%) of the participants were in the age range of 40 to 49 years old. One-third (33%) of the participants were in the age range of 50 to 59 years old. The remaining one-fourth (25%) were in the age range of 30 to 39 years old. The age range spanned almost 30 years from the youngest to the oldest participant in this study.

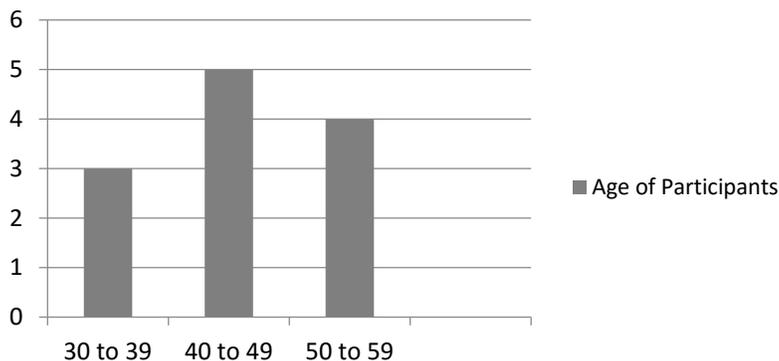
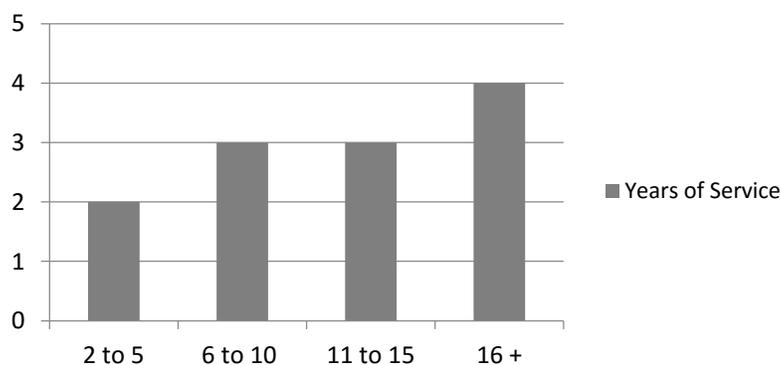


Figure 2. Participant Age.

All participants spoke English as their primary language. All participants were state government employees who worked in the driver’s license sections, as outlined as criteria for participation. All participants worked for the driver’s license section for a

minimum of 2 years and were reporting to their supervisor for a least 1 year, again as outlined in the request for participation invite. Figure 2 captures the years of service by the participants in this research. The participants in this study represented a range of experienced state employees within the NC DMV. One-third (33%) of the participants had years of service in the 16 years and more category. The categories of 6 to 10 and 11 to 15 years of service both had one-fourth (25%) of participants in the sample size. The category with the smallest percentage of participants (16%) was that of the 2 to 5 years of service.



*Figure 3. Years of Service.*

### **Data Collection**

Data were collected from 12 participants who were state government employees working in the driver's license section for at least 2 years and who had been supervised by their manager for at least 1 year. The original proposal stated that a minimum of 10 participants would be sought, which was supported by the research of Creswell (2013), who suggested five to 25 participants for a phenomenological study; so 12 participants still lay within the recommended sample size. Every participant received an informed

consent form in the e-mail invitation to participate in this study. The informed consent form explained to the participant the nature of the research, how he/she could take part in the research (face to face or through Skype interviews), and all of their rights should he/she decide to participate or decide to stop participating at any time during the interviews.

Prior to the interviews beginning I read a semi structured interview script to the participants that provided more details about the study (why they were sought after to participate, what the potential impacts of the study could be, the expected length of time that the interview would take, and the fact that they would be recorded with their consent). The first interview was conducted in a face to face format at a public restaurant away from the participant's place of employment. This location was selected by the participant and agreed upon by me. The remaining 11 interviews were conducted via Skype that allowed the participants to participate from their residence using their home computers. All interviews were conducted on the weekend or later in the evening after the participants left their place of employment.

The interviews consisted of 10 scripted interview questions that were modified from the LMX-7 recommended by the 1995 study by Graen and Uhl-Bien (Appendix C). Each participant was asked the 10 interview questions with additional clarifying questions in situations where I did not understand their responses. Each participant was given ample time to answer each question thoroughly. All participants agreed to be recorded with an audio recorder placed on the table for the one face to face interview conducted and next to the computer for the interviews conducted via Skype. I gave every

participant an opportunity at the end of the interview to provide additional information they thought to be relevant to the study.

Once the interviews were completed, I transcribed the voice recordings into a word document to be reviewed at a later point. The audio recordings were then transferred from the recording device to a password protected external hard drive and then deleted from the recording device. I labeled typed transcripts and audio recordings were with a numerical identification system so that the participants' names did not appear on the audio recordings or typed transcripts. No additional documents or data were collected or analyzed during this study. The focus of the data collection was from recorded interviews that were later transcribed for analysis.

### **Data Analysis**

The data analysis process used conformed to the 10 step Stevick-Colaizzi-Keen method of analyzing phenomenological data referenced by (Moustakas, 1994). Specifically at this point in the data analysis, Steps 6 through 10 were followed. All transcripts were read, re-read and codes were applied to each line of the transcripts. For the sixth step, I examined all coded data for placement into invariant meaning units. These invariant meaning units were then examined for thematic information. Specifically, any reference to understanding, recognition, communications, negative communications, or no communications at all between the subordinate and the supervisor were identified. I highlighted referenced data points on the transcript so that they could be easily referenced and reviewed. I alone performed the coding and analysis of all data gained through interviews. This will be discussed further in the limitations section of Chapter 5.

During the coding process, many codes were identified from the data collected during the interviews. Table 1 captures some of the codes generated from the transcribed interviews during data analysis.

Table 1

*Codes Generated During Analysis*

<u>Codes</u>
Communication
Discussion about mistakes
Resourceful
Delegation of Authority
Confidence
Good Understanding
Periods of Supervisor Absence
Conflicting Information
Friend Instead of Manager
<u>Seeks Help from Subordinates</u>

These codes were identified as a result of the data collected through the interviews conducted. Table 1 is not an all-inclusive list of the codes generated during the data analysis process. These interviews generated direct quotes that led to the codes. Some direct quotes related to the codes listed included, but were not limited to, “He wants someone to give him an answer,” “It affects me a lot,” “She lets us know when there is a problem with a mistake,” and “He usually praises us and mentions it during our meetings.”

In all, eight clusters of meaning were identified in the interviews. Table 2 captures the eight themes that were generated from the codes and reiterative analysis. These eight clusters represent the themes that evolved from myriad codes assigned to the transcribed interviews.

Table 2

*Clusters of Meaning*

Clusters
Communication
Understanding
Recognition
No Recognition
Helpful/Resourceful
Confidence
No Confidence
Relationships

Some of the interviews generated negative responses participants about their relationships with their supervisor, outlining the negative impact on their performance, motivations, and attitudes. The data collected from these interviews were just as important to the study as the interviews that supplied data supporting positive exchanges between supervisors and subordinates. The data showing a negative impact as a result of supervisor-subordinate exchange provided evidence to further the claim of LMX that not

all supervisors treat their subordinates equally. This differentiation between supervisors and subordinates affects both the employees and the organization. These data supported the differentiation that furthers the argument for future study of this phenomenon, especially in state government as this study only examined one section within North Carolina.

Once coding was complete and themes were extracted from the data, Step 7 was followed: synthesize the themes and invariant meaning units into textural descriptions of the experience. During the data analysis process, I immediately recognized that regular communication and no communication significantly impacted the participants in this study. I was able to recognize immediately that these two constructs had a significant impact on the participants because every participant discussed communication in either a positive or negative manner. The eight clusters are discussed in further detail in the results section of this chapter.

### **Trustworthiness**

It is important to establish trustworthiness as a researcher when conducting a scientific study for many reasons, especially when conducting a qualitative study that employs a phenomenological approach. For instance, achieving trustworthiness as a researcher is important because colleagues and readers will question the work if they suspect that its methods or research have been conducted in a fashion outside the expected rigor of science. Researchers can achieve trustworthiness by attending training, gaining experience and status, and improving their track record (Patton, 2002).

I achieved trustworthiness by verifying the credibility of the participants, the dependability of the data analysis process, the transferability of the results of the study, and the conformability of the final results. I obtained signed agreements from the Commissioner of the NC DMV, the Director of the NC License & Theft Bureau, and informed consent forms from each participant who agreed to participate in this study. The agreement was obtained from the DMV Commissioner so that he was fully aware of how the study would be conducted and of the roles that the participants would play in the study.

