

Testing Relationships Between Servant Leadership Dimensions and Leader Member Exchange (LMX)

John E. Barbuto

Center for Leadership Studies
Department of Management
Mihaylo College of Business and Economics
SGMH 5357C
PO BOX 6848
California State University-Fullerton
Fullerton, CA 92834-6848
(657) 278-8675
jbarbuto@fullerton.edu

Robert W. Hayden

Department of Agricultural Leadership, Education and Communication
University of Nebraska-Lincoln
Lincoln, NE 68583-0709
(402) 472-2807
rhayden2@unlnotes.unl.edu

Abstract

Leader member exchange has previously been found to be a solid predictor of positive organizational outcomes. Much research has tested a variety of possible antecedents to Leader Member Exchange (LMX), but only a limited number involving leadership styles. In this study servant leadership dimensions were tested for relationship to LMX quality. Strong correlations were found, tested for collinearity, and the best predictive model identified via regression analysis. The value to leadership educators was highlighted, limitations were recognized, and suggested areas for future research discussed.

Introduction

Leadership education is a unique field. It is one that is responsible not only to keep abreast of new leadership research, but also to ground the results of such initiatives in their relationship to extant theory. This paper proposes to test one relatively new leadership style – servant leadership – for relationships to one known predictor of positive organizational outcomes – Leader Member Exchange

(LMX). If significant positive relationships are found, then new knowledge will become available to leadership educators. This knowledge adds to an understanding of the complex dynamics operating between leaders and their followers, and informs educators of what impact the leaders' style may have upon the critical establishment of an effective relationship.

LMX describes the strength of relationships between leaders and members in organizational settings. Research testing the antecedents of LMX has been extensive (Graen & Uhl-Bien, 1995) with variables including gender (Tsui & O'Reilly, 1989; Wayne, Liden, & Sparrowe, 1994), similarities of attitude and personality (Dienesch & Liden, 1986; Liden, Wayne, & Stilwell, 1993; Phillips & Bedeian, 1994; Wayne & Ferris 1990), work values (Steiner & Dobbins, 1989), liking (Dockery & Steiner, 1990; Liden et al, 1993), personality (Burns, 1995), locus of control (Kinicki & Vecchio, 1994; Martin, Thomas, Charles, Epitropaki, & McNamara, 2005), and emotional intelligence (Barbuto & Bugenhagen, 2009). These studies have contributed to broader understanding of the antecedents of LMX quality.

As evidenced from these studies, LMX may result from a variety of factors. However, the role that leadership style plays in predicting the quality of LMX has been under studied. Testing the relationships between leadership style and the resulting LMX is an important piece for identifying the style best suited for improved relationships. If certain leadership styles are found to be solid predictors of LMX, then leadership educators will be better informed. Therefore, studying leadership style as a possible antecedent of LMX is both a timely and necessary effort.

Recently the field has seen a resurgence of servant leadership research, prompted primarily from a clarified construct and measure (Barbuto & Wheeler, 2006). This was followed by other efforts to study the construct and its organizational impacts (Liden, Wayne, Zhao, & Henderson, 2008; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008). Now that the construct is measurable and testable the impact of servant leadership can be more fully realized. This study tests the relationship between servant leadership and LMX.

Leader Member Exchange (LMX)

Leader member exchange (LMX) refers to a unique relationship quality that leaders develop with each subordinate. LMX was originally termed Vertical Dyad Linkage (Dansereau, Cashman, & Graen, 1973), but was later renamed leader member exchange (Graen, Novak, & Somerkamp, 1982). Strong LMX measures the extent to which leaders and followers have developed a trusting, autonomous,

and mutually beneficial relationship (Graen & Uhl-Bien, 1995). As shown by the variety of studies above, many different factors may affect the development and quality of LMX. It is important to research the unique qualities each member of the dyad may bring to the relationship, for these qualities of the individuals in the dyad may be antecedents of the relationship. In this study the followers' view of the leaders' servant leadership is tested as a predictor of the resulting LMX. Further analyses via stepwise regression determine which dimension(s) of servant leadership best predict LMX.

