

## **The Impact of Leader-Member Mutual Tenure on Employee Level Outcomes – The Mediating Role of Leader-Member Exchange Quality**

Syed Zaheer Abbas Kazmi<sup>1</sup>

### **Abstract**

*Deriving its theoretical foundations from congruence theory and path dependence perspective, present study examines the relationship of Leader-Member Mutual Tenure (LMMT) with various employee level outcomes. The study also explains underlying mechanism i.e Perceived Quality of Leader-Member Exchange (LMX). Data were collected from 283 employees working in the cement industry of Pakistan. Correlations and Regression were used to test the direct relations and mediation. Barron & Kenny's mediation procedure was utilized to test the mediation paths. The study has confirmed the main effect relationships of both LMMT and perceived LMX Quality with employee level outcomes. LMMT has positive significant relationship with Job Satisfaction and Organizational Commitment. It is however, negatively related with Job Stress and Turnover Intentions. The LMX Quality is also positively associated with Job Satisfaction and Organizational Commitment, while it has negative relationship with Job Stress and Turnover Intentions. LMMT does positively influence the LMX Quality. Perceived LMX quality fully mediates the relationship between LMMT and Organizational Commitment. Partial support for the intervening role of perceived LMX quality in relationships of LMMT with Job Satisfaction, Job Stress and, Turnover Intentions was also witnessed. The study has important theoretical and managerial implications. Theoretically, the relationship between LMMT and the employee level outcomes and the mediation effect of LMX Quality has rarely been tested before; hence making valuable addition to the literature. Utilization of data from cement industry of Pakistan provides perspectives from Asian economy, a developing nation having different culture and management practices as compared to the Western world. Managers can utilize these results to improve the employee level outcomes through improving the LMX Quality of the organizational members.*

**Keywords:** Leader-Member Mutual Tenure (LMMT), Leader-Member Exchange (LMX), Organizational Commitment, Job Satisfaction, Job Stress, Turnover Intentions

### **Introduction**

Leader Member Exchange (LMX) theory originally labeled as Vertical Dyad Linkage Theory (Dansereau, Graen & Haga, 1975) explains the vertical relationship between the leader and the member (Northouse, 2001; Yukl, 2002). There are several

---

<sup>1</sup> PhD Scholar at the Karoly Ihrig Doctoral School of Management and Business, GTK, University of Debrecen, Hungary

researches which have paid attention to this very important relation between perceived quality of LMX with different employee level outcomes such as job performance, organizational commitment, job stress, intentions to leave, organizational citizenship behavior (Kim, O'Neill & Cho, 2009; De Coninck, 2009; Glaso & Einarsen, 2006; Graen, Novak, & Sommerkamp, 1982). However the impact of leader member mutual tenure on quality of LMX and its subsequent effects on employee level outcomes has not yet received attention from researchers. Research, however, has considered quality of LMX as an independent variable. Very few of the researchers have considered the mediating role of quality of LMX (e.g. Cheng, Lu, Chang & Johnstone, 2013). Mutual tenure between leader and member may improve the quality of LMX which leaves a subsequent impact on employee level outcomes. This gap is the area where we have focused this study.

The history of this theory occurs in four distinct stages (Graen & UhlBein, 1995). The first stage is characterized with the fact that leaders develop different relationship with each of their members (subordinates). Before discovery of this stage most of the leadership scholars predominantly assumed that leaders have similar relation and leadership behaviors with all members; the approach is known as "Average Leadership Style" (Schrisheim, Castro & Cogliser, 1999). The second stage focuses on specific constructs involved in dyadic relation between leader and member. Individualized partnerships with members were examined in the third stage (Graen & UhlBein, 1995). Organization of dyads to networks both inside and outside organizational boundaries were addressed in the fourth stage. Graen (1976) views LMX as an exchange relation consisting of three dimensions: competence/capability, interpersonal skills/abilities and trust. Schrisheim *et al.* (1999) proposed six elements to describe LMX: loyalty, support, trust/confidence, liking, freedom/latitude and attention.

Quality of LMX literature has largely treated quality of LMX as an independent variable. The literature has explored its impact on employee level outcomes. In addition to this, very few researchers have invested their energies in the sub-continent region for researching this area. This study argues that quality of LMX between employee and his/her supervisor gets better with the passage of time as concluded by the four phases/stages of LMX evolution (Scandura 1987; Graen & Uhl-Bien, 1995). Mutual tenure between employee and his/her boss is studied as an independent variable. The study tests that this mutual tenure has a positive relationship with quality of LMX which in turn has impact on employee level outcomes.