I further obtained trustworthiness by conducting the interviews away from the participants' place of employment. Several participants expressed concerns about possible retaliation from their supervisor, should their participation in the study be noticed. With these concerns in mind, one face to face interview was conducted at a restaurant away from the participant's place of employment on a Saturday. The remaining 11 interviews were conducted via Skype at the request of those participants, who used their personal computers.

IRB approval was received to conduct this study, IRB approval 01-22-15-0403354. I provided informed consent forms to outline the nature of involvement in the study and how responses would be used. All participants who agreed to participate in the study did so via face to face and Skype interviews. All identifying information related to all participants was not be used in the study in any manner. All interviews have been coded numerically to protect the identity of the participants. Their identifying information will remain confidential as I was the only one working on this study and was the only one

with access to the data. The data collected, transcribed interviews, and audio recordings have been stored on an external hard drive that is password protected and that will be locked in a filing cabinet. I am the only one with access to these storage devices. The data collected will be kept for five years to defend any challenges to the results of the study. After the five year period all data will be destroyed and deleted.

### **Credibility**

Credibility for this study was met by using the member checking method. Upon analyzing the data and drawing conclusions, I presented the results in written form to the participants so that they could verify the accuracy of what was written. Patton (2002) discussed that the credibility of any researcher is dependent on training, experience, status, self-presentation, and track record. This study demonstrated the credibility mentioned by Patton through my academic and professional experience.

### **Transferability and Dependability**

The results of this study showed transferability or external validity through rich description. Rich and detailed descriptions of the settings and participants of the study have been provided in previous sections of this chapter. Providing these detailed descriptions of the settings and participants allow the readers of this dissertation to transfer information about this dissertation to other settings and determine if the results can be transferred because of a shared characteristic (Creswell, 2013). The transferability of these results can only be used parallel to other state government sections, as the focus of this study was state government employees inside one section. The results of this study achieved dependability or reliability by taking detailed notes during interviews,

employing good quality recording devices to record interviews, transcribing every detail of those interviews, and conducting detailed coding of this data.

### **Confirmability**

The results of this study accomplished confirmability by using reflexivity, in that I remained cognizant of biases, values, and experiences about the topic of inquiry during the entire study. Achieving confirmability required two parts: discussing past my experiences with the phenomenon being studied and then discussing how these experiences have influenced the interpretation of the phenomenon (Creswell, 2013). Confirmability was further achieved by removing biases and preconceived notions about the topic being investigated during the data collection and analysis phases.

### **Results**

Qualitative studies use small sample sizes because these studies generate a copious amount of data that the researcher will have to analyze (Creswell, 2013; Patton, 2002). The results presented in the next section are important to the literature because few studies on this topic have been of a qualitative nature. The results of this study supported the need for future qualitative research on this topic. The literature review conducted for this study referenced many quantitative studies on supervisor-subordinate exchange that concluded that the exchange had an impact on the subordinate. The results of this study elaborated on how the exchange impacts the subordinate.

**Research Question**

This study was designed to answer a single research question: What is the effect of the quality of the supervisor-subordinate exchange on employee performance within The North Carolina Division of Motor Vehicles? The intent of this research question was to discover the impacts of a supervisor-subordinate exchange on state government employees, and how specifically workers were impacted by the effects of the exchange. As a current state employee I was interested in how public sector managers engage in both personal and professional relationships with their subordinates and how these relationships affect their subordinates' performance, motivation, and other attitudes in the workplace.

**Interview Question 1**

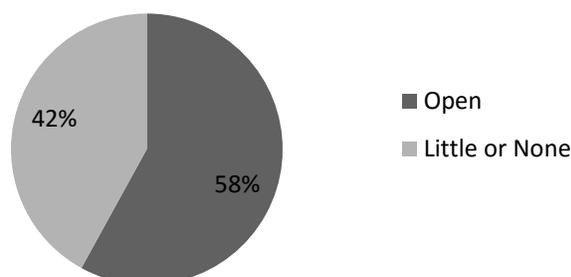
The first question ("Do you know where you stand with your supervisor?") explored the subordinates' understanding of where they stood with their supervisor. The results obtained for this question produced two major themes outlined in Figure 4: "open or regular communication" (58%) and "little or no communication" (42%). The participants who provided a response of little or no communication were very adamant about their responses, and it was evident from their non-verbal cues and body language that not having communication with their supervisor was hindering their performance, motivations, and attitudes in the workplace:

I think like most people with having a boss that I don't really feel like a priority per se, I'm aware that my boss has 3 or 4 things going on at one time, and I typically don't take precedent unless something else is brought to me that

warrants taking a priority. I would foresee my bosses typically always having so much going on that if I need assistance, they'll help if they can, but it's not going to be their number one priority, I just have to grin and bear it and move on. (P011)

P001 answered this question simply with "No communication" and then elaborated that because the supervisor did not communicate it made working in the office and serving the customers difficult.

### Communication



*Figure 4.* Responses to Interview Question 1.

This interview question had the potential to set the tone for the entire interview and with some participants it did so. The majority of the participants were quick to answer this question with short responses (responses for both themes) and then elaborate after a brief pause. More than half (58%) of the respondents reported "open or regular communication" with their supervisor. By 58% of the participants reporting "open or regular communication" with their supervisor it showed that the majority of the participants were in fact communicating with their supervisors regularly and that this regular communication encouraged open dialogue between supervisor and subordinate.

Over 58% reported that they engaged in open communication about their standing with their supervisor and that this open dialogue assisted the subordinate in improving performance, motivation, and or attitudes. P004 stated, “Yes, she talks to me about where I stand with her.” P007 replied, “We talk about it,” Furthermore, P005 said,

Yes, my supervisor tells me on a regular basis where I stand with him. We have both formal and informal conversations about where I stand with my supervisor. If I feel like it has been awhile since my last update about my standing with him, then I will initiate a conversation about my standing with him, so I know how to continue on with my work. (P005)

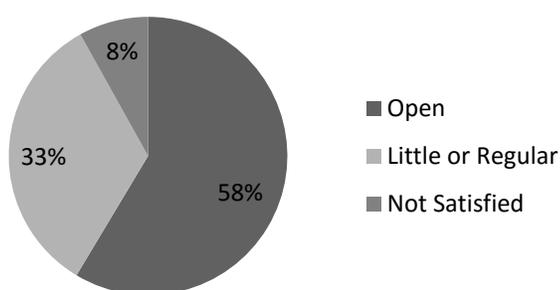
However, over 42% of the participants reported “little or no” communication with their supervisor. Figure 4 represents the divide between open and minimal communication among the participants and their supervisors. Figure 4 does show that the division is not an equal 50/50 split, but also that the difference between open and little or no communication was only separated by two participants’ responses. Figure 4 represents that supervisors were communicating with the majority (58%) of their subordinates and could improve communication with the minority (42%) of subordinates.

### **Interview Question 2**

The second question was “Do you usually know how satisfied your supervisor is with what you do?” This question asked if the subordinates knew their supervisor’s level of satisfaction with their performance and how they knew if their supervisor was satisfied. Figure 5 outlines the three major themes that resulted from the participants’ responses to this interview question: open, positive, or regular communication (33%),

little, negative, or no communication (58%), and no satisfaction (8%). I was interested in the one response that resulted in the theme of “not satisfied.” P006 stated, “He is never satisfied with anything that’s done.” P006 continued to elaborate on this response by saying that sometimes the supervisor was vocal about his dissatisfaction and sometimes his non-verbal cues and behaviors conveyed his dissatisfaction in his subordinates.

### Communication



*Figure 5.* Responses to Interview Question 2.

Contrary to Interview Question 1, the theme of little, negative, or no communication generated more responses for Interview Question 2. The majority (58%) of the participants reported “little, negative, or no” communication between their supervisor. The number (58%) of participants that reported “little, negative, or no” communication for Interview Question 2 was 16% higher than the 42% of participants who reported “little or no” communication for interview question 1. Interview Question 1 was presented in a broader sense than Interview Question 2, because Interview Question 2 explored if the subordinates knew “how satisfied” their supervisor was with their performance.

I noted small differences between Interview Questions 1 and 2, especially as the participants continued to provide responses to the question: for instance, P008 who stated, “I do not typically get any verbal or written feedback concerning my supervisor’s satisfaction level.” The previous response was one reason why P008 stated that she was nervous when it came time for her annual review. P009 shared that the supervisor was “hard to please” and only “communicates when dissatisfied,” while he/she “ignores positive work.” The previous quotes from participants represented in Figure 5 lent support for supervisors communicating their levels of (dis)satisfaction with their subordinates so that the subordinates can make improvements to their performance.