Servant Leadership

Servant leadership, first theorized four decades ago (Greenleaf, 1970), was originally described as a leadership philosophy that values service to others over self-interests. This work carried with it intuitive appeal, and subsequent popular press publications glorified the construct (e.g., Spears, 1995). Spears' identified ten dimensions of servant leadership, but no empirical tests of these dimensions were conducted. Consequently, servant leadership was viewed primarily as a conceptual albeit rather elusive construct, lacking any consensus framework or empirical rigor (Bass, 2000). The construct was rejuvenated by a clarification and scale development procedure that operationalized a testable theory of servant leadership (Barbuto & Wheeler, 2006). This clarification and measure stimulated subsequent empirical works on servant leadership (Liden et al., 2008; Neubert et al., 2008; Searle & Barbuto, 2010; Sendjaya, Sarros, & Santora, 2008). When testing for possible gender bias characterized as agentic (masculine) and communal (feminine) Barbuto and Gifford (2010) found no significant differences among servant leaders. The Servant Leadership Questionnaire (SLQ), developed by Barbuto and Wheeler (2006), identified and confirmed five dimensions of servant leadership, which are used in this study – *altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship*.

Altruistic Calling

Altruistic calling is defined as the fundamental conscious choice to serve others (Greenleaf, 1977). This desire to positively influence others through service is deemed central to servant leadership ideology (Barbuto & Wheeler, 2006). Servant leaders embrace service to followers and sacrifice self-interest for their followers' development (Bass, 2000; Graham, 1991). Servant leaders desire positive development in individuals, organizations, communities, and societies (Liden et al., 2008). The necessity for altruism in leadership has been recognized by many scholars (Avolio & Locke, 2002; Block, 1996) as has the altruistic nature of servant leadership (Greenleaf, 1977; Sendjaya et al., 2008). Leaders demonstrating a willingness to put followers' interests ahead of their own will

likely garner great trust and dedication from followers, leading to higher quality of exchanges.

- *H1: Leaders' Altruistic Calling will be positively related to LMX*

Emotional Healing

Emotional healing describes an ability to recognize when and how to facilitate the healing process. This includes a leader's ability to foster spiritual recovery from hardship and trauma (Barbuto & Wheeler, 2006). Servant leaders are viewed as highly empathetic and are able to show sensitivity to others (Liden et al., 2008). They create an environment with their followers enabling them to voice personal and professional concerns (Barbuto & Wheeler, 2006). Scholars have recognized the need for leaders able to help followers recover hope, overcome broken dreams, and repair severed relationships (Dacher, 1999; Sturnick, 1998). Leaders capable of producing emotional healing in followers will be more likely to have strong relationships with them.

- *H2: Leaders' Emotional Healing will be positively related to LMX*

Wisdom

Wisdom describes an ability to pick up cues from the environment and to recognize possible consequences and implications of their observations (Barbuto & Wheeler, 2006). Servant leaders are observant and anticipatory across multiple contexts, enabling them to translate their knowledge into forward action (Bierly et al., 2000). Scholars have recognized the need for leaders with a strong sense of awareness (Sosik & Megerian, 1999) coupled with an ability to apply the knowledge gained through observation (Kant, 1978; Plato, 1945). Leaders that are keenly aware and insightful will garner followers' respect and trust, which is necessary to develop strong dyadic relationships.

- *H3: Leaders' Wisdom will be positively related to LMX*

Persuasive Mapping

Persuasive mapping describes an ability to use mental models and sound reasoning to encourage lateral thinking in others (Barbuto & Wheeler, 2006). Servant leaders high in persuasive mapping are skilled at articulating issues and conceptualizing possibilities by sharing their train of thought. They possess the necessary knowledge to assist and support their followers effectively (Liden et al., 2008). Researchers have reported persuasiveness-based models to be more

productive than authority-based models on positive outcomes (Druskat & Pescosolido, 2002). Leaders capable of consistently using persuasive mapping rather than legitimization will develop stronger relationships with followers.

