

Summary

The Unbearable Lightness of Being Close to A Leader: Exploring the Relationships between Leader Member Exchange, Task Performance, Tenure and Promotability

Sait Gürbüz

Social Sciences University of Ankara

Özgür Ayhan

Ministry of National Defense

While scholars have learned much on other industrial and organizational psychology issues, very little is known about the factors underlying promotional decisions. Recent research indicates that employees greatly value the promotion decisions in workplace (Ford, Truxillo, & Bauer, 2009). Promotability judgments, which are supervisory ratings of the employee's promotability, have a crucial role in actual promotions in organizations (Gürbüz, Habiboğlu, & Bingöl, 2016; Jawahar & Ferris, 2011). Although prior studies have focused on task performance as a key factor in predicting promotability judgments (e.g., Greenhaus, Parasuraman, & Wormley, 1990), more recent research suggests that other variables such as organizational politics and interpersonal relationship had greater impact on promotability judgments than task performance (e.g., Jawahar & Ferris, 2011; Wayne, Liden, Kraimer, & Graf, 1999). For example, leader-member exchange (LMX) relationships might influence promotability ratings. Echoing this sentiment, Harris, Kacmar, and Carlson (2006) call for more research to explore the impact of supervisor-subordinate relationship on promotion decisions. Moreover, research on predictors of promotability judgments is limited and incomplete (Gürbüz et al., 2016; Podsakoff, Whiting, Podsakoff, & Blume, 2009).

In response to the suggestions for exploring predictors of promotability judgments, the main purpose of this study is to (1) investigate the effects of leader member exchange (LMX) on subordinates' task performance and promotability ratings, and (2) test whether task performance has a mediating and tenure has a moderating role on the relationship between LMX and promotability rating by using multi-source and time-lagged research designs.

We presented a model of the relationships in Figure 1. In the model, LMX was served as a predictor variable

of promotability rating while tenure and task performance were used as potential mediator variables.

LMX originally depends on the role (Graen, 1976) and dyadic exchange theories (Graen & Uhl-Bien, 1995) which claims that leaders have different relationships with each of their subordinates (Harris et al., 2006). LMX researchers divide leaders' subordinate relationships into two groups called as in-group and out-group. In-group subordinates have high quality relationship with the leader that they receive number of benefits such as formal and informal rewards including good communication. On the other hand, subordinates in out-group have low quality relationship that is ruled by the formal rules and and so cannot gain any additional benefit (Liden & Graen, 1980). Harris and his colleagues (2006) argued that high quality LMX significantly affects promotability rating. Gerstner and Day (1997) reported in their meta-analysis that there is a strong relationship between LMX and positive work outcomes.

Based on the social exchange theory (Blau, 1964), social cognition theory (Fiske & Taylor, 1991), dependency perspective (Bartol & Martin, 1988) and previous related empirical research, we predicted the following hypotheses:

H₁ = High quality leader-member exchange would be positively related to promotability rating.

H₂ = High quality leader-member exchange would be positively related to subordinates' task performance.

H₃ = Task performance would be positively related to promotability rating.

H₄ = Task performance would mediate the leader-member exchange and promotability rating relationship.

H₅ = Relationship tenure would moderate the LMX and promotability ratings relationship such that rela-