P010 added another layer by saying that “not only is it a lack of communication but it has to do with training also.” P011 also contributed to this idea:

Other than the usual group pep talk, you know we appreciate what you guys are doing, you do a great job every day and not that there is anything wrong with that, but I don’t know that I’ve ever experienced where I was pulled to the side and hey you handled that phenomenally. It’s not something I look for. (P011)

One-third (33%) of the participants reported “open, positive, or regular” communication between their supervisor. The 33% of participants who reported “open, positive, or regular” communication in question 2 was down 25% compared to interview question 1 where 58% reported open or regular communication. P002 responded with “yes, he lets us know most of the time” regarding the supervisor’s satisfaction. P004 followed along this line with “yes, she lets us know when I am doing a good job and when I do something wrong.” P005 added,

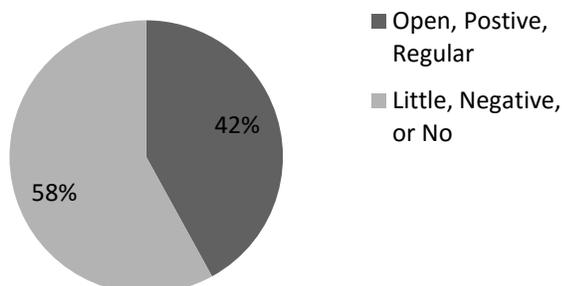
My supervisor will communicate his satisfaction or dissatisfaction with my performance on a very regular basis using multiple means of communication such as telephone calls, text messages, emails, and face to face conversations... We have an open line of communication concerning our working relationship.

Not only is open and positive communication important between supervisor and subordinate, the medium of the communication is important to the exchange. In the highly technological world, it is not unusual for supervisors and subordinates to be hours away from each other, but the necessity of effective communication remains imperative.

### **Interview Question 3**

The third question was “How do you know how satisfied your supervisor is with what you do?” This question’s intent was to elicit the methods that the supervisors did or did not use to show satisfaction with their subordinates’ work and to illustrate the ability of the subordinate to observe how the supervisor conveyed (dis)satisfaction. Figure 6 shows the two major themes that resulted from the responses provided by the participants: open, positive, or regular communication (58%) and little, negative, or no communication (42%). This question was an extension of question two in that I was exploring the observations of the subordinates and thus expected some parallel responses.

## Communication



*Figure 6.* Responses to Interview Question 3.

Two-fifths (42%) of the participants reported “open, positive, or regular” communication with their supervisor for interview question 3, and this percentage of responses was slightly higher than question 2’s responses of 33%. P001 said about his/her supervisor “she lets us know when there is a problem with a mistake or how a situation was handled.” The statement by this participant constituted regular, open, or regular communication because the supervisor was communicating to the subordinate about a problem or mistake instead of only communicating positive behaviors. P008 assumed that his/her supervisor was satisfied with his/her work, stating: “I believe that she knows that I work hard and try my very best to meet deadlines and to go above and beyond to accomplish tasks.”

To this point, P003 said, “hard to tell, again we don’t communicate. My supervisor doesn’t speak to me for whatever reason.” When communication between a supervisor and subordinate does not happen at all, then the subordinate is left to handle all situations that may present themselves. This method of operating can lead to many

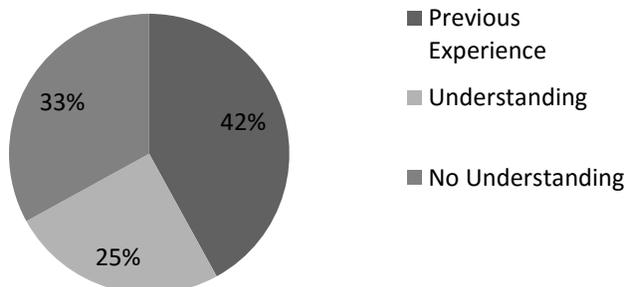
other issues outside of communication. P009 provided an example of negative communication: “If she is satisfied, she doesn’t complain. Again, she never tells me I am doing a good job. She only tells me if I have done something wrong, or something that she thought I should have done in a different way.” Finally, P011 said, “If I get bad news I know better, I don’t really expect to get good news.”

Open, positive, or regular communication was addressed by P002: “He usually praises us and mentions it during our meetings.” P004 said, “She communicates her satisfaction with our work on a regular basis.” P005 said “my supervisor communicates using multiple platforms...he does not hide his feelings about my performance ...sometimes he may buy me lunch if he is satisfied with something I have done.” The results of this study are not a full representation of all state employees in North Carolina as only 12 employees participated in this study.

#### **Interview Question 4**

The fourth question was “How well does your supervisor understand your job problems and needs?” Figure 7 outlines the three major themes obtained from the responses provided: previous experience doing job (42%), understanding and communication (25%), and no understanding (33%). This question explored whether the subordinate believed his/her supervisor understood the problems and needs in the workplace.

## Understanding



*Figure 7.* Responses to Interview Question 4.

The majority (42%) of the participants reported that their supervisors had previous experience doing the subordinate’s job. The majority (42%) of participants reported further that their supervisor was better able to understand their job problems and needs because the supervisor experienced the same problems before becoming a supervisor. The theme of understanding was exemplified by P001 with the following statement: “My supervisor has a deep understanding of what goes into this job and the problems related to it as she has done this job herself and I have a great appreciation of that.” P004 provided further support for the previous experience by adding “...she is a new senior, who was previously an examiner, so she understands our work and the problems we encounter first hand.”

One-fourth (25%) of the participants reported an understanding by their supervisors of their problems and needs, but only in the sense that they understood or that they engaged in communication with the subordinate concerning the problems. The 25% of participants who reported that their supervisors were understanding about their

problems and job needs did not differentiate between positive and negative communication—only that communication between supervisor and subordinate was taking place concerning problems and needs. As P011 stated,

I've never had a supervisor not hear me out or listen to what I had to say, but it's typically, you know I hear ya but this is what we got for right now but you're, you're gonna have to do it this way, and it's usually you know a thanks for listening type thing.

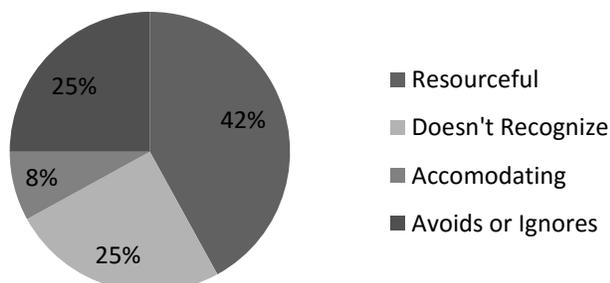
One-third (33%) of the participants reported “no understanding” from their supervisors about their job problems and needs. The 33% of participants that reported “no understanding” did so by conveying that their supervisors ignored their problems, showed no interest in subordinate issues, or gave the impression that they had no interest in helping their subordinates:

So as long as it does not affect them they don't care. My supervisor doesn't understand my problems, and they are only concerned if it blows up and becomes a huge issue where the higher ups might have to get involved. (P003)

### **Interview Question 5**

The fifth question inquired, “How does your supervisor address your job problems or needs?” Figure 8 outlines four major themes that resulted from the data analysis. These include “resourceful and willing to help” (42%), “doesn't recognize” (25%), “avoids or ignores” (25%), and “accommodating” (8%).

## Problems/Needs



*Figure 8.* Responses to Interview Question 5.

The majority (42%) of the participants reported that their supervisors were “resourceful” in helping them solve their problems or needs in the workplace. The majority further reported that their supervisors use open communication to complement being resourceful. This notion reported by the majority of participants was exemplified when P001 stated, “If she is unable to answer my problems or questions, she finds the answer by going to other sources.” P005 added further that “If I go to him with an issue he will listen and then provide a solution if I don’t already have one, my supervisor will provide me advice and guidance when he observes that I have a problem.” P007 said, “She addresses each problem as needs arise. She tries to help us solve whatever problems we have on a timely basis.”

One-fourth (25%) of the participants reported that their supervisor “doesn’t recognize” their job problems or needs. This same 25% of participants reported that no communication contributed to their supervisors not recognizing their job problems or needs. This theme of “doesn’t recognize” job problems was illustrated by P009: “She

doesn't, and I would not usually discuss problems with her as I would feel she would blame me.”