- *H4: Leaders' Persuasive Mapping will be positively related to LMX*

Organizational Stewardship

Organizational stewardship describes the extent to which leaders prepare their organization to make a positive contribution to the community and society (Barbuto & Wheeler, 2006). A servant leader demonstrates a strong sense of social responsibility and encourages organizations to implement moral and ethical actions that benefit all stakeholders (Liden et al., 2008; Sendjaya et al., 2008). This emphasis is accomplished by reaching out to the community through community development programs, outreach activities, and facilitating company policies that benefit the surrounding community, society, and environment. Servant leaders' ideology advocates that their organizations create value for the community (Liden et al., 2008). Those leaders capable of uniting an organization for greater purpose and community citizenship will garner the trust and respect that fosters strong dyadic relations.

- *H5: Leaders' Organizational Stewardship will be positively related to LMX*

Methods

The researchers' goal was to assess whether a measure of servant leadership can predict a strong (positive) LMX, and if so, determine which of the servant leadership measure's subscales is the best predictor of LMX. Data were collected from elected public officials in several counties in a Midwestern state, and their raters.

Subjects

The participants were 80 community leaders (county treasurers) and 368 raters. All were from the Midwestern United States. The leaders attended a leadership development workshop for elected officials and were members of a statewide professional organization which sponsored the event. Their average age was 51. Fifty percent had earned a bachelor's degree, 20% had earned a master's degree or higher. Sixty-five percent of the leaders were women. Raters were colleagues or employees of the leaders and reported an average age of 46. Forty-two percent

of the raters had earned a bachelor's degree; less than 10% had earned a master's degree or higher. Fifty-three percent of raters were women.

In this study the follower (rater) servant leadership data were used with the follower (rater) LMX data. The rationale was that raters may be more objective in the assessment of true servant leadership qualities of their leader than the leader (participant) might be in assessing him/herself. It may be that a leader views being a servant leader as socially desirable, thus potentially injecting bias. In addition, there was a much larger *n* for raters than participants (388 versus 80), thereby enhancing the reliability of any findings.

Tests

Data included rater versions of the servant leadership questionnaire (SLQ) and the LMX-7. The SLQ consisted of 23 items on a Likert-type 1-4 scale (1=strongly disagree, 2=somewhat disagree, 3=somewhat agree, 4=strongly agree) measuring five dimensions – *altruistic calling* (“This person puts my best interests ahead of his/her own.”); *emotional healing* (“This person is one I would turn to if I had a personal trauma.”); *wisdom* (“This person is good at anticipating the consequences of decisions.”); *persuasive mapping* (“This person offers compelling reasons to get me to do things.”); and, *organizational stewardship* (“This person believes that the organization needs to play a moral role in society.”). Reliability (Cronbach alphas) of the subscales ranged from .82 to .92. The LMX-7 was used to assess the strength of LMX. This measure is a 7-item Likert-type scale with anchors at 1 (strongly disagree) and 5 (strongly agree). The LMX-7 has been used extensively in research and seems to be regarded as the gold standard measure for LMX (Gerstner & Day, 1997).

Procedures

Data were collected on-site from the intact group of elected officials as part of a full-day leadership training seminar. Each participant was asked to distribute the raters' version of the measures to all of their colleagues after the seminar. Rater instrument forms were coded in advance to protect the confidentiality of raters. Procedures were conducted in accordance with University Compliance oversight. Rater instruments were returned via the United States Postal Service. Both participants and their raters were provided letters detailing their participation and rights, which included the right to withdraw at any time during the research. None of the participants withdrew from the study. Response rate was 87%, with 80 of the eligible 92 elected officials participating.

Results

Means, standard deviations, and zero-order correlations were calculated for all variables examined in this study (see Table 1). Significant correlations were found between all five dimensions of servant leadership and LMX (see Table 1).