Here, the study investigates the relation of employee – boss mutual tenure and employee level outcomes viz. organizational commitment, job satisfaction, job stress and turnover intentions. The study also explores the mediating role of quality of LMX

between employee – boss mutual tenure and these employee level outcomes. As discussed earlier, this facet of the quality of LMX has received least attention in the OB literature. Therefore we foresee an important addition in the field of knowledge through this study.

### **Theory and Hypotheses**

Social Exchange theory (Homans, 1958), initially, evolved to understand the human behavior regarding economic exchanges. Today, the theory has evolved from dyadic to a network model, where social exchange is the voluntary transfer of resources (Cook, 1977). On the other hand, the Organizational Support theory (Eisenberger, Huntington, Hutchison & Sowa, 1986) explains that members/employees construct a common perception or opinion about level to which organization values their contribution or role and is concerned about their well-being and goodness. This perceived or thought-out organizational support increases their level of commitment. Mutual tenure between leader and member may improve the quality of LMX which leaves a subsequent impact on employee level outcomes.

### **Leader-Member Mutual Tenure and Perceived Quality of LMX**

Leader-member mutual tenure is the time spent together in an organization by the leader and member. Graen & Uhl-Bien (1995) argue for LMX development in four stages, these stages signify the leader – member mutual tenure length. With the increase in time in the mutual tenure, the quality of LMX improves over the time. The very first phase/stage is the initialization as suggested by Graen and contemporaries (1975, 1982, & 1995) that analyses the special vertical dyad or two way relation between the leader/boss and his/her member/subordinate. The second phase/stage is the investigation or exploration of the characteristics/distinctive features of LMX relations and their organizational impacts. The third phase of LMX evolution, as illustrated by Graen & Uhl-Bien (1995), is the progression of dual/dyadic or two-way partnership construction which emphasizes on the evolution process of perceived quality of LMX. Graen & Scandura (1987) propose a Vertical Dyad Linkage development framework wherein the boss or leader and the subordinate or members come across a role-taking, role-making and role-routine process in the early on progression of their relations. It is now extended to the fourth phase of network orientations. The fourth stage, as concluded by Graen & Uhl-Bien (1995), is the totality of distinct dual/dyadic or two-way relations to the levels of groups and networks.

The leader/boss in exchange or substitute for this extra level of job and dedication/commitment from subordinate/member, then leader expects the member's liking in the assignment of everyday jobs, exchanges increased level of experience, more

knowledge and information, ensures more rewards, and puts more confidence in the subordinates/members to hand over or delegate authority and responsibility, (Bass & Stogdill, 1990; Northouse, 2001; Yukl, 2002). Subordinates/members of the out-group only formally come to their offices/ companies, perform their official tasks, and then go back without forming any special relations with their bosses/leaders (Northouse, 2001). Gerstner & Day, (1997) purposed that employees/members/subordinates with high quality of LMX relations have increased chances to influence and impact managerial decisions and obtain their favorite tasks than low-LMX employees. In low-LMX with bosses fell frustrated and therefore their performance and job satisfaction declines (Bolino & Trunley, 2009). Jassem, Djebbarani & Mellahi (2011) argue that increased years of experience, which we call it as the leader –member mutual tenure improves the quality of LMX perceived by member. Therefore we argue that

***Hypothesis 1:** There is a positive relation of Leader Member Mutual Tenure with perceived quality of LMX*

### **Perceived Quality of Leader Member Exchange (LMX)**

Conceived from the basic idea of Vertical Dyad Linkage Model (VDL), LMX is distinctive from the other theories of leadership in its focus on the leader – member dual or dyadic relationship (Gernster & Day, 1997). The more traditional theories of leadership concentrate on effective leader traits and behaviors; LMX however examines the quality of relationship between leader and member. More interestingly, it concentrates on the impact of this relation on individual, group and organizational level outcomes (Gernster & Day, 1997). Leader and member are involved in series of exchanges over the times which result in dyadic relations. Examples of such exchanges may be increased job responsibility offered by the leader. Increased effort, performance or commitment may be reciprocated by the member for leader's such offer (Graen, 1980; Liden, Scandura & Graen, 1984; Diensesch & Liden, 1986).

Graen & Scandura, (1987) discussed a three phase/stage framework/model to describe the evolution of LMX. These phases are labeled as role-taking, role-making and role routinization. In the first phase both leader and member view work-related issues from the perspective of parties. The second phase jumps-up to trust building. This phase also addresses that how leader and member's actions influence their attitudes and behaviors. This perspective taking of the first phase and trust building of the second phase are then incorporated into routine of the relations/associations between boss/leader and subordinate/member. Objective here is that these behaviors become a routine matter in all the exchanges which take place between the two parties. This leads to an overall high quality leader-member exchange. Graen (1976) views LMX as an exchange relation consisting of three dimensions: competence/capability, interpersonal skills/abilities and

trust. Graen & UhlBein (1995) however view LMX as combination of respect, trust and mutual obligation. Schrisheim et.al, (1999) proposed six elements to describe LMX: mutual/reciprocated support, reliance/trust, liking, autonomy/latitude, consideration/attention and reliability/loyalty.