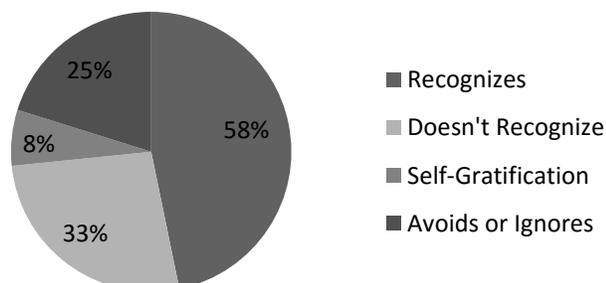
One-fourth (25%) of the participants reported that their supervisor “avoids or ignores” job needs or problems. This group of participants further reported that their supervisors convey to them that the problems should just go away. P003 talked about problems being avoided or ignored by supervision by stating, “They are never addressed ...my supervisor doesn't talk about anything with me.”

One-twelfth, (8%) of the participants reported that their supervisor was “accommodating” concerning their job problems and needs. However, this lone participant further reported that their supervisor did not provide any solutions. P011 added, “I'm looking into it, it's usually been we're looking into it but this is what we got right now.”

### **Interview Question 6**

The sixth question was “How well does your supervisor recognize your potential?” Figure 9 outlines the three major themes generated from the data. These include “recognizes” (58%), “doesn't recognize” (33%), and “self-gratification” (8%). The intent of this question was to explore if the subordinates observed that their supervisors recognized their potential and how this recognition transpired. This question also explored the ability of the subordinate to make observations about whether the supervisor's recognized potential.

## Potential



*Figure 9.* Responses to Interview Question 6.

The majority (58%) of the participants reported that their supervisors “recognize” their potential at work. Participants from the majority reported that their supervisors recognized their potential through delegation of authority for tasks, conducting subordinate evaluations, and open dialogue about potential. P008 stated, “I am continuously assigned to special projects or assignments and called in to provide details as a subject matter expert on a variety of tasks.” The idea of delegation of authority showed that the supervisor believed in the subordinate’s ability to accomplish the task without supervision. Delegation of tasks and responsibility promotes potential for subordinates because delegation introduces the subordinate into the world of management and leadership on a more formal level. P004 stated, “She acknowledges strengths and weaknesses with us all through evaluations.” P005 added, “...by observing my work and the way interact with co-workers, and we have regular communications about my potential.”

One-third (33%) of the participants reported their supervisor “doesn’t recognize” potential. Participants who reported “doesn’t recognize” potential from their supervisors further reported that communication did not regularly occur within their office, and this contributed to the lack of potential being recognized. Participants in this group expressed frustration with their supervisor’s inability to recognize their potential because these participants wanted more responsibility to grow in their careers.

Several participants discussed that their supervisors did not recognize their potential, and P006 conveyed this by stating, “He doesn’t recognize it, doesn’t give me a chance to show what I can do other than what is in front of him.” P009 was very blunt with this statement: “My supervisor treats me like I am stupid, and I am not.” One-twelfth (8%) of the participants reported “self-gratification” on the part of their supervisor recognizing their potential. This theme of “self-gratification” is explored in Figure 9. P003 discussed the “self-gratification” theme by stating, “...just when it benefits them, my supervisor only points out the good things I do if it will make them look good in front of the higher ups.” This one response generated many questions: e.g., “Is this the only supervisor in the agency that manages this way?,” “Is this an organizational issue that is being hidden due to the small sample size?,” and “Is this an area of concern for a future study?”

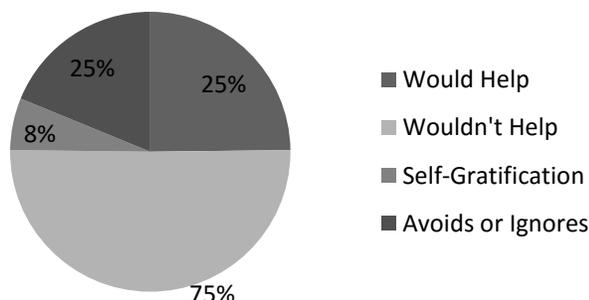
### **Interview Question 7**

The seventh question was “Regardless of how much formal authority your supervisor has, what are the chances that your supervisor would use their power to help you solve problems in your work?” Figure 10 outlines the two major themes that resulted

from the data analysis. “Would help” (25%) and “wouldn’t help” (75%) were the two major themes that grew from the data. This question was simple in what it was seeking from the participants. It was exploring whether the participants expected their supervisor to help them or not with job problems.

The majority (75%) of the participants reported that their supervisors “would not” use their power to help them solve problems at work. The participants in this reporting group reported many factors that contributed to this categorization of their supervisor. Participants in this group reported factors such as self-gratification, self-preservation, ignorance, and other factors why their supervisors would not use their power to help solve subordinate problems. The following quotes from the participants capture the factors surrounding the majority (75%) of the participants. P012 provided a two-word response when asked question 7 by saying, “Very little.” P012 elaborated on this two-word response by adding, “He’s gonna call above him to get an answer.” P002 replied, “He is not going to put himself out there to help us.” P003 added, “Only if it is going to benefit them, again if it will make my supervisor look good then my supervisor will get involved.” P006 replied with “No chance at all.” P009 stated, “She is totally focused on what she is doing and trying to meet her own deadlines.”

## Use Power to Help



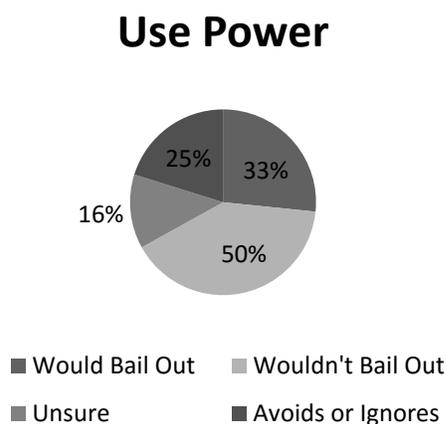
*Figure 10.* Responses to Interview Question 7.

The minority (25%) of the participants reported that their supervisor “would help” by using their powers for job problems or needs. Participants in the minority reported further that their supervisors were helpful, resourceful, and would help within parameters. P004 provided an emphatic response to this question by stating, “100% of the time she will do her best to help us when she can.” P007 stated, “I believe she would do what she could within reason to help in whatever problem that may arise.” P011 stated, “a manager is supposed to manage what the lower folks on the totem pole signed on to do.” This sample size portrayed in this research was not inclusive of all state employees in North Carolina, as only 12 subordinates participated in this research. However, there was a notable disparity between the participants who responded with “would help” and “wouldn’t help” on the part of their supervisor using their authority.

### **Interview Question 8**

The eighth question was “Again, regardless of how much formal authority your supervisor has, what are the chances that they would “bail you out” at their expense?”

Figure 11 outlines the three major themes resulting from the data: “would bail out” (33%), “wouldn’t bail out” (50%), and “unsure or unknown” (16%).



*Figure 11.* Responses to Interview Question 8.

Half (50%) of the participants responded with “wouldn’t bail out” when asked if they believed their supervisor would use their authority to bail them out. The responses collected for this question were interesting in that the question was designed to elicit the level of faith the subordinate had with their supervisor to (proverbially speaking) stick his/her neck out on the line for the subordinate. That half of the participants implied that their supervisor would not “bail them out” at his/her own expense caused me to make a note of an area for future studies concerning supervisor-subordinate exchanges in state government. There were several quotes that highlighted the emotions attached to this question on the part of the participant. P002 replied with “No chance, he will not sacrifice himself for one of his employees.” I made a mental note of the word choice of “sacrifice” by this participant. P003 stated “My supervisor refuses to put himself out for his

employees, my supervisor is only out for himself and will not defend his employees.”

While P009 added,

This question makes me smile, the thought of my supervisor “bailing me out” at her expense is funny. She would never do anything that would make her look like she is to blame for anything...she will not do anything at her expense.

P011 stated, “...I would probably say slim to none. P012 replied with a single word answer of “none.” The responses to this question caused me to consider the possible primary issues causing these responses as the subject for a future project. Again, this sample was not inclusive of every state employee in North Carolina so the results cannot be applied to every organization, but the results from this study do raise concerns and questions for future inquiries.

