

RESEARCH BRIEF

The Effectiveness of LMX in Employee Outcomes in the Perspective of Organizational Change

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This study is to research how leadership behaviors play a role in the organization during times of change. It highlights leadership as a dyadic relationship that happens between leaders and their followers. In this study, it is assumed that the social exchange process that occurs is based on the Leader-Member Exchange (LMX) theory (Graen & Uhl-Bien, 1995). By far, this is the most ideal and effective approach in predicting the outcomes of employees within the Malaysian workplace context when dealing with organizational change. Organizational change, which can be both breath-taking and overwhelming, is an inevitable force in the current tumultuous environment (Kotter & Schlesinger, 2008; Lee, Beamish, Lee, & Park, 2009). As such, organizations are continuously overcoming internal and external challenges that leave them no choice but to evolve by changing their policies, strategies, structure, and operations.

When dealing with organizational change, it is vital to take employees into consideration as they are one of the most valuable assets a company can have. Organizations heavily rely on them to ensure a smooth and successful transition. Change that is successfully implemented will ensure the overall wellbeing of the company. A healthy relationship between employees and their managers may encourage the individual to optimize his or her skills, talent, effort, and experience. This is beneficial to the company. To activate this relationship, a relationship should be founded on mutual trust and respect must be established. In

conclusion, this research investigates a model of leadership based on the LMX theory and its benefits in times of organizational change.

Literature Review

Leader-Member Exchange

Leaders who make use of high-quality LMXs are usually rewarded with a considerable amount of beneficial outcomes. Gerstner and Day (1997) discovered that LMX was positively linked to several aspects such as overall job satisfaction, role clarity, employees' satisfaction with supervision, organizational commitment, and subordinate performance. In accordance with that, more recent findings by Erdogan and Liden (2002) unveiled additional favorable outcomes of LMX, which includes increased innovation, reduced job stress levels, and enhanced workplace safety. Erdogan and Liden (2002) observed that the majority of the studies on the correlates of LMX had emphasized the consequences instead of antecedents. Additionally, in Den Hartog and De Hoogh's (2009) work, a leader's empowering behavior reflected intentions of benevolence. This is in consonance with the benevolent features of paternalistic leadership that was showcased in the study conducted by Pellegrini and Scandura (2006).

As past research did not provide adequate conclusive evidence on the correlation of LMX and specific leadership behaviors, this present research