### **Perceived Quality of LMX, Job Satisfaction and Commitment**

High-LMX is exemplified by recurrent/regular exchange/share of treasured/esteemed resources and involvement/commitment in activities/tasks ahead of official/prescribed obligations/requirement, however, low-LMX depend more on the official job relations (Liden & Maslyn, 1998). The particular type of exchange association/relationship impacts the amount of job-related/professional possessions/resources offered to the member (Graen & Scandura, 1987) and establishes boss's/leaders' actions/behavior towards followers as members who are in-group employees/members are given increased power/autonomy and they exert their influence or power in decision-making process in comparison to those employees who are out-group members with their bosses/leaders (Dansereau *et al.*, 1975). In exchange, in-group members/employees respond with better or improved performance/outcome, decreased intentions to quit, and assuming extra responsibilities/roles (Keller & Dansereau, 2001). The meta-analysis carried by Gertsner & Day (1997) on theory of LMX, which covers twenty-five years research on the subject investigated relations between LMX and its links/correlates and the construct of LMX and boss/leader-member/subordinate harmony. Their meta-analysis confirmed former research that explains that LMX is positively associated to superior job satisfaction in followers, objective outcome/performance, and commitment (Dansereau, Cashman, & Graen, 1973; Dansereau *et al.*, 1975; Graen, Novak, & Sommerall, 1982, Graen & Cashman, 1985). The majority of researches/studies were based on a dual or twin attachment or connection framework recommended by Graen & Ginsburgh (1977), where the job feature variables (e.g., task analyzability, skill diversity, autonomy/independence, feedback/response, etc.) and leader/boss-member/subordinate relation or association impact essential organizational success variables, such as performance and the job satisfaction. LMX has been recognized to have a positive relation with job satisfaction (Gerstner & Day, 1997; Graen, Novak, & Sommer kamp, 1982; Stringer, 2006). Leader – member relation has several affective components (recognition, frustration, violation and uncertainty). These components have strong relation with subordinate job satisfaction (Glaso & Einarasen: 2006). Gerstner & Day (1994) and Graen & Uhl-Bien (1995) argued that exchanges with high quality are not only the transactions or give and take between leader or boss and member or follower but are transformational in character for both the leader or boss and member or follower. The perceived quality of LMX will further improve employee's

perception of justice about his/her boss. Not only will this but because of the quality LMX, the employee will have role clarity about his /her job which will enhance self efficacy of the employee (Anderson, 2006). LMX – Job satisfaction relation was stronger when task autonomy was high (Ozer, 2008). LMX has shown positive relation with commitment. (Tierney, Bauer, & Potter, 2002)

The better the level of shared respect, confidence/trust, and responsibility/obligation that exists between a leader/boss and a follower, the better the intensity of job satisfaction that will be enjoyed by the follower due to the intrinsic and extrinsic rewards that are possibly to be received by the member/employee, utilizing Herzberg's *et al.* (1959) two-prong model of job satisfaction and dissatisfaction. Stringer (2006) confirmed that a positive relation/association exists between LMX and the job satisfaction. Leader/boss-member/subordinate exchange (LMX) theory explains that leaders build up good relations with some members/subordinates. These employees feel empowered and hence their satisfaction and performance improves. However, those in poor relation with bosses feel frustrated and therefore their performance and job satisfaction declines (Bolino & Turnley: 2009). Therefore we propose here that:

***Hypothesis 2a:*** *Perceived Quality LMX is positively related with job satisfaction and:*

***Hypothesis 2b:*** *Perceived Quality LMX is positively related with organizational commitment*

### **Perceived Quality LMX and Turnover Intentions**

A lot of empirical research studies have coupled LMX to employee level outcomes like member/subordinate satisfaction, performance (Graen, Novak, & Sommerkamp, 1982), occupation outcomes (Wakabayashi & Graen, 1984) and reduced probability of intentions to leave (Vecchio, 1982). Gertsner & Day's research found significant negative correlations between LMX and role conflict and turnover. LMX relationship to turnover and turnover intent has been vague Gerstner and Day, 1997; Wilhelm, Herd, and Steiner (1993). Some researchers have suggested that a curvilinear relationship may exist between LMX and turnover (Morrow, Suzuki, Crum, Ruben, & Pautsch, 2005) and turnover intention (Harris, Kacmar & Witt 2004). Therefore we propose here that:

***Hypothesis 2c:*** *Perceived Quality LMX is negatively related with turnover intentions*

### **Perceived Quality of LMX and Stress:**

High-LMX supervisors and non-supervisory mentors serve as resources that minimize emotional exhaustion through increased socialization and decreased role stress Thomas & Lankau (2009). Supervisor support influenced the employees' OCB indirectly

through two cognitive processes (job satisfaction and person–organization fit) and one affective process (job tension or job stress), it was argued by Chen & Chiu (2008). Quality of leader–member exchange was negatively related to role conflict, role ambiguity, low job scope, lack of career progress, and lack of participation experienced by followers (Nelson, Basu & Purdie, 1998). Being away from one’s boss causes job stress (Lapidus Roberts & Chonko, 1996). Therefore we propose that:

***Hypothesis 2d: Perceived Quality LMX is negatively related with job stress***

### **Leader Member Mutual Tenure and Employee Level Outcomes**

Kreis & Brockopp (1986) suggested that job satisfaction “is related to self-perception of needs fulfillment through work”. Pennington & Riley (1991) contemplated a view of job satisfaction as an external or internal value. In their view, a person’s general assessment of how satisfied he/she is on the job is made according to an absolute frame of reference, while a person’s assessment of level of satisfaction with individual job facets is based on a relative standard that is specific to the work context and that involves comparison with the situation of other employees. Weiss & Copanzano (1996) as cited in Thoms, Dose, & Scott (2002), contended that “job satisfaction represents a person’s evaluation of his or her job and work context.” Linda Evans (1997) defined teacher job satisfaction as a “state of mind determined by the extent to which the individual perceives his/her job-related needs being met”.

Spector (1997) refers to job satisfaction in terms of how people feel about their jobs and different aspects of their jobs. Ellickson & Logsdon (2002) support this view by defining job satisfaction as the extent to which employees like their work. Schermerhorn (1993) defines job satisfaction as an affective or emotional response towards various aspects of an employee’s work. The author emphasizes that likely causes of job satisfaction include status, supervision, co-worker relationships, job content, remuneration and extrinsic rewards, promotion and physical conditions of the work environment, as well as organizational structure.

Organization commitment refers to the employee’s emotional attachment to, identification with, and involvement in the organization. It is generally considered as three dimensional construct comprising of affective commitment, continuance commitment and normative commitment (Boehman, 2006; Canipe, 2006; Turner & Chelladurai, 2005; Greenberg, 2005; Allen & Meyer, 1996; Karrasch, 2003). It is believed that affectively committed employees continue working with great devotion on voluntary basis, continuance commitment ensures that employees retain their organizational membership, however those who are normally committed usually feel obligation on their part to stay in the organization. While defining organizational commitment, Porter *et al.*, (1974) defined it as “strong belief in and acceptance of the

organizational goals and values, willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership". Jans (1989) has defined it as the extent that an employee accepts, internalizes, and perceives one's role based on organizational values and goals. Employees become committed to their organization when (a) they own and have conviction regarding the mission and values of the their organizations (b) they are mutually ready to exert their dedicated efforts in the achievement their organizational goals, and (c) they have intense desire to continue serving in their organizations (Robbins & Coulter, 2003; Jans, 1989; Hunt & Morgan, 1994; Mowday, Steers, & Porter, 1982). According to Buchanan (1974); commitment is "a partisan or affective attachment to the aims and values of an organization, to one's role in relation with these aims and values and to an organization for its own sake". According to the cost-benefit approach; commitment is "a result of the perception of benefit associated with staying in and the perception of cost associated with leaving from an organization" (Kanter, 1968). According to the normative approach; commitment is "the aggregate internalized normative pressures to conduct in a manner which meets organizational objectives and interests" (Wiener, 1982). Jassem, Djebbarani & Mellahi (2011) argue that more time in an organization or having more number of years as experience impacts the level of job satisfaction. Purani & Sahadev (2008) argue about the importance of industry experience as an important variable for determining the turnover intentions. Logically viewing, because of the increased experience the employee and boss have more time together, so their mutual tenure increases. Therefore we argue:

***Hypothesis 3a:*** *Leader – Member Mutual Tenure has a positive relation with job satisfaction*

***Hypothesis 3b:*** *Leader – Member Mutual Tenure has a positive relation with employee commitment* ***Hypothesis 3c:*** *Leader – Member Mutual Tenure has a negative relation with job stress*

***Hypothesis 3d:*** *Leader – Member Mutual Tenure has a negative relation with turnover intentions*

### **The Mediating Role of Perceived LMX Quality**

Graen & Uhl-Bien (1995) stated the mature relationship developed between dyadic members throughout history of exchange results in progressively higher degrees of mutual trust, respect, and obligation within the relationship, persuading followers to engage in more responsible activities than they otherwise would. This research supports leader-member exchange as both a transactional and/or transformational process of exchange. Specifically, Graen & Uhl-Bien (1995) suggested that positive outcomes are related to higher quality exchanges between leader and follower: It is mutual trust, respect, and obligation toward each other which empowers and motivates both to expand

beyond the formalized work contract and formalized work roles: to grow out of their prescribed jobs and develop a partnership based on mutual reciprocal influence.