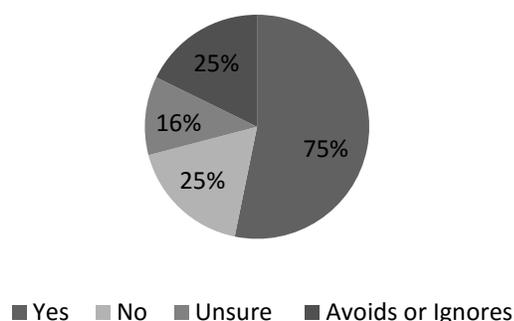
One-third (33%) of participants reported that their supervisor “would bail them out” at their own expense. Participants in this group presented factors such as belief in each other and an expectation that the supervisor would stick their neck out on the line for the subordinate. P005 said, “I think my supervisor would look out for me as long as I did what I did in good faith.” One-sixth (16%) of the participants reported a response of “unsure or unknown” when asked about whether their supervisor would bail them out at the supervisor’s expense. The participants in this group claimed that they had not been in a situation that would call for their supervisor to make that kind of decision.

### **Interview Question 9**

The ninth question asked, “Do you have enough confidence in your supervisor that you would defend or justify their decision if they were not present to do so?” The

intent of this question was to explore the confidence level of the subordinate in their supervisor when faced with defending a decision the supervisor made outside the subordinate's presence. Figure 12 outlines the major themes resulting from the data gathered from this question. Those themes were "confidence" (75%) and "no confidence" (25%).

### Confidence in Supervisor



*Figure 12.* Responses to Interview Question 9.

The majority (75%) of the participants reported confidence in their supervisor, particularly when it came to defending a decision the supervisor made and when the supervisor was not present to defend the decision himself. The participants who fell into this majority discussed regular and open communication as a huge factor as to why they would defend their supervisor's decision if they were not present to defend it themselves. The majority of the participants also spoke of understanding the ideas, thought processes, and interpretations of policy and procedure manuals as additional factors that led to the response of "confidence." P002 stated, "Yes, we communicate enough that I know the general ideas of what his decision would be based on this thought processes." P005

added, “I communicate with my supervisor on a regular basis to know what his beliefs, though processes are.” P012 stated, “If it’s something that I’ve already spoken to them about and I knew where they stood then yeah.”

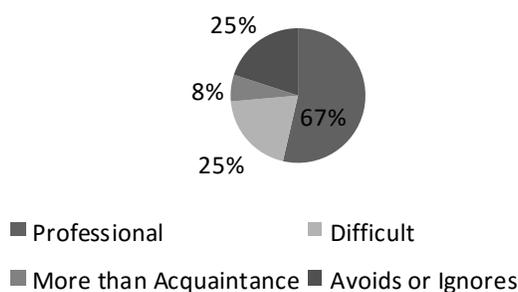
The minority (25%) of the participants reported “no confidence” in their supervisor’s decision and, as a result, would not defend a decision made by their supervisor outside his presence. One factor that came up among the participants reporting “no confidence” was a lack of communication or negative or little communication between supervisor and subordinate. Participants in this group couldn’t defend the decision outside the supervisor’s presence because a conversation was not had to discuss the key points involved in the decision. Had a conversation taken place, the subordinates would be in a position to defend the decision. P003 added, “. . .not from some of the things I have seen them do in the past, I could not defend them.” P006 stated “No I don’t have that kind of confidence in my supervisor.”

### **Interview Question 10**

The tenth question asked, “How would you characterize your relationship with your supervisor?” Figure 13 outlines the three major themes: “professional” (67%), “difficult” (25%), and “more than acquaintance” (8%), which resulted from the data collected during this question. I expected a majority of the respondents to describe a “professional” relationship with their supervisors. The intent of this question was to get the opinion of the subordinate as to their characterization of their relationship with their supervisor. LMX is based on supervisors creating an “in” and “out” group, and this question explored whether the subordinate would place him/herself in the “in” or “out”

group. I did not expect any of the participants to characterize themselves as members of the “in” or “out” group explicitly, but through their responses I could infer which group they believed they were placed in by their characterization of their relationship.

### Relationship with Supervisor



*Figure 13.* Responses to Interview Question 10.

The majority (67%) of the participants reported a “professional” relationship when asked to describe their opinion of their relationship with their supervisor. The participants in this group described their relationships as involving open and regular communication, resourceful supervisor, and as positive. P001 stated, “Very good, we have a professional relationship.” P004 added “Open line of communication with each other and she is respectful with us all.” P005 stated, “I have a great working relationship with my supervisor and know that if I have a problem or a question with my work, I can call him anytime, and he will assist me with the issue.”

One-fourth (25%) of the participants reported a “difficult” relationship with their supervisor. In their description of a difficult relationship, participants in this group discussed trying to avoid their supervisor because of the nature of the relationship. Other

participants used descriptors such as “a hostile work environment because of the supervisor,” “in over his head,” and “incapable of managing the office.” This question generated specific responses that conveyed a negative relationship between supervisor and subordinate. P009 stated, “She is not approachable and cannot communicate. I have to treat her like I am ‘walking on egg shells’ or she will throw a tantrum.”

One-twelfth (8%) of participants reported a relationship as “more than an acquaintance.” This response was interesting because the participant felt that the relationship with his/her supervisor extended past the boundary of professional establishment and engaged in extracurricular activities such as family events to build *esprit de corps*. P011 described the relationship as “more than an acquaintance” by stating, “...I would go to family events with...do stuff outside of work with them...I don’t know if that’s a good thing or a bad thing.”

### **Descriptive Statement**

The ninth step in the data analysis process was to construct a descriptive statement from the themes generated from the data. I constructed the following descriptive statement based on the themes and how they represent the participants’ views:

The subordinates want to have confidence in their supervisor, and they need to have confidence in their supervisor so that they can perform at an acceptable level. The subordinates want to participate in positive and open communication with their supervisor, and if they participate in open and positive communication the supervisor-subordinate exchange will continue to grow stronger, and as a result the performance of the subordinates will increase.

**Essence**

The tenth step in Stevick-Colaizzi-Keen method requires a single sentence pursuing the “essence” or the basic description of the phenomenon. I constructed the following statement in an attempt to identify the essence of the supervisor-subordinate exchange:

The supervisor-subordinate exchange through communication or a lack of communication is a significant piece of the puzzle that contributes to the success of the supervisor, subordinate, and the organization.

The focus of this research was the impact of the supervisor-subordinate exchange on state government employees. The phenomenon explored in this research was the impact of the supervisor-subordinate exchange. This relationship between supervisor and subordinate has an impact on the performance, motivation, and attitudes of the subordinate who is a state government employee. The essence of this study, as evident in the results of the interviews, involved the communication between a supervisor and subordinate and the level of confidence in a supervisor by subordinate. The results were clear in that subordinates wanted to communicate with their supervisors on a regular basis in a positive manner that encourages open dialogue pertaining to performance, motivation, and attitudes. The essence statement was clear and concise in that “communication” and “confidence” had a significant impact on subordinates. Negative, little, or no communication can lead to adverse effects on the subordinate and potentially the organization, should the subordinate be subjected to this exchange for extended periods of time.

## Summary

The intent of this study was to answer one research question: What is the effect of the quality of the supervisor-subordinate exchange on employee performance within The North Carolina Division of Motor Vehicles? This question can be answered in two words: communication and confidence. The data showed that communication had an impact on the subordinates. The data also supported that open, positive, or regular communication, and negative or no communications were discussed in a majority of the responses. The concept of communication was a major theme in four of the 10 interview questions, and the concept of confidence was a major theme in five of the 10 interview questions.

Confidence or no confidence was also present in a majority of the responses provided by the participants in this study. These two concepts had a significant impact on state government employees, both positively and negatively, as a result of the relationship between supervisor and subordinate. Confidence and no confidence affected the subordinate's performance, motivation, and other attitudes.

This chapter discussed the setting of the study, the participant demographics, data collection and data analysis methods, and the results, along with trustworthiness concerns such as credibility and conformability in the research.

Chapter 5 will consist of the interpretations of the findings, the limitations of this study, recommendations for future studies, and the implications. I will discuss in more detail what the data mean for the current study and how the results can be used for future studies pertaining to supervisor-subordinate exchanges in state government organizations.

Chapter 5 will also discuss the social change aspect of the study and how the results of this study can impact social change not only in the United States but worldwide.

## Chapter 5: Discussion, Conclusions, and Recommendations

### **Introduction**

The purpose of this phenomenological dissertation was to examine supervisor-subordinate exchanges and how they impact state government employees. I employed a phenomenological approach to understand the essence of the supervisor-subordinate exchange through LMX and how this relationship impacted the subordinate. I focused on state government employees in the NC DMV. I conducted semi structured interviews with 12 subordinates in order to collect data about their understanding of their relationship with their supervisors and about how these relationships impacted their performance, motivation, and other attitudes. A phenomenological approach aimed to explain the essence of the phenomenon through the lived experiences of that phenomenon by the participants. Phenomenology focuses on describing what all of the participants have in common, as a result of their lived experience of the phenomenon being studied (Creswell, 2013).