Table 1. Correlation Matrix Simple Statistics and Inter-correlations (N=368)

	<i>M</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1. Altruistic Calling	2.76	0.79	.82					
2. Emotional Healing	2.71	0.97	.71	.91				
3. Wisdom	3.24	0.71	.51	.49	.92			
4. Persuasive Mapping	2.58	0.80	.62	.69	.49	.87		
5. Organizational Healing	3.12	0.73	.68	.62	.58	.47	.89	
6. LMX	3.15	0.69	.70	.73	.55	.61	.67	.89

Scale reliability estimates (\bar{y}) along the diagonal.

All correlations significant at $p < .01$

Because all five dimensions of servant leadership showed such strong correlations, the researchers opted to test for collinearity among the independent variables. Table 2 shows the results.

Table 2. Collinearity Diagnostics

<i>Variables</i>	<i>Eigenvalue</i>	<i>CI</i>	<i>Tolerance</i>	<i>VIF</i>	<i>Significance</i>
Model 1					
Constant	1.94	1			
Emotional Healing	0.06	5.70	1	--	.000
Model 2					
Constant	2.92	1			
Emotional Healing	0.06	6.96	.60	1.68	.000
Organizational	0.02	11.76	.60	1.68	.000
Stewardship					
Model 3					
Constant	3.90	1			
Emotional Healing	0.06	7.95	.45	2.23	.000
Organizational	0.03	12.48	.48	2.09	.000
Stewardship					
Altruistic Calling	0.02	14.65	.39	2.56	.000
Model 4					
Constant	4.90	1			
Emotional Healing	.07	8.53	.44	2.27	.000
Organizational	.03	13.87	.41	2.46	.000
Stewardship					
Altruistic Calling	.02	14.68	.39	2.57	.000
Wisdom	.02	17.41	.59	1.68	.005

These results do not indicate a collinearity problem. Overall, the Variable Inflation Factors (VIF) is low and Condition Indexes are below 15, except for the last variable.

To determine the best predictive model using these significant findings, the five SLQ variables were entered into a step-wise hierarchical regression model. The test included followers' assessment of the leaders' servant leadership dimensions as independent variables and LMX as the dependent variable (see Table 3). The best predictive model included all dimensions of servant leadership except *Persuasive Mapping*. The dimension *Wisdom* added less than 1% to the predictive model, and another variable (altruistic calling) less than 3%. However, the model containing four of the five dimensions of servant leadership explained more than 62% of the common variance in the data ($r = .79$; $r^2 = .63$; Adj. $r^2 = .63$; $SE = 2.97$; $F_{\text{change}} = .005$).

Table 3. Hierarchical Regression Analysis for Servant Leadership Dimensions Predicting Leader Member Exchange (N=368)

<i>Servant Leadership Dimensions</i>	<i>R</i>	<i>Adjusted R²</i>	<i>R² Change</i>	<i>SE</i>	<i>Sig. F Change</i>
Step 1					
Emotional Healing	.73	.53	.53	3.34	.000
Step 2					
Emotional Healing					
Organizational Stewardship	.77	.60	.07	3.09	.000
Step 3					
Emotional Healing					
Organizational Stewardship					
Altruistic Calling	.79	.62	.03	2.99	.000
Step 4					
Emotional Healing					
Organizational Stewardship					
Altruistic Calling					
Wisdom	.80	.63	.01	2.97	.005

Model explains approximately 63% of the variance in Leader Member Exchange.
Excluded dimension: Persuasive Mapping

Discussion

Summary of Findings

All five dimensions of servant leadership had significant relationships to LMX. The strongest predictor of LMX was the emotional healing component of servant leadership. This means those leaders who are perceived as able, and willing, to connect with colleagues on an emotional level (specifically in a healing context) build strong, positive relationships with these colleagues.

Limitations

The interpretations of the results of this study are limited by the sampling procedures used in the study – which could have created a snowball sampling effect. However, all followers were asked to participate in the study – as opposed to a sampling procedure that gave leaders the latitude to select four to six raters to participate. Inviting participation from all dyadic relationships, versus selected

dyads, reduced some of the sampling bias that would otherwise have resulted. Future studies should sample from as wide a target population as possible and continue to eliminate leaders' discretion in the process of rater selection.

