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Leader-member exchange, gender, and influence tactics. A test on multinational companies in Malaysia

Abstract

Building upon the “social exchange theory” notion (Blau, 1964; Emerson, 1962), this paper hypothesized the direct impact of leader-member exchange on supervisors’ use of downward influence tactics. Leader-member exchange (LMX) and influence tactics were conceptualized as 2- and 3-dimensional constructs, respectively. One hundred and fifty-eight Malaysian managers and executives working in large scale multinational companies voluntarily participated in this study. Two dimensions of LMX, namely loyalty and affect, have direct relationships with soft influence tactics, whereas the moderating hypotheses were not found to have any significant impact on the dependent variables. The findings suggested that leader-member exchange would have moderate impact on supervisors’ use of influence tactics on their subordinates. Implications of the findings, potential limitations of the study, and directions for future research were discussed further.

Keywords: leader-member exchange, gender, influence tactics, social exchange theory, organizational behavior.

JEL Classification: D21, D29.

Introduction

Social influence process is a vital aspect of organizational behavior. Pfeffer (1981) defined influence as the ability to exercise power in order to overcome resistance in achieving a desired objective or result. Social influence processes are generally regarded as a pervasive aspect of organizational life. As suggested by Drucker (1999), organizations are now evolving toward structures in which rank means responsibility but not authority, and where the supervisor’s job is not to command, but to persuade. Blickle (2003) contended that, in order to be effective, it is critical for managers to influence their subordinates, peers, and superiors to assist and support their proposals, plans, and to motivate them to carry out with their decisions. Previous researchers on managerial performance such as Kanter (1982) and Pavett and Lau (1983) pointed out that an important component of successful management is the ability to influence others. For the past two decades, several experts (such as Ansari, 1990; Ansari & Kapoor, 1987; Bhal & Ansari, 2000; Kipnis & Schmidt, 1988; Yukl & Tracey, 1992) have made substantial contribution to the understanding of the influence processes in the organizations where agents attempt to change the attitudes and obtain compliance from other persons (the targets) in the organizations.

On the other hand, Graen and Cashman (1975) have elucidated that, in every supervisor-subordinate dyad, the nature of the exchange is different between supervisors and subordinates. According to Howell, Dorfman, and Kerr (1986), most popular leadership paradigms include at least one moderator and quality of leader-member relations is one of them. Leader-member exchange (LMX) theory was first illustrated in the works of Dansereau, Graen,

and Haga (1975) 32 years ago and has recently been gaining momentum. Many studies have been conducted to investigate the role that the supervisor plays in his or her relationship with subordinates. Essentially, the supervisor, the subordinate, or both will evaluate the relationship according to the quality of the interaction and these perceptions have a fundamental influence on individual outcomes. As mentioned by Murry, Sivasubramaniam, and Jacques (2001), the positive exchanges are typically reciprocated with positive outcomes from the subordinates. Each member of the dyad has the other’s best interest at heart and this is reflected in more supportive behavior. Hence, this study is an attempt to examine the relationship between LMX, and as a critical predictor of supervisors’ influence tactics. Moderating effects of supervisors’ gender with supervisors’ influence tactics is also examined.

The major concern of this research is to determine whether LMX theory and influence are applicable in the manufacturing companies located in Malaysia. This research attempts to answer the following questions:

- ◆ Does Leader-Member Exchange (LMX) affect supervisors’ influence tactics?
- ◆ Does gender of the supervisors moderate the relationship between LMX and influence tactics?

1. Theoretical background

1.1. Influence tactics. Keys and Bell (1982) revealed that the appropriate use of influence is an essential leadership function that differentiates successful managers from non-successful ones (McFarland, Ryan, & Kriska, 2002). Seifert, Yukl, and McDonald (2003) also endorsed the importance of influence tactics where the effectiveness of managers depends on their capability to influence others in the same organization. Yukl (2005) goes a step