Quality, nature and tenure of leader – member exchange relationship have important impact on the employee level organization outcomes (Garland & McCarty, 2010). As the four stages of LMX development signify the Leader Member mutual tenure so the mediating role of quality of LMX between mutual tenure and employee level outcomes needs to be examined

**Hypothesis 4a:** *Perceived quality of LMX mediates the relationship between Leader - Member Mutual Tenure and job satisfaction*

**Hypothesis 4b:** *Perceived quality of LMX mediates the relationship between Leader - Member Mutual Tenure and organizational commitment*

**Hypothesis 4c:** *Perceived quality of LMX mediates the relationship between Leader - Member Mutual Tenure and job stress*

**Hypothesis 4d:** *Perceived quality of LMX mediates the relationship between Leader - Member Mutual Tenure and turnover intentions*

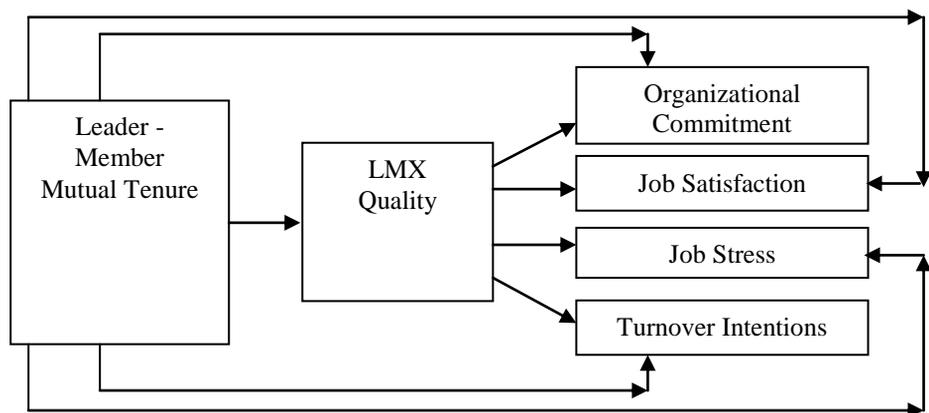


Figure1: Model proposed in this study

## Methodology

### Research Design

It is a quantitative study. Cross-sectional in nature as the data was collected at one point in time. In the pilot study 50 questionnaires were distributed among the employees of the cement industry. After the validation of results from pilot study, survey was instrumented. Survey method of data collection was utilized in the non-contrived settings.

### Sampling

It was decided that 300 questionnaires be collected from the respondents. The technique of convenient sampling was used to collect data. The questionnaires were

distributed to the employees of the cement companies personally by visiting the offices. Accordingly some focal persons were contacted in each of the selected companies for collection of data and questionnaires were given to them to get it filled from employees of the cement industry. 283 questionnaires were found correct to be included to carry out the further study. The data was collected from cities of Islamabad, Rawalpindi, Hattar and Kallar Kahar (Chakwal)

### **Measures**

We measured LMX with a 7-item scale derived from Janssen & Van Yperen (2004). All items were measured using a 5-point Likert-scale with anchors from 1 (strongly disagree) to 5 (strongly agree). The Cronbach's alpha for this measure was 0.90. Job satisfaction was measured using Minnesota Questionnaire (Weiss *et al.*, 1967). It's a 20-item questionnaire where responses ranged from strongly disagree to strongly agree on a 5-point Likert scale. The Cronbach's alpha for this measure was 0.88.

Commitment was measured using Allen & Mayer (1990), an 8-item questionnaire where responses ranged from strongly disagree to strongly agree on a 5-point Likert scale. The Cronbach's alpha for this measure was 0.85.

Turnover intentions were measured using Kelloway, Gottlieb, & Barham's (1999), a 4-item questionnaire where responses ranged from strongly disagree to strongly agree on a 5-point Likert scale. The Cronbach's alpha for this measure was 0.93.

Stress was measured using Anderson, Coffey & Byerly (2002) a 7-item questionnaire where responses ranged from strongly disagree to strongly agree on a 5-point Likert scale. The Cronbach's alpha for this measure was 0.73

The Leader Member Mutual Tenure (LMMT) was measured by asking the respondents that how long they have served with their current boss or supervisor. The answers were obtained in number of years of the mutual tenure between the employee and the boss.