The results of this study explained approximately 63% of the total variance in the data. Single method variance seems likely to have inflated these relations. However, a test of collinearity confirmed a multi-dimensional model with unique individually contributing subscales of servant leadership. This was also evident in the stepwise regression which identified incremental increases in variance accounted for cumulatively, with four servant leadership subscales contributing significantly to the predictive model. The results of this study provide powerful and useful information about one of the possible antecedents of LMX.

Future Research

Future research should study other impacts of servant leadership to better quantify its value to leadership education and practice. Testing such outcomes as followers' autonomy, wisdom development, emotional health, and propensity to exhibit servant leadership attributes will all be salient research objectives.

Future research should continue to evaluate antecedents of LMX – especially in longitudinal research designs – to evaluate the timing, intensity, and endurance of LMX. These may include person-centered variables as well as contextual influences. Researchers may also consider other dispositional variables of both leaders and followers when testing the predictors of LMX.

Implications for Leadership Education

Leadership is not constrained by context. Leadership happens in every area of human interaction, including industry, education, government, politics, and routine social interactions. Therefore, a better understanding of antecedents of a measure (LMX) known to enhance positive outcomes in one domain (organizational dynamics) should be carefully examined for application to other domains, but most certainly by those engaged in the task of leadership education itself.

Leadership educators should consider these results when teaching the impact of servant leadership. Servant leadership has previously been treated as folklore in the leadership classroom, since little empirical research had been completed on the construct. Now that measures have been validated and empirical research is feasible, the true impact of servant leadership can be tested. This study found that

the measure of servant leadership style is strongly related to improved quality of leader-member exchanges.

The results of this study could be considered for incorporation in curriculums teaching leader-member exchange theory. Servant leadership was found to be a strong predictor of leader-member exchange quality. If leadership educators can successfully develop future leaders to increase their use of servant leadership qualities, then improvements in the quality of exchanges with their subordinates and colleagues can be expected. When teaching servant leadership dimensions it will be helpful to examine each of the five sub-scales – *altruistic calling, emotional healing, wisdom, persuasive mapping, and organizational stewardship* – when planning lessons and designing leadership curriculum.

Instructors may also apply the lessons from this study to directly improve the quality of relationships with their students as well by intentionally including servant leadership characteristics. This should transcend formal classroom and professional settings to include less formal settings like academic advising, graduate student advising, mentoring graduate students, and collaborative research.

Summary

This work tested relationships between servant leadership and LMX, resulting in strong relationships across the dimensions of servant leadership. The variance accounted for was significant, even with single method sampling procedures. It is our hope that others will continue to study servant leadership and LMX, collectively, and in separate research designs, to test the dynamics of each construct.

References

- Avolio, B. J., & Locke, E. E. (2002). Philosophies of leader motivation: Altruism versus egoism. *Leadership Quarterly, 13*, 169-191.
- Barbuto, J. E., & Bugenhagen, M. J. (2009). The emotional intelligence of leaders as antecedent to leader-member exchanges: A field study. *Journal of Leadership Education, 8*(2), 135-146.
- Barbuto, J. E., & Gifford, G. T. (2010). Examining gender differences of servant leadership: An analysis of the agentic and communal properties of the Servant Leadership Questionnaire. *Journal of Leadership Education, 9*(2), 4-21.
- Barbuto, J. E., & Wheeler, D. W. (2006). Scale development and construct clarification of servant leadership. *Group & Organization Management, 31*(3), 300-326.
- Bass, B. M. (2000). The future of leadership in learning organizations. *The Journal of Leadership Studies, 7*(3), 18-40.
- Bierly, P. E., Kessler, E. H., & Christensen, E. W. (2000). Organizational learning, knowledge and wisdom. *Journal of Organizational Change Management, 13*, 595-618.
- Block, P. (1996). *Stewardship: Choosing service over self-interest*. San Francisco: Berrett-Koehler.
- Burns, J. Z. (1995). Prediction of leader member exchange quality by Jungian personality type. *Dissertation Abstracts International, 56*, 1729.
- Dacher, E. S. (1999). Loving openness and the healing relationship. *Advances in Mind-Body Medicine, 15*(1), 32-43.
- Dansereau, F., Cashman, J., & Graen, G. (1973). Instrumentality theory and equity theory as complementary approaches in predicting the relations of leadership and turnover among managers. *Organizational Behavior & Human Performance, 10*, 184-200.
- Dienesch, R. M., & Liden, R. C. (1986). Leader member exchange model of leadership: A critique and further development. *Academy of Management Review, 11*, 618-634.
-