The findings of this study focused on two major themes: communication and confidence in a supervisor. The data showed that open and positive communication was key to a stable supervisor-subordinate exchange within the driver's license section of the North Carolina DMV and that negative or no communication caused issues with the subordinates. The data showed that subordinates engaged in higher levels of organizational citizenship behavior when they had confidence in their supervisor's ability to supervise and perform the duties of the subordinates. The findings will be discussed in further details in the later sections of this chapter.

### **Interpretation of Research Findings**

The results of this study supported and extended Dansereau et al.'s (1975) VDL theory that originally concentrated on comprehending the differentiation in supervisor behaviors toward subordinates through role making, the development of LMX into “in” and “out” groups, and the formation of different types of mutual and reciprocal exchange relationships between supervisors and their subordinates (Graen & Uhl-Bien, 1995). The results confirmed and extended LMX through the subordinate's confidence or lack of confidence in their supervisor and through the open, positive, negative, or absent communication with their supervisor. The results also extended the recommendations in previous studies by Cogliser et al. (2009) and O'Donnell et al. (2012) who recommended using a qualitative methodology that included detailed diaries, semi-structured interviews, videotaped interactions, questionnaire items, and other qualitative measures to explore the meaning of the supervisor-subordinate exchange on both the supervisor and subordinate.

The results supported using qualitative methodologies for future studies to provide the researcher the opportunity to explore LMX in a manner not usually employed due to the majority of LMX research being conducted through quantitative studies, typically employing a cross-sectional design (Cogliser et al., 2009; O'Donnell et al., 2012). The results supported the need for studies employing longitudinal designs when studying LMX. The literature review consisted of studies that were mostly designed for a quantitative methodology using a cross-sectional design, which does not allow for the

researchers to infer the possibility of cause and effect or to track changes over a length of time.

The results supported and extended the negative effects of LMX differentiation. Differentiation in LMX occurs when supervisors create “in” and “out” groups, wherein members of the “out” feel left out and whose performance, as a result of this feeling, is negatively affected (Dulebohn et al., 2012). The results also confirmed and extended LMX agreement because some of the data showed open or positive communication between supervisor and subordinate and some of the data showed negative or no communication between supervisor and subordinate. P011 stated, “I think like most people with you know having a boss, I don’t really feel like a priority per se.” A key component of LMX agreement is an exchange between supervisor and subordinate which requires open or positive communication to lead to positive exchanges.

The results supported organizational citizenship behavior that can be described as behaviors that subordinates perform outside of their normal job requirements but that are beneficial to the organization, though not usually enforceable by the organization (Vidyarathi et al., 2010). Communication between supervisor and subordinate plays a pivotal role influencing subordinates to engage in organizational citizenship behavior. Affective organizational commitment is also confirmed and extended by the results of this study. Affective organizational commitment is the psychological bond between subordinate and the organization that has been related to positive behavior, willingness to stay with the organization, and overall goal agreement. The subordinates form an emotional attachment and identify themselves with the organization and, as a result, want

to continue working for the organization (Cogliser et al., 2009; Dulebohn et al., 2012). As P010 said,

This is the first time that I have been in the DMV that we got a new Governor, a new Commissioner, and there are some new people at the top. Things are looking good. These people are excited and want to do things.

The results extended and supported the need to continue studying leadership in government organizations. The data pertaining to confidence and no confidence in supervisors confirmed the need for continued exploration of leadership studies in state government organizations. Chan and Mak (2012) defined a benevolent leader as a leader who devotes energy to care and encourage subordinates when they are faced with problems. P001 stated, "My supervisor has a deep understanding of what goes into this job and the problems related to it as she has done this job." P003 discussed the other end of the spectrum by stating, "As long as it doesn't affect them they don't care." The results confirmed and extended ethical leadership, defined as a demonstration of normal appropriate behavior through personal conduct and exchanges, and the promotion of such behaviors to subordinates via two-way communication (Walumbwa et al., 2011b). P009 stated, "My supervisor has trouble communicating," and P002 added "We talk about my job problems."

The findings of this study identified that communication, including positive, open, regular, negative, or absent communication, and confidence or lack of confidence in a supervisor were discussed by participants in nine of the 10 interview questions. The fact that 90% of the interview questions garnered responses pertaining to communication and

confidence was significant both for this study and for possible future studies for several reasons. The results showed that communication and confidence in management were two major factors that influenced the state government employee's performance, motivation, and other attitudes. The results of this study provided insight into how the relationship between a supervisor and subordinate in a state government organization impact the performance, motivations, and other attitudes of the employee.

The results of this study are significant because they begin to answer the question: How does the supervisor-subordinate exchange impact the performance, motivations, and other attitudes of employees? The results of this study were specific to state government employees whose answers to interview questions revealed themes of communication and confidence. The literature review introduced several articles that presented results highlighting a correlation between LMX and performance, motivation, turnover, OCB, and other attitudes both in private and public sector employees. The intent of this study was to begin answering why LMX impacted performance, motivation, and other attitudes in state government employees by exploring the reasons for the impact.

The results of this study are important for current and future research examining the impact of the supervisor-subordinate exchange in state government organizations. Future research can continue exploring the phenomenon of supervisor-subordinate exchange in state government organizations by focusing on the impact of communication and confidence in supervisors on subordinate performance, motivations, and other attitudes. The results are discussed in further detail in the interpretation of findings section. The results of the study further support the need for employing qualitative

methodologies when studying supervisor-subordinate exchange in state government employees to understand the impact of these exchanges on state government employees.

The results of the study supported and extended LMX in that the results showed both a positive and negative effect on performance, motivation, and other attitudes due to the exchanges between the supervisor and subordinates. The results showed that communication with supervisors and confidence in supervisors were significant factors in impacting the performance, motivation, and other attitudes of state government employees in the North Carolina Driver's License Section of the MVD. The results showed that subordinates' performance was affected by their supervisors.

The data collected during this study were gathered from one state agency in North Carolina; the results are not representative of all state agencies in North Carolina. The results of this study do, however, provide a solid foundation for replication in other state agencies in North Carolina as well as in other states. There was sufficient data collected that resulted in both positive and negative support of LMX between supervisors and subordinates in state government. The sample size consisted of only 12 participants but collected sufficiently rich data during the interviews to be coded, themed, analyzed, and interpreted.

### **Limitations of Study**

There were several limitations to this study. This study was limited to state government employees from the North Carolina Division of Motor Vehicles Driver's License Section, who agreed to participate. The results of this study cannot be applied to

other state government agencies in North Carolina or any other state. However the method of the study may be replicated, focusing on a specific state agency.

This study was limited to the subordinates in the supervisor-subordinate exchange. Not collecting data from the supervisors was a limitation to this study. Collecting data from supervisors in future studies could provide additional insight into the supervisor-subordinate exchange and the impact of the subordinate's performance, motivation, and other attitudes. The data collection process involved interviewing 12 subordinates from the Driver's License Section of the North Carolina DMV, and these interviews consisted of 10 semi structured questions that resulted in another limitation to the study. The interview questions were adapted from the LMX-7 instrument (Appendices C and D), and follow-up questions were not asked during the interviews which resulted in another limitation to the study.

The data were collected by conducting one interview face to face and the remaining 11 interviews using Skype. There was a limitation associated with scheduling the interviews, as all 12 participants wanted to make sure that the interviews were conducted later in the evening so that they were away from work; this was intended to minimize the possibility of their supervisor finding out about their participation. There was a limitation in scheduling the interviews to one interview per day, and in some cases several days passed between interviews, which resulted in delaying the data analysis process. Additionally, conducting this study over several weeks resulted in a limitation to the study that can be addressed by conducting a longitudinal study, which could provide further insight into the phenomenon of the supervisor-subordinate exchange.

### **Practical Recommendations**

The results of this study will serve as a foundation for future researchers to generalize the applicability of these results, along with those from previous studies, across government agencies at all levels. LMX is a strategy that leaders and managers in governmental agencies can employ so that supervisors and subordinates can serve the citizens, a significant objective for all government agencies (Kandan & Bin Ali, 2010).

