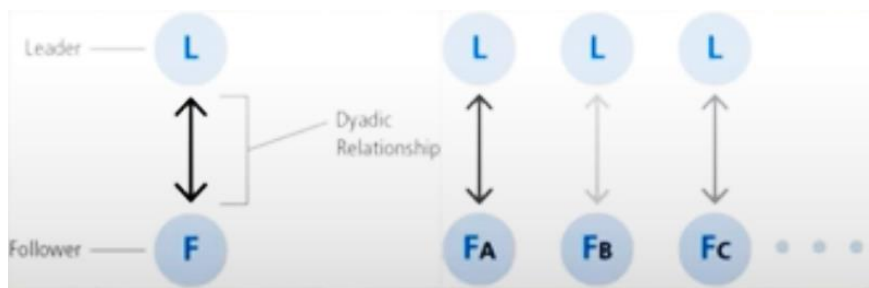


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Leader-Member Exchange (LMX) Theory of Leadership Dr. Neal

- Emphasizes the relationships leader has with his/her followers
- How do the leader and follower interact?
- Leadership as a mutual process
- Leader and follower form a dyad
- Leader will have multiple VERTICLE dyadic relationships
- Each dyad will vary (in trust, communication, effectiveness, etc)



- Dyads where relationship is good (high trust, respect, commitment etc) = INGROUP
- Dyads where relationship is low quality = OUTGROUP
- Means subordinates form groups of Ingroup and Outgroup.
- Ingroup
 - More information
 - More influence
 - More confidence
 - More concern from leader
 - More support from leader
 - More dependable
 - More engaged
 - More communication
 - Higher performance evaluations
 - Greater likelihood of promotion
 - Greater organizational commitment
 - Less employee turnover
- Outgroup
 - Not close to leader. Come in, do job, go home.
 - Outgroup don't advance.
 - High outgroup is destructive
- Central tenet of LMX is for leader to maximize the size of ingroup
- Increase high-quality leader-member exchanges
- Being a leader "Leadership Making" in LMX occurs when high quality relationships developed
- Expected to build trust/respect with all employees/followers

- Emphasis on but not all dependent on leader
- *Prescriptive* (what should happen)
- *Predictive* - Solid research that healthy LMX (leader-member exchanges lead to positive organizational outcomes.
- Relationship a centerpiece of LMX leadership process
- Criticism
 - Difficult for some to know why a relationship works/does not work and what to do about it.