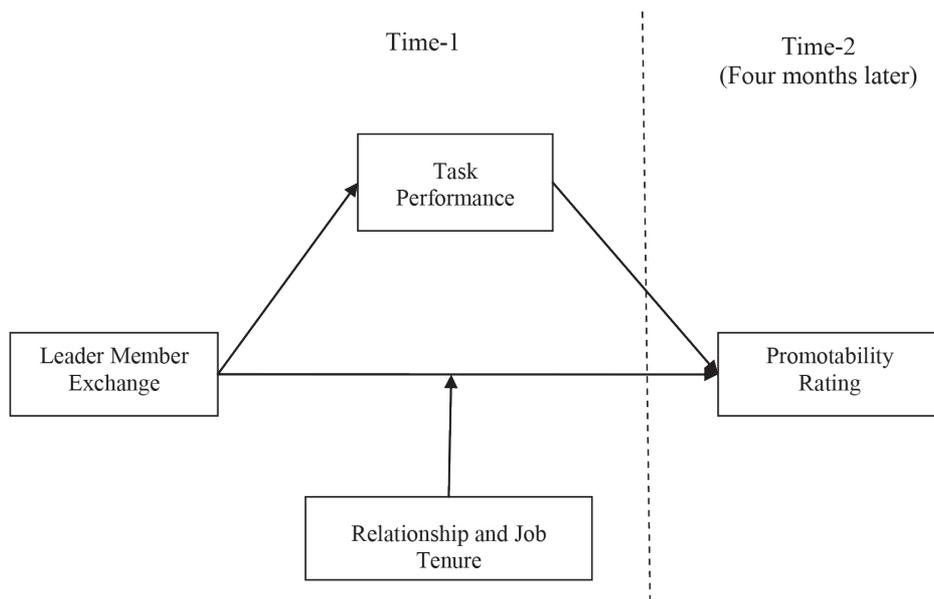


Figure 1. Conceptual Model

relationship quality would be more strongly and positively related to promotability ratings among employees who have longer relationship tenure than among those with shorter relationship tenure.

H_6 = Job tenure would moderate the LMX and promotability ratings relationship such that relationship quality would be more strongly and positively related to promotability ratings among employees who have longer job tenure than among those with shorter job tenure.

Method

Sample and Data Collection

The data was collected from 195 employees and their 32 leaders in the security sector by using time-lagged design. In Time 1, the participants were asked to complete survey items containing their LMX. Four months later, in Time 2, supervisors of the participants was asked to assess the task performance and promotability ratings of her or his immediate subordinates.

Subordinates sample was comprised of mostly men (92%); 52% of whom had a bachelor's degree and above (e.g., master's degree), while 48% of whom had an associate degree or below. Leader sample was comprised of only men (100%); 49% of the leaders had bachelor's degree and above (e.g., master's degree). The average age

of subordinates was 33.3 ($sd = 6.01$) and the average age of leaders was 36.9 ($sd = 6.68$) years. On average, subordinates and leaders had been in the same organization for 12.20 ($sd = 6.28$) and 14.97 ($sd = 7.01$) years, respectively. Each leader had supervised at least two subordinates in our sample.

Measures

We collected the data by using a set of questionnaires which were as follows:

Promotability Rating. We measured promotability judgments by using a seven-item measure that was originally developed by Thacker and Wayne (1995), and Kiker and Motowidlo (1999). It was adapted to Turkish by Gurbuz et al. (2016). The internal reliability alpha score was found .82.

Leader Member Exchange. Quality of relationship between leader and subordinates was measured by a seven-item LMX scale which was developed by Graen and Scandura (1987). Özutku, Ağca and Cevrioğlu (2008) adapted LMX scale into Turkish. Cronbach alfa score for LMX scale in this study was measured as .89.

Task Performance. Based on the different task performance measures (Kirkman & Rosen, 1999; Williams & Anderson, 1991; Şahin & Gürbüz, 2012) and formal performance appraisal forms of the studied firms, we developed a nine-item scale to measure employees' task

performance. Exploratory factor analysis using a principal component analysis with varimax rotation was applied to all five-point Likert-type questions to check the unidimensionality of the scale. Factors with eigenvalues greater than 1.0 were identified. The analysis showed that all nine items were satisfactorily summed in one factor (explained variance = .74, factor loadings were between .82 and .89). Cronbach alfa score was found .95.

Tenure. We measured relational tenure in terms of years with supervisor and job tenure referred to as a total job experience.

Analytical Strategy

Before testing the hypotheses, we tested the measurement model to evaluate the distinctiveness of the measures used in the current study. We applied confirmatory factor analyses by using covariance matrix and maximum likelihood estimation with LISREL version 8.80 software (Joreskog & Sorbom, 2006). The results of the proposed three-factor structure demonstrated good fit with the data [$\chi^2(224, N=195) = 378.04; p < .01; \chi^2/sd = 1.68; RMSEA = .06; CFI = .99$]. Then, we conducted structural equation models and hierarchical moderated regression analyses to test our hypotheses.

Results

In order to test the first four hypotheses, we conducted structural equation models using two different models. In the first model, we examined the effect of LMX on promotability rating. We first examined hypothesis H_1 by testing the model one. All the model fit indices [$\chi^2(74, N = 195) = 113.36; \chi^2/sd = 1.53, RMSEA = .05, CFI = .99$] showed that the observed covariance matrix fitted reasonably into the hypothesized model. According to the first model, LMX had a significant effect on promotability rating ($B = .43, p < .01$) and it explained 18% variance of the dependent variable. Therefore, H_1 was supported.