### **Recommendations for Future Research**

LMX is supported by a plethora of studies over the past decades that have shown the positive and negative aspects of the theory. One criticism of LMX was that it is primarily studied using quantitative measures. I recommend that future studies of LMX employ a qualitative methodology as prescribed by Coglisier et al. (2009) and O'Donnell et al. (2012). Future research employing qualitative methods such as semi structured interviews are necessary to gain further insight into the phenomenon of supervisor-subordinate exchange and its impact on subordinate performance, motivation, and other attitudes. Future research is needed wherein the supervisors serve as the focal point in order to understand the phenomenon from both perspectives.

I further recommend that qualitative methodologies be employed when conducting future research on government organizations when LMX is the focal point. Study on state government organizations is limited. As a result, further research on state government organizations is recommended to gain a better understanding of how supervisor-subordinate exchange impacts state government employees and agencies. Employing qualitative methodologies in future studies can allow policy makers to use the

results when crafting or refining policies to improve subordinate performance, motivation, and other attitudes.

This study was conducted on one specific section, The North Carolina Division of Motor Vehicles Driver's License Section, and, because of this, future research should be conducted where other state agencies are the focal point. Haenisch (2012) stated that a small number of studies focusing primarily on state government employees have been conducted. This is why future research on state government organizations is needed. Future research may be conducted on employees in different state government agencies so that results can have improved generalized applicability. Future studies on state government agencies focusing on supervisor-subordinate exchange are necessary because of the potential impact on services. Further, perhaps information gleaned from this study may prompt future research questions for study in aging and diverse societies.

### **Implications for Social Change**

This study contributed to the LMX literature because it employed a qualitative methodology, and as stated earlier, the majority of the research conducted on LMX has been quantitative in design. The literature review discussed several studies that were cross-sectional in design. This study contributed further to the LMX literature because it both supported and extended the notion that LMX impacts subordinates in both a positive and negative manner (in and out groups). This study also contributed to the public sector leadership literature because it explored how supervisors impact their subordinates in a state government agency. This study added to the leadership literature and leadership in

the public sector literature because of the focus on supervisor effects on state government employees.

Furthermore, this study has provided insight into the phenomenon of why supervisors impact the performance, motivations, and other attitudes of their subordinates. The two major themes of communication and confidence generated during the data collection will provide future researchers a foundation to continue studying the effects of LMX on state government employees. Government agencies require that supervisors and subordinates work together for the common goal and as with most government agencies, that goal is serving the general public. This study contributed to that goal by outlining factors that impact the subordinates' ability to perform. Improving the subordinates' ability to perform can lead to an increase in performance for the organization.

Findings from this study can lead to positive social change in several ways. Foremost, the results of this study can allow other government agencies to examine and replicate the findings so that these organizations can identify similar issues in their own organizations. The results of this study can also assist other state government agencies in creating or refining policies that improve supervisor-subordinate exchanges within their organizations. Other organizations can increase performance, motivation, and other attitudes of subordinates and supervisors, thereby improving the overall success of the organization by constructing or refining current policies to improve supervisor-subordinate exchanges. Governments can benefit from this research and apply the findings to future policy creation, adaptation, and implementation.

State government organizations operate using policy and procedure manuals or books to provide guidance to the employees of that organization on what forms of behavior are acceptable inside and outside the workplace and how to conduct the day to day operations and tasks. The success of an organization can be hedged on the legitimacy of the policies that have been implemented. Policies dictate what employees can do while at work and while off duty. This study provided information that policy makers can use to craft or refine policies in their organizations to improve supervisor-subordinate exchanges.

### **Conclusions of Study**

This study was designed to study why a supervisor-subordinate exchange affects the performance, motivation, and other attitudes of state government employees. I chose to explore the phenomenon of LMX among state government supervisors and subordinates because of his lengthy experience working in the government sector: starting in the military, then getting into law enforcement, and now as an executive manager in a state government agency. This study confirmed a few preconceived notions that I had about leadership in state government, but it also revealed different aspects of leadership in state government and how leadership impacts government employees and organizations.

This study was limited to a specific section within the North Carolina DMV, and it would be negligent to attempt to apply the findings of this study to state government in a general statement. These are the reasons that future qualitative research is necessary to gain a fuller understanding of how and why the relationships between supervisors and

subordinates affect the subordinates and the organizations. The results of future studies can be combined with the results of this study, analyzed, and then applied to governments.

Communication is one of the single biggest factors determining the impact of a supervisor-subordinate exchange. Communication between a supervisor and subordinate is vital for the success of the supervisor, subordinate, and, perhaps most importantly, the organization. The organization cannot be successful if the supervisors and subordinates cannot work together to reach its goals.

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## Appendix A: Informed Consent

You are invited to take part in a research study of examining the impact of the relationship between a supervisor and employee on state government employees' performance and other attitudes. The researcher is inviting state government employees who have worked in government for at least 2 years and for their current supervisor for at least 1 year to be in the study. This form is part of a process called "informed consent" to allow you to understand this study before deciding whether to take part.

This study is being conducted by a researcher named Jeffrey R Zimmerman, who is a doctoral student at Walden University. You may already know the researcher as a law enforcement agent within the DMV, but this study is separate from that role.

### **Background Information:**

The purpose of this study is to understand why relationships between supervisors and employees impact the performance and attitudes of state government employees.

### **Procedures:**

If you agree to be in this study, you will be asked to:

- To submit to a face to face or Skype interview consisting of 10 open ended questions which is expected to last 30 minutes to an hour.
- Only one interview per participant will be conducted. Data will be collected once.
- The interview will be recorded using an audio recorder (with participants consent).

Here are some sample questions:

Do you know where you stand with your supervisor?

How well does your supervisor understand your job problems and needs?

How would you characterize your working relationship with your supervisor?

### **Member checking and transcript review:**

Upon completion of interview transcriptions and data analysis you as a voluntary participant will be contacted again so that you can have an opportunity to review transcripts of your interview to ensure your interview was transcribed accurately. I will then give you an opportunity to review my interpretation of your data to ensure accuracy of my interpretation, validity, credibility, and transferability of interpreted data. Member checking and transcript review is also voluntary.

**Voluntary Nature of the Study:**

This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one at The NC Division of Motor Vehicles will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind during or after the study. You may stop at any time.

**Risks and Benefits of Being in the Study:**

Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, such as fear of retaliation from your supervisor.

While there will not be direct benefits to you as a participant in this study, you will have the benefit of knowing that the data that you provided could contribute to the results of this study being used by other government agencies in assessing the impact of relationships between their supervisors and employees.

**Payment:**

There will be no payments or gifts provided to participants for participating.

**Privacy:**

Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. Also, the researcher will not include your name or anything else that could identify you in the study reports. Data will be kept secure on a password protected external hard drive that will only be accessible by the researcher. Data will be kept for a period of at least 5 years, as required by the university and then destroyed.

**Contacts and Questions:**

You may ask any questions you have now. Or if you have questions later, you may contact the researcher via [REDACTED] or jeffrey.zimmerman@waldenu.edu or zimmerman327@waldenu.edu If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is 1-800-925-3368, extension 3121210. Walden University's approval number for this study is **01-22-15-0403354** and it expires on **January 21, 2016.**

The researcher will give you a copy of this form to keep. (for face-to-face research)  
Please print or save this consent form for your records. (for online research such as Skype)

**Statement of Consent:**

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below or replying to this email with the words, "I consent" if choosing a Skype interview, I understand that I am agreeing to the terms described above.

Printed Name of Participant \_\_\_\_\_

Date of Consent \_\_\_\_\_

Participant's Signature \_\_\_\_\_

Researcher's Signature \_\_\_\_\_

Appendix B: Letters of Agreement



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

PATRICK L. MCCRORY  
GOVERNOR

DIVISION OF MOTOR VEHICLES

ANTHONY J. TATA  
SECRETARY

Letter of Cooperation

NC Division of Motor Vehicles  
Kelly J Thomas, Commissioner  
1100 New Bern Ave  
Raleigh, NC 27699  
919-861-3015

August 18, 2014

Dear Jeffrey R. Zimmerman,

Based on my review of your research proposal, I give permission for you to conduct the study entitled The Impact of Supervisor-Subordinate Exchange on State Government Employees within the NC Division of Motor Vehicles. As part of this study, I authorize you to email members of driver's license services to seek volunteers for study, conduct face to face interviews for data collection purposes, and results dissemination activities. Individuals' participation will be voluntary and at their own discretion.

We understand that our organization's responsibilities include: allowing the researcher the opportunity to reach out to employees and seek their voluntary participation in this research. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting and that this plan complies with the organization's policies.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB.