## **Findings and Results**

### **Descriptive Statistics**

The sample included 52.6% male and 47.4% female respondents from the cement companies with head-offices in Islamabad and Rawalpindi.

The sample was divided into three age groups: 20-30 years, 30-45 years and 45 years and above. 64% of the respondents were in the first age group i.e 20-30 years. 26% of the respondents were found in the second age group i.e 30-45 years. 10% respondents were above 45 years of age.

Respondents varied with respect to their level of education. Those having a master's level of education were 42%. Respondents with a bachelor's degree were 28%. The respondents with an MS or M. Phil were 8%. 5% of the respondents were Ph.D. while 12% of the respondents were having diploma level of education.

The sample was also diverse with respect to their occupational/ management level in the organization. 30% of the respondents were from the top management level. 51% were amongst the middle level of management while 19% were from lower level of management.

The mutual tenures of respondents with their respective current immediate bosses also differed across all respondents. They were classified among four groups i.e 0-2 years of mutual tenure, 2-4 years, 4-6 years, 6-8 years and above 8 years of mutual tenure with current immediate boss. 16.7% of the respondents had 0-2 years of mutual tenure with their current immediate boss. 28% of the respondents had 2-4 years of mutual tenure. 23% of the respondents had 4-6 years of mutual tenure. 23% respondents had 6-8 years of mutual tenure while 9% respondents had more than 8 years of mutual tenure with their current immediate boss.

### Correlations

The inter-correlations among study variables and means and standard deviations are shown in Table1.

Table 1. *Inter-correlations, mean and standard deviations*

Variables	M	S.D	LMMT	LMX	JS	OC	TI	ST
LMMT	2.79	1.21						
LMX	3.39	.77	.663*	(0.864)				
JS	3.36	.75	.615**	.730**	(0.847)			
OC	3.29	.58	.523*	.654**	.770**	(0.786)		
TI	2.99	1.13	-.467**	-.471*	-.530**	-.518**	(0.832)	
ST	2.80	.87	-.646**	-.530**	-.477**	-.480**	.632**	(0.873)

\*Correlation is significant at 0.01 level, \*\* Correlation is significant at 0.05 level.

Items in parenthesis reflect alpha reliabilities of the constructs used

Hypothesis 1 states a positive relationship between Leader Member Mutual Tenure and perceived quality of LMX. Table 1 describes that Leader Member Mutual Tenure was positively related to perceived quality of LMX ( $r = .663, p < 0.01$ ). Hence it is predicted in the direction of hypothesis.

Hypothesis 2a stated a positive relationship between quality of LMX and job satisfaction. Table 1 describes that quality of LMX was positively related to job satisfaction ( $r = .615, p < 0.05$ ). Hypothesis 2b stated a positive relationship between quality of LMX and organizational commitment. Table 1 describes that quality of LMX was positively related to organizational commitment ( $r = .730, p < 0.05$ ). Hypothesis 2c states a negative relationship between quality of LMX and job stress. Table 1 describes that quality of LMX was negatively related to job stress ( $r = -0.530, p < 0.05$ ). Hypothesis 2d states a

negative relationship between quality of LMX and turnover intentions. Table1 describes that quality of LMX was negatively related turnover intentions ( $r = -0.471, p < 0.01$ ).

Hypothesis 3a stated a positive relationship between Leader Member Mutual Tenure (LMMT) and job satisfaction. Table1 describes that Leader Member Mutual Tenure was positively related to job satisfaction ( $r = .615, p < 0.05$ ). Hypothesis 3b states a positive relationship between Leader Member Mutual Tenure and organizational commitment. Table1 describes that Leader Member Mutual Tenure was positively related to organizational commitment ( $r = .523, p < 0.01$ ). Hypothesis 3c states a negative relationship between Leader Member Mutual Tenure and job stress. Table1 describes that Leader Member Mutual Tenure was negatively related to job stress ( $r = -0.646, p < 0.05$ ). Hypothesis 3d states a negative relationship between Leader Member Mutual Tenure and turnover intentions. Table1 describes that Leader Member Mutual Tenure was negatively related to turnover intentions ( $r = -0.467, p < 0.05$ ).

**Regression Results**

Regression analysis was performed to examine the independent contribution of Leader Member Mutual Tenure (LMMT) in predicting the job satisfaction, organizational commitment, job stress and turnover intentions. The mediating role of perceived quality of LMX was also examined by using Barron and Kenny (1986) model for checking mediation.