In a second model, task performance was used as a mediator variable, we tested $H_2, H_3,$ and H_4 . The results indicated that all model fit indices were acceptable [$\chi^2(225, N = 195) = 404.58; \chi^2/sd = 1.73, RMSEA = .06, CFI = .99$]. Analysis showed that the effects of both LMX and task performance on promotability were significant ($B = .13, B = .71, p < .01$). While the variance explained in model two was .61, LMX explained 16% of the task performance. These results indicated that H_2 and H_3 were supported. On the other hand, effect of LMX on promotability decreased from .43 to .13 which indicated that H_4 was partially supported.

H_5 predicted that relationship tenure moderate the relationship between LMX and promotability rating. H_6

stated that job tenure moderate the relationship between LMX and promotability rating. In order to test H_5 , we first centralized the data, then created interaction terms. In the first model, we tested the moderating effect of the relationship tenure. However, neither relationship tenure nor interaction of LMX and relationship tenure had found to have significant effect on promotability rating. Therefore, H_5 was not supported. The second model was conducted to test the moderation effect of job tenure on LMX-promotability rating relationship. According to the test results, interaction of LMX and job tenure had significant effects on promotability rating ($B = .03, p < .05$) and it explained 3% of the total variance. Thus, H_6 was supported. According to the moderation analysis, relationship quality is more strongly and positively related to promotability ratings among employees who have longer job tenure than among those with shorter job tenure. As a result, while H_1, H_2, H_3 and H_5 were fully supported, H_4 was partially supported and H_6 was not supported.

Discussion

The present study; (1) investigated the effects of LMX on subordinates' task performance and promotability rating, (2) tested whether task performance has a mediating and tenure has a moderating role on the relationship between LMX and promotability rating by using multisource in time-lagged research design. The results showed that LMX had a significant effect on both promotability rating and task performance. These results are consistent with the prior research (e.g., Graen, Novak & Sommerkamp, 1982; Wakabayashi & Graen, 1984). Because of the contextual characteristics in Turkish culture such as collectivism and uncertainty avoidance (Gurbuz & Bingol, 2007), leaders tend to promote his or her in-group subordinates rather than out-group subordinates. Leader more closely knows his or her in-group member. Therefore promoting them will reduce uncertainty about his or her decision. Moreover, because of this tendency, he or she may manipulate performance appraisals of in-group subordinates.

Additionally, we also found significant relationship between task performance and promotability rating as Van Scotter et al. (2000) observed. Surprisingly, hypothesis related to mediation effect was not fully supported, but partial mediating effect of task performance on LMX-promotability rating was detected. This finding can be explained by dependency perspective. According to dependency perspective leaders depend on their subordinates' performance and their social networks. In current study, leader's dependency to subordinates performance might have stayed in a lower level. Thus full mediation was not found. On the other hand, partial me-

diation means that subordinates social network may be valuable for the leader.

Additionally, we detected that tenure had a moderating effect on LMX-promotability relationship. This finding is consistent with the previous research (e.g., Harris et. al., 2006). Surprisingly, in the current study we found only moderating effect of job tenure. We believe that one of the possible explanations for this unexpected finding is related to the such as low experience tenure.

Our findings provide several theoretical implications for the promotion literature. Although several researchers have examined the promotability rating, none of the scholars tested it in Turkish culture. Second, we attempted to clarify the possible mediator and moderators on the relationship between LMX and promotability rating. Third, we minimized common method bias and social desirability response by collecting multi-source data and time-lagged design. Therefore, we obtained more reliable and robust results.

The current study also provides some implications for practice. First, we advise that decision maker must be aware of misuse of LMX during the promotion decisions. Second, partial mediation indicate that high quality relationship is not enough for getting ahead. Subordinates who want to get promotion must have both high quality relationship and high task performance. Third, moderating effect of job tenure showed that promotion potential of experienced subordinates who have low quality relationship with their leaders is very low. Thus, we advised that increasing the relationship quality will bring promotion possibilities to the experienced subordinates.

As is the case with all studies, we are mindful of certain limitations. First, demographic variables could not be controlled because of structural equation model. We do not know variance explained by demographic variables. Second, in this study, 92% of the subordinates and 100% of the leaders were male. This is the most important limitation in this study. Third, it is important to mention that data were collected from only one sector in Turkey.