Sincerely,

NC Division of Motor Vehicles  
Kelly J Thomas, Commissioner  
1100 New Bern Ave  
Raleigh, NC 27699  
919-861-3015

ALL CORRESPONDENCE SUBMITTED TO:  
NC DIVISION OF MOTOR VEHICLES  
OFFICE OF THE COMMISSIONER  
3101 MAIL SERVICE CENTER  
RALEIGH NC 27699-3101

TELEPHONE: 919-861-3015  
FAX: 919-733-0126  
WEB SITE: [WWW.NCDDOT.GOV/DMV](http://WWW.NCDDOT.GOV/DMV)

LOCATION:  
DMV HEADQUARTERS BUILDING  
1100 NEW BERN AVENUE  
RALEIGH NC



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

PATRICK L. MCCRORY  
GOVERNOR

DIVISION OF MOTOR VEHICLES  
LICENSE AND THEFT BUREAU

ANTHONY J. TATA  
SECRETARY

Letter of Agreement

NC License & Theft Bureau  
Steve M Watkins, Director  
1100 New Bern Ave  
Raleigh, NC 27699  
919-861-3144

August 18, 2014

Dear Jeffrey R. Zimmerman,

Based on my review of your research proposal, I give permission for you to conduct the study entitled The Impact of Supervisor-Subordinate Exchange on State Government Employees within the NC Division of Motor Vehicles. As part of this study, I authorize you to conduct this study within the guidelines presented to the Commissioner of Motor Vehicles. Individuals' participation will be voluntary and at their own discretion.

We understand that our organization's responsibilities include: allowing the researcher to conduct the research when not conducting official state business in accordance to his regular duties. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting and that this plan complies with the organization's policies.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB.

Sincerely,

NC License & Theft Bureau  
Steve M Watkins, Director  
1100 New Bern Ave  
Raleigh, NC 27699  
919-861-3144

ALL CORRESPONDENCE SUBMITTED TO:  
NC DIVISION OF MOTOR VEHICLES  
OFFICE OF THE COMMISSIONER  
3101 MAIL SERVICE CENTER  
RALEIGH NC 27699-3101

TELEPHONE: 919-861-3015  
FAX: 919-733-0126  
WEB SITE: [WWW.NCDOOT.GOV/DMV](http://WWW.NCDOOT.GOV/DMV)

LOCATION:  
DMV HEADQUARTERS BUILDING  
1100 NEW BERN AVENUE  
RALEIGH NC

## Appendix C: LMX-7 Instrument

LMX-7, as developed by Graen & Uhl-Bien (1995), seven items on a 5-point Likert Scale from strongly agrees (1) to strongly disagrees (5). The LMX-7 was not the instrument used for this study. However, I adapted the qualitative interview questions (Appendix D) from this instrument, and then obtained approval for both the adaptation and use of the instrument from Dr. George Graen (Appendix F).

1. Do you know where you stand with your leader.. do you usually know how satisfied your leader is with what you do? (Does your member usually know?)
2. How well does your leader understand your job problems and needs? (How well do you understand?)
3. How well does your leader recognize your potential? (How well do you recognize?)
4. Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work? (What are the chances that you would?)
5. Again, regardless of the amount of formal authority your leader has, what are the chances that he/she would “bail you out”, at his/her expense? (What are the chances that you would?)
6. I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so? (Your member would)
7. How would you characterize your working relationship with your leader? (Your member)

Appendix D: Interview Questions: Based on Graen & Uhl-Bien (1995), LMX Survey.

1. Do you know where you stand with your supervisor?
2. Do you usually know how satisfied your supervisor is with what you do?
3. How do you know how satisfied your supervisor is with what you do?
4. How well does your supervisor understand your job problems and needs?
5. How does your supervisor address your job problem and needs?
6. How well does your supervisor recognize your potential?
7. Regardless of how much formal authority your supervisor has, what are the chances that your supervisor would use their power to help you solve problems in your work?
8. Again, regardless of the amount of formal authority your supervisor has, what are the chances that they would “bail you out”, at their expense?
9. Do you have enough confidence in your supervisor leader that you would defend and justify their decision if they were not present to do so?
10. How would you characterize your working relationship with your supervisor?

## Appendix E: Permission to use the LMX-7 Tool

Jeffrey Zimmerman <jeffrey.zimmerman@waldenu.edu>

July 19, 2014 9:07:33 P.M. Central Daylight Time

To: lmxlotus

Good evening Dr. Graen, my name is Jeffrey R. Zimmerman and I am currently working on the methodology chapter for my dissertation titled: The Impact of the Supervisor-Subordinate Exchange on State Government Employees. I would like to alter your LMX-7 instrument to a qualitative instrument as I am employing a qualitative approach to my research. I am asking your permission to alter your LMX-7 instrument to a qualitative instrument for use in my dissertation research. This alteration of your instrument would only be used for this dissertation research and nothing further without your explicit permission for future uses. My dissertation adviser has stated to me that my university requires either a signed letter or an email from you authorizing me to alter your instrument. Thank you.

Lmxlotus@aol.com

July 20, 2014 1:01 P.M.

To: jeffrey.zimmerman@waldenu.edu

Hi Jeffrey,

The LMX-7 scales were designed to be asked in an interrogative interview by a trained professional. Please read the attached publication before designing your structured interview schedule. What you'll look for is honest and open descriptions of each government employee's unique strategic alliance (USA) with his/her direct supervisor. If you do this properly, you have my permission to use LMX-Team queries in your Ph.D. research. Good fortune.

Cheers,

George Graen  
Jag

## Appendix F: Semi Structured Interview Script

### Introductory statement

“Thank you for agreeing to be interviewed for the Impact of the Supervisor-Subordinate Exchange on State Government Employees study. As a state government employee, your responses will provide an important point of view that has not been studied.

“This interview is being recorded so I can later transcribe your responses. All information will be kept private and used for study purposes only. This study is exploring the impact of the supervisor-subordinate relationship and how it impacts state government employees. You had signed a consent form. And, at this time I will review the consent form to validate your approval to proceed.

*Purpose.* You are invited to participate in a research study being conducted for a dissertation at Walden University in Minneapolis, Minnesota. The purpose of this study is to explore the impact of the supervisor-subordinate exchange in state government employees.

*Participation requirements.* You will be asked to participate in a face to face semi-structured interview. During this interview several open-ended questions and follow up questions will be asked. The interview will last approximately 30 minutes to one hour.

*Research Personnel.* The following people are involved in this research project and may be contacted at any time: Jeffrey R. Zimmerman, contact information: jeffrey.zimmerman@waldenu.edu or zimmerman327@gmail.com, (252) 876-5380.

*Potential Risk/ Discomfort.* Although there are no known risks in this study, you may withdraw at any time and you may choose not to answer any question that you feel uncomfortable in answering.

*Potential Benefit.* There are no direct benefits to you for participating in this research. No incentives are offered. The results will have scientific interest that may eventually have benefits for people who had the same or similar workplace relationship dynamics.

*Anonymity/ Confidentiality.* The data collected in this study are confidential. All data are coded such that your name is not associated with them. In addition, the coded data are made available only to the researcher(s) associated with this project.

*Right to Withdraw.* You have the right to withdraw from the study at any time without penalty. You may skip any questions during the interview if you do not want to answer them.

Do you verify that you are (State participant's name)? Participant agrees

Do you still consent to participate with this study? Participant agrees

## Interview Questions

The next ten questions are open-ended. I will ask a question then give you time to respond to each at your own pace. Take as much time as you feel that you need, and be as detailed as possible with each response. I may ask probing questions from time to time to get deeper responses, or to seek clarification. In no way will I ask any questions to lead you to specific types of answers or opinions.

As stated before, you have the right to withdraw from the study at any time without penalty. You may skip any questions during the interview if you do not want to answer them. Are you ready to proceed? [Yes - begin/No - give time]  
Insert my questions here.

## Follow Up

If you have further input you would like to add pertaining to any of the questions asked today, you may do so now. [Wait for a reply]

Thank you for your time. After this interview I will transcribe this recorded conversation, then send you a copy so you can review, edit, or add to as you desire. Once you have done that, send it back to me as quickly as possible. This way I am telling your story as you wish that it be told.

I cannot tell you when this research will be available, but I will keep your name and email so I can send my completed study to you if you are interested. [Yes/No]

If you have any new information, comments or questions, please contact me at [jeffrey.zimmerman@waldenu.edu](mailto:jeffrey.zimmerman@waldenu.edu) or [zimmerman327@gmail.com](mailto:zimmerman327@gmail.com).

You have a wonderful day. Good bye.