



Leader-Member Exchange

# Purpose

- To understand the supervisor's role in contributing to employee engagement
- In a way that focuses on leader-member exchanges
- So that employees are more dependable, involved, and communicative (Dansereau, 1975).

# Outcomes

- Understanding leader-member exchange
- Take steps to improve this pivotal relationship
- Grounded in research, therefore to be taken seriously.
  - Dansereau, 1975;
  - Graen, 1976
  - Graen & Uhl-Bien, 1995
  - Harris, Wheeler & Kacmar, 2009

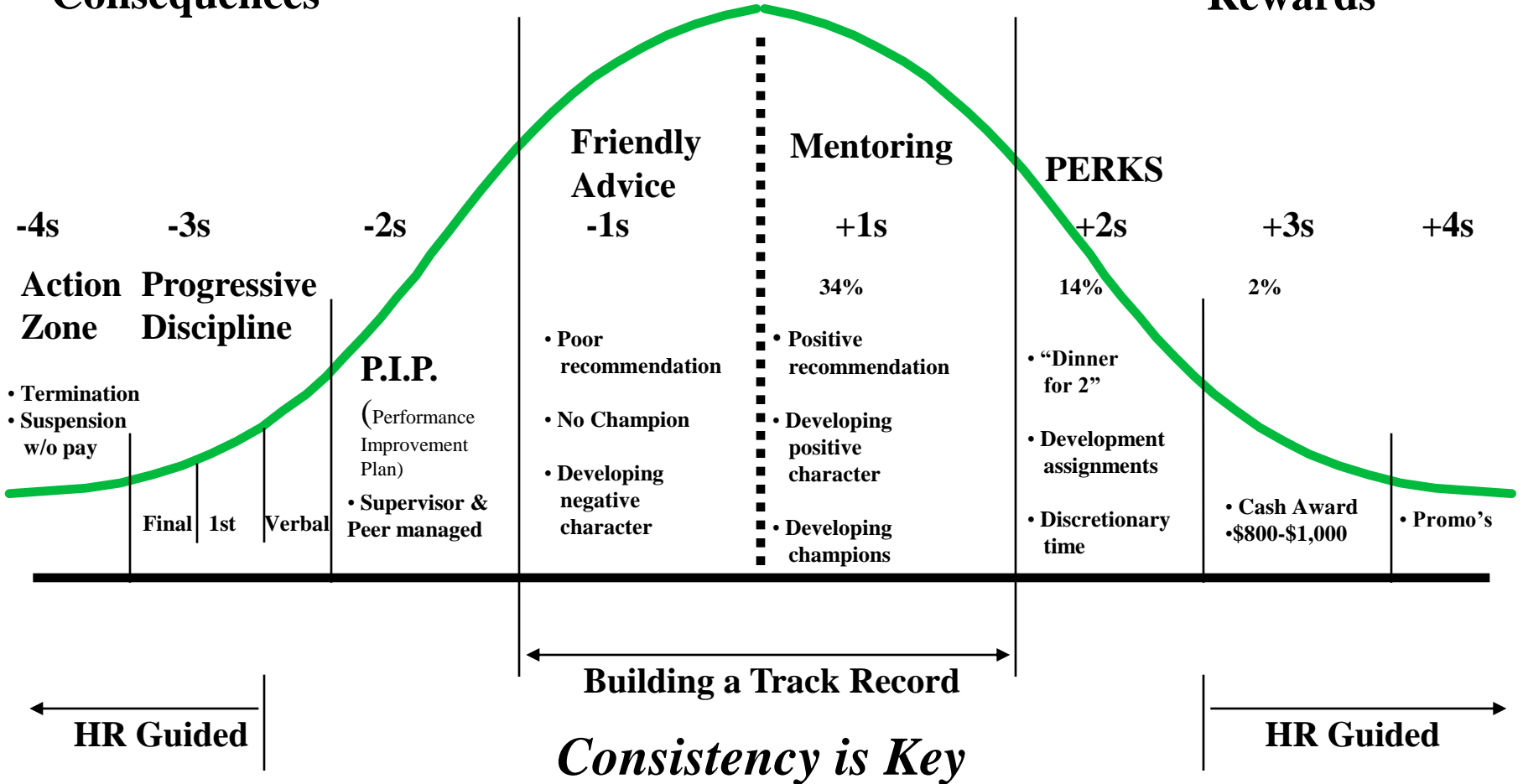
# Agenda

- Why important?
- The research
- Assessments
- Is it worth it to me to change?
- Take away
- Identifying loss potential