- Dockery, T. M., & Steiner, D. D. (1990). The role of the initial interaction in leader-member exchange. *Group & Organization Studies, 15*, 395-413.
- Druskat, V. U., & Pescosolido, A. T. (2002). The content of effective teamwork mental models in self-managing teams: Ownership, learning, and heedful interrelating. *Human Relations, 55*, 283-314.
- Gerstner, C. R., & Day, D. V. (1997). Meta-analytic review of leader member exchange theory: Correlates and construct issues. *Journal of Applied Psychology, 82*, 827-844.
- Graen, G. B., Novak, M. A., & Sommerkamp, P. (1982). The effects of leader member exchange and job design on productivity and satisfaction: testing an attachment model. *Organizational Behavior & Human Performance, 30*, 109-131.
- Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. *Leadership Quarterly, 6*, 219-247.
- Graham, J. W. (1991). Servant-leadership in organizations: Inspirational and moral. *Leadership Quarterly, 2*(2), 105-119.
- Greenleaf, R. K. (1970). *The servant as leader*. Indianapolis, IN: Greenleaf Center.
- Greenleaf, R. K. (1977). *Servant leadership: A journey into the nature of legitimate power and greatness*. New York: Paulist Press.
- Kant, E. (1978). *Anthropology from a pragmatic point of view* (V. L. Dowdell, Trans.). Carbondale: Southern Illinois University Press. (Original work published 1978)
- Kinicki, A. J., & Vecchio, R. P. (1994). Influences on the quality of supervisor subordinate relations: The role of time-pressure, organizational commitment, and locus of control. *Journal of Organizational Behavior, 15*, 75-82.
-

- Liden, R. C., Wayne, S. J., & Stilwell, D. (1993). A longitudinal study on the early development of leader member exchanges. *Journal of Applied Psychology, 78*, 662-674.
- Liden, R. C., Wayne, S. J., Zhao, H., & Henderson, D. (2008). Servant leadership: Development of a multidimensional measure and multi-level assessment. *Leadership Quarterly, 19*, 161-177.
- Martin, R., Thomas, G., Charles, K., Epitropaki, O., & McNamara, R. (2005). The role of leader member exchanges in mediating the relationship between locus of control and work reactions. *Journal of Occupational and Organizational Psychology, 78*, 141-147.
- Mayer, D. M., Bardes, M., & Piccolo, R. (2008). Do servant-leaders help satisfy follower needs? An organizational justice perspective. *European Journal of Work and Organizational Psychology, 17*(2), 180-197.
- Neubert, M. J., Kacmar, K. M., Carlson, D. S., Chonko, L. B., & Roberts, J. A. (2008). Regulatory focus as a mediator of the influence of initiating structure and servant leadership on employee behavior. *Journal of Applied Psychology, 93*(6), pp. 1220-1233.
- Phillips, A. S., & Bedeian, A. G. (1994). Leader-follower exchange quality: the role of personal and interpersonal attributes. *Academy of Management Journal, 37*, 990-1001.
- Plato (1945). *The republic of Plato* (F. M. Cornford, Trans.). New York: Oxford University Press.
- Pollard, C. W. (1996). The leader who serves. In F. Hesselbein, M. Goldsmith, & R. Beckhard (Eds.), *The Leader of the future: New visions, strategies, and practices for the next era* (pp. 241-248). San Francisco: Jossey-Bass.
- Searle, T., & Barbuto, J. E. (2010). Servant leadership, hope, and organizational virtuousness: A framework exploring positive micro and macro behaviors and performance impact. *Journal of Leadership & Organizational Studies*, On-line November 9, 2010.
- Sendjaya, S., Sarros, J. C., & Santora, J. C. (2008). Defining and measuring servant leadership behavior in organizations. *Journal of Management Studies, 45*(2), 401-424.
-