Table 2. Regression results for direct links

		LMX			JS			OC		
Var.	$\beta$	R <sup>2</sup>	t	$\beta$	R <sup>2</sup>	t	$\beta$	R <sup>2</sup>	t	
LMMT	0.66*	0.38	9.69	0.62**	0.38	9.69	0.52*	0.274	7.62	
LMX				0.73**	0.53	13.26	0.654**	0.428	10.734	
TI				JS						
Var.	$\beta$	R <sup>2</sup>	t	$\beta$	R <sup>2</sup>	t				
LMMT	-0.467**	0.218	-6.566	-0.466**	0.417	-10.99				
LMX	-0.471*	0.221	-6.618	-0.530**	0.281	-7.753				

\*p < 0.01 level, \*\*p < 0.05 level

Table 3: Summary of Regression Results for Direct Links

Ind. Var.	Dep. Var.	R <sup>2</sup>	$\beta$	F	t	Sig
LMMT	Perceived Quality of LMX	0.379	0.663	93.922	9.691	0.01
Perceived Quality of LMX	Job Satisfaction	0.533	0.730	176.039	13.268	0.05
Perceived Quality of LMX	Org. Commitment	0.428	0.654	115.212	10.734	0.05

Perceived Quality of LMX	Turnover Intentions	0.221	-0.471	43.801	-6.618	0.01
Perceived Quality of LMX	Stress	0.281	-0.530	60.103	-7.731	0.05
LMMT	Job Sat.	0.379	0.615	93.922	9.691	0.05
LMMT	Org. Comm.	0.274	0.523	58.073	7.621	0.01
LMMT	Turnover Int	0.218	-0.467	42.977	-6.566	0.05
LMMT	Stress	0.417	-0.646	110.154	-10.991	0.05

Hypothesis 1 was tested after performing independent – mediating variable relation. LMMT was entered as independent variable and quality of LMX as dependent variable. The results on tables 2 and 3 show that LMMT significantly positively explains its role in predicting the perceived quality of LMX, hence hypothesis 1 is accepted ( $\beta = 0.663, p < 0.01$ ).

Role of mediator in predicting employee level outcomes was tested. The results in table 2 and 3 suggest that mediator has significantly predicted the employee level outcomes. Perceived Quality of LMX has significantly positively explained its role in predicting job satisfaction ( $\beta = 0.730, p < 0.05$ ), therefore hypothesis 2a is accepted. The impact of perceived quality of LMX is significant as well as positive on organizational commitment ( $\beta = 0.654, p < 0.05$ ) hence hypothesis 2b stands accepted. Perceived Quality of LMX has a significant negative impact on employees' perceptions of turnover intentions ( $\beta = -0.471, p < 0.01$ ) thus hypothesis 2c is also accepted. The quality of LMX has its significant negative role in predicting employee job stress. ( $\beta = -0.530, p < 0.05$ ), thus accepting hypothesis 2d.

Leader Member Mutual Tenure was entered as independent variable and then job satisfaction, organizational commitment, job stress and turnover intentions were entered as dependent variables. The results are shown on table 2 and 3. LMMT significantly predicts job satisfaction ( $\beta = 0.615, p < 0.05$ ) hence accepting hypothesis 3a. It does also significantly explain the impact on organizational commitment ( $\beta = 0.523, p < 0.01$ ) which accepts hypothesis 3b. Hypothesis 3c is also accepted as LMMT significantly predicts intentions to leave ( $\beta = -0.467, p < 0.05$ ). The regression results confirm hypothesis 3d as LMMT significantly explains stress ( $\beta = -0.646, p < 0.05$ ).

**The mediating role of perceived quality of LMX**

The results discussed here in the previous section show that all conditions for mediation as suggested by Barron and Kenny (1986) do prevail in this study. As per his suggested method, three conditions must meet before carrying a mediation analysis. First, the independent variable must behave as significant predictor of the mediating variable. Second, the mediating variable must significantly predict dependent variable. As per the

third condition, independent variable must significantly predict dependent variable. All these relationships have been found significant as shown in table 2 and 3 and discussed in the previous section. Mediation analysis was performed in three steps. In the first step, controls were entered to regress with dependent variables. When controls were regressed with job satisfaction, the resulting R<sup>2</sup> value was 0.030, with organizational commitment it was 0.027, with turnover intentions R<sup>2</sup> value was equal to 0.026 and with stress it was only 0.004. However, the model for controls has been insignificant; therefore no contribution is made by the controls on dependent variables. Table 4 shows the results on mediator analysis for testing hypotheses 4a, 4b, 4c and 4d.