# BEHAVIOR ZONES

Consequences ←

→ Rewards





# Leader-Member Exchange



# Belief

*(filters in action)*

My filters rob organizational potential







# Filters Exercise

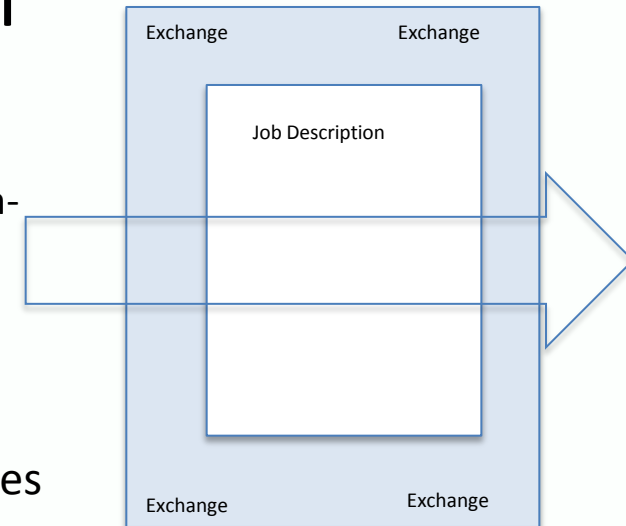
one transparency  
one vis-à-vis marker

Boss	Co-Worker
Employee	Yourself

For each quadrant, for each person, identify a word or phrase that describes that person's current performance and their potential for top performance.

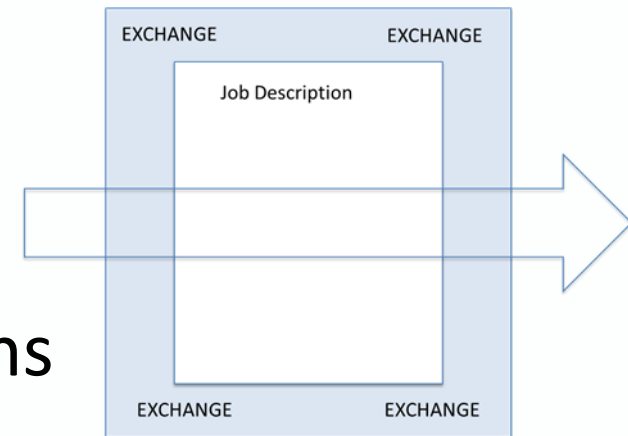
# Leader-Member Exchange

- Exchange – something of value exchanged for something else of value
  - **Roles:** start off as scripted, move to negotiated with in-group status
  - **Influences:** - one-way in the beginning – boss to subordinate...in-group has reciprocal influence
  - **Exchanges:** low quality in the beginning – moves to high-quality as part of in-group
  - **Interests:** in the beginning it's about self interest, moving into in-group it's about group.



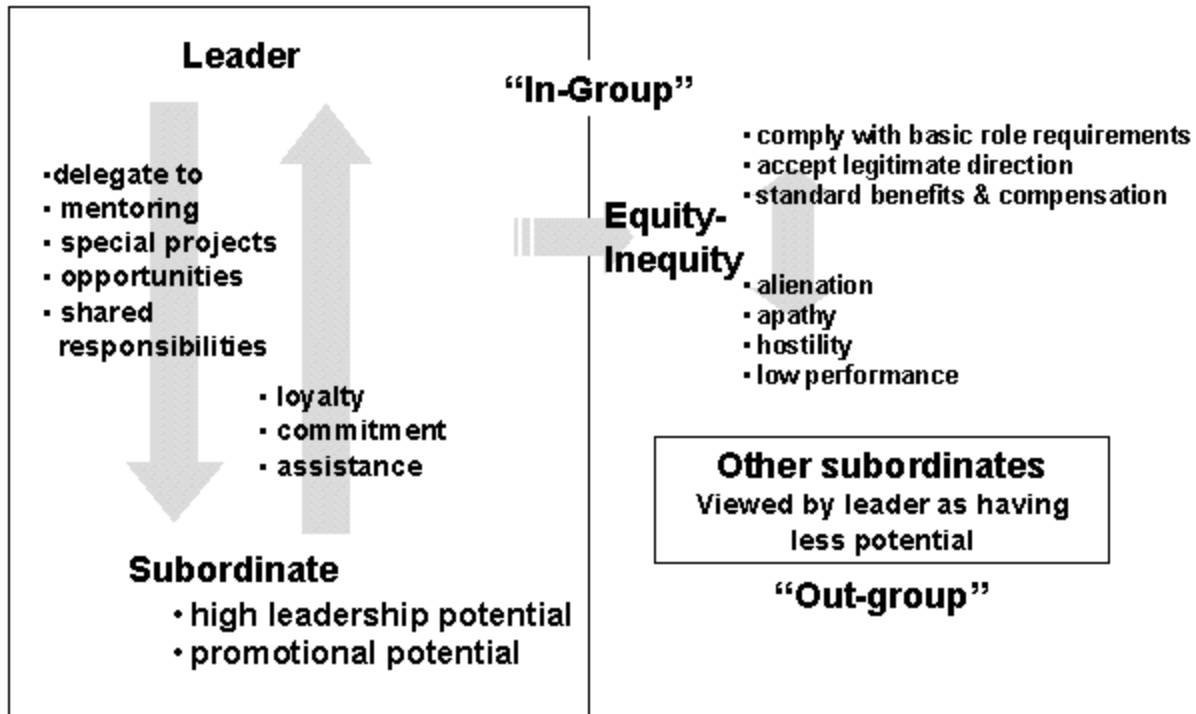
# Leader-Member Exchange

- Exchange – something of value exchanged for something else of value
  - Roles
  - Influences
  - Exchanges
  - Interests
- Leadership Centered in Interactions
  - In group, out group
  - The nature of the differences: perspective of employees: inequities and negative implications.
  - The quality of LMX : employee engagement starts here
  - Empowerment