- Smith, B. N., Montagno, R. V., & Kuzmenko, T. N. (2004). Transformational and servant leadership: Content and contextual comparisons. *Journal of Leadership and Organizational Studies*, 10(4), 80-91.
- Sosik, J. J., & Megerian, L. E. (1999). Understanding leader emotional intelligence and performance: The role of self-other agreement on transformational leadership perceptions. *Group & Organization Management*, 24, 367-390.
- Spears, L. C. (1995). *Reflections on leadership: How Robert K. Greenleaf's theory of servant leadership influenced today's top management thinkers*. New York: John Wiley.
- Steiner, D. D., & Dobbins, G. H. (1989). The role of work values in leaders' attributions and the development of leader member exchanges. *International Journal of Management*, 6, 81-90.
- Sturnick, J. A. (1998). Healing leadership. In L. C. Spears (Ed.), *Insights on Leadership* (pp. 185-193). New York: John Wiley.
- Tsui, A. S., & O'Reily, C. A. (1989). Beyond simple demographic effects: the importance of relational demography in superior-subordinate dyads. *Academy of Management Journal*, 32, 402-423.
- Wayne, S. J., & Ferris, G. R. (1990). Influence tactics, affect, and exchange quality in supervisor subordinate interactions: A laboratory experiment and field study. *Journal of Applied Psychology*, 75, 487-499.
- Wayne, S. J., Liden, R. C., & Sparrowe, R. T. (1994). Developing leader member exchanges: The influence of gender and ingratiation. *American Behavioral Scientist*, 37, 697-714.

Author Biographies

John E. Barbuto, Jr., Ph.D. is the Director of the Center for Leadership Studies at California State University at Fullerton. Jay earned his doctorate from the University of Rhode Island in 1997. Dr. Barbuto's research interests include all aspects of leadership – its antecedents and outcomes.

Robert W. Hayden is a doctoral candidate at the University of Nebraska-Lincoln. He earned a B.S. in Bible/Pastoral Ministries from Grace University in 1980 and an M.A. in Management from Bellevue University in 1993. His areas of interest include autonomy, servant leadership, and cognitive decision-making models.

Leader-Member Exchange (LMX) theory is grounded on the basis of the interaction and quality of relationship between leader and subordinate. Its initial form is known as the Vertical Dyad Linkage (VDL) theory, suggesting that there is a dyadic relationship between leaders and their followers, during the leadership process. The theory focuses on the nature of the vertical linkages leaders create with each of their followers and their relationship to the work unit. Leader-Member Exchange, centered on the interactions between leaders and followers, and makes this dyadic relationship the focal point of the leadership process. Early Studies. LMX 7 is designed to measure 3 dimensions of leader-member relationships: Trust, Respect, and Obligation. These dimensions are ingredients for strong partnerships. Summary. LMX is also unique in that it both prescribes and describes leadership, and focuses on the dyadic relationship between the leader and EACH of his/her followers. The theory also attempts to explain the differences between how leaders behave with in-group members vs out-group members - and explains the differences in how goals are accomplished with each of these groups. Leadership-Member Exchange (LMX) Theory. Informal observation of leadership behavior suggests that leader's action is not the same towards all subordinates. The importance of potential differences in this respect is brought into sharp focus by Graen's leader-member exchange model, also known as the vertical dyad linkage theory. According to the theory, leaders form different kinds of relationships with various groups of subordinates. One group, referred to as the in-group, is favored by the leader. Leaders distinguish between the in-group and out-group members on the basis of the perceived similarity with respect to personal characteristics, such as age, gender, or personality.