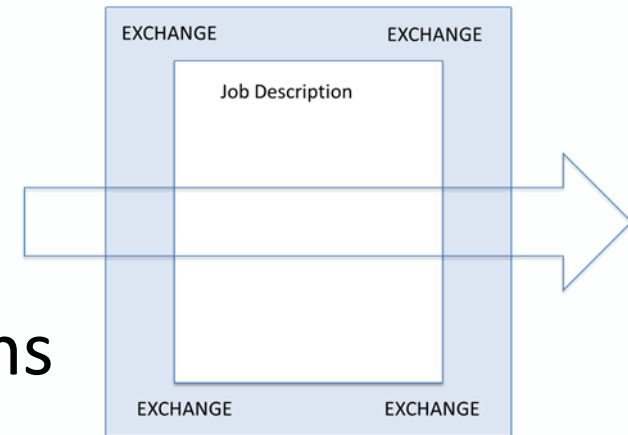
**Leader-Member Exchange (LMX)  
Vertical Dyad Linkage (VDL)**

Empowerment & relationship  
between subordinates and superiors



# Leader-Member Exchange

- Exchange – something of value exchanged for something else of value
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# Assessments

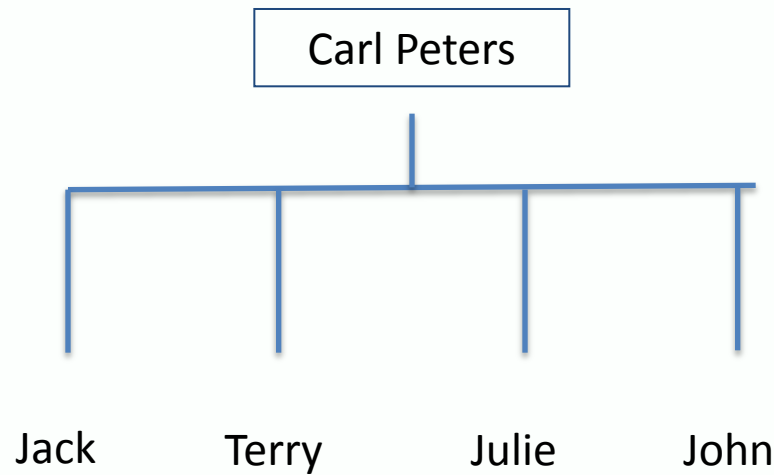
- Least Preferred Co-worker
- Case Study
- LMX

# Least Preferred Co-Worker Scores

- Sum the numbers you circled on the 18 scales =
- Your final LPC score is the sum of the numbers you circled on the 18 scales.
  - If your score is 57 or below, you are a low LPC, which suggests that you are task motivated.
  - If your score is within the range of 58-63, you are in the middle LPC, which means you are independent.
  - If your score is 64 or above, you are called a high LPC, and are thought to be more relationship motivated.
- Because the LPC is a personality measure, the score you get on the LPC scale is believed to be quite stable over time and not easily changed. Low LPCs tend to remain low, moderate LPCs tend to remain moderate, and high LPCs tend to remain high. Research shows that the test-retest reliability of the LPC is very strong (Fiedler & Garcia, 1987).

# Assessments

- Least Preferred Co-worker
- Case Study
- LMX





# Case Study

- Based on the principles of LMX theory, what observations would you make about Carl's leadership at Mills, Smith, & Peters?
- Is there an in-group and out-group, and, if so, which are they?
- In what way is Carl's relationship with the four groups productive or counterproductive to the overall goals of the agency?
- Do you think Carl should change his approach toward the associate directors? If so, what should he do differently?



# Assessments

- Least Preferred Co-worker
- Case Study
- **LMX**

# LMX Scoring

The score you obtain on the questionnaire reflects the quality of your leader-member relationships, and indicates the degree to which your relationships are characteristic of partnerships.

*Possible “extra credit” assignment: do this assessment as a group looking up. Let’s first start practicing good behaviors “at home.”*

## Score Interpretation

Scores	Indications
Very high = 30-35	higher-quality leader – member exchange
High = 25-29	higher-quality leader – member exchange
Moderate = 20-24	
Low = 15-19	lower ranges indicate exchanges of lesser quality
Very low = 7-14	lower ranges indicate exchanges of lesser quality

# Exercise

In-group	Out-group
A.R.	C.U.
A.D.	
Total	Total



# Belief

My filters rob organizational potential.

Is this something, as a group, we need to address?

# Moving Forward

Assignment

- Be open to how you group people.
- Not asking that you like everybody, but asking that you be fair in how you evaluate your people's potential and allow them opportunities.
- If you have people in the out-group, need to figure out how to shift your perceptions so that you un-pigeon hole them as people.