Table 4. *Mediation analysis of LMX between LMMT and employee level outcomes*

Job Sat	OC				TI				JS				
	Var.	β	ΔR <sup>2</sup>	t	β	ΔR <sup>2</sup>	t	β	ΔR <sup>2</sup>	t	β	ΔR <sup>2</sup>	t
LMX	.73**	0.53	13.26	0.65**	0.424	10.73	-.47*	0.22	-6.16	-0.53**	0.28	-7.75	
LMMT	.234**	0.56	3.28	0.160*	0.435	1.98	-.28**	0.26	-2.99	-0.52**	0.428	-6.47	

\*p < 0.01 level, \*\*p < 0.05 level, +P < 0.149 level

It can be seen from tables 2, 3 and 4 that when LMMT is entered with quality of LMX as independent variable to test its impact on job satisfaction; the regression coefficient for LMMT – job satisfaction reduces from 0.615 to 0.234. However, it is still significant so it is inferred that quality of LMX exerts partial mediation effect therefore hypothesis 4a is accepted. Perceived Quality of LMX does fully mediate between LMMT and organizational commitment because when quality of LMX is entered with LMMT to regress on organizational commitment, the regression coefficient for LMMT – organizational commitment reduces from 0.523 to 0.160 and it has become insignificant which is a case of full mediation (tables 2, 3 and 4), hence hypothesis 4b is accepted. LMMT – Turnover Intentions beta coefficient for regression has reduced from -0.467 to -0.277 (tables 2, 3 and 4) when quality of LMX is entered with LMMT to regress on turnover intentions. It shows partial mediation effect therefore hypothesis 4c stands accepted. If we compare results of regression from tables 2, 3 and 4 for LMMT – job stress, it can be seen that regression coefficient has reduced from -0.646 to -0.525. It shows partial mediation for perceived quality of LMX between LMMT and turnover intentions, accepting hypothesis 4d. Hence, the results have confirmed all hypotheses.

## Discussion and Conclusion

### Major Findings

Results clearly indicate that Leader Member Mutual Tenure is positively associated with job satisfaction and organizational commitment and negatively related with job stress and turnover intention. These results are consistent with the literature as

the past studies have also shown the similar results Graen & Uhl-Bien (1995), Jassem, Djebbarani & Mellahi (2011).

An increased year of experience and more time spent with the boss improves the quality of LMX. Leader Member Exchange (LMX) relation develops in four different stages, hence the time spent with one's boss is of prime importance for quality of LMX. The results concluded by this study suggest that Leader Member Mutual Tenure (LMMT) has its significant impact on predicting the quality of LMX. These results are consistent with the studies conducted by Graen & Uhl-Bien (1995) and Jassem, Djebbarani & Mellahi (2011).

Job satisfaction and organizational commitment are positively impacted by the quality of LMX because of high quality LMX employees engage themselves in positive behaviors and they become confident about their relation with the boss which in turn improves these employee level outcomes. Results shown here suggest that quality of LMX is an important variable in predicting the job satisfaction and organizational commitment. These results are consistent with the previous findings as following studies have also shown similar results (Dansereau, Cashman, & Graen, 1973; Dansereau *et al.*, 1975; Graen & Cashman, 1985; Graen, Novak, & Sommerall, 1982). The results are also consistent with the studies conducted by Stringer (2006), Gestner & Day (1997) and Graen, Novak & Sommer Kamp (1982) also provide substantial support for our findings. Findings concluded by Galso & Einarasen (2006) & Boleno & Turnley (2009) also confirm our results.

As turnover intention perception of employees is an important dimension of employee level outcomes. Employees having high quality of LMX with their boss are likely to have less intent to leave. The results suggest that quality of LMX is negatively related with turnover intentions. This is also suggested by Kellr & Dansereu (2001). Our results are also supported by the empirical studies conducted by Vecchio (1982) and Harris, Kackmar & Witt (2004).

Results show that perceived LMX quality is negatively related with employees' perceptions of job stress. Results are consistent with the studies conducted by Lapidus *et. al* (1996), Chen & Chiu (2008) and Thomas & Lankau (2009).

The mediating role of quality of LMX between LMMT and job satisfaction, organizational commitment, job stress and turnover intentions was also tested. Results in tables 2, 3 and 4 clearly show that perceived quality of LMX fully mediates between LMMT and organizational commitment. However, it's a case of partial mediation for quality of LMX between LMMT and job satisfaction, LMMT and job stress and LMMT and turnover intentions. However, the mediating role of quality of LMX has not got attention in the previous research but Graen & Uhl-Bien (1995) provide support for

checking its mediating role. Garland & McCarty (2010) also provide indication for checking mediating role of quality of LMX. Purani & Sahadev (2008) established that employees with a long stay or experience at workplace had higher level of job satisfaction and low levels of intentions to leave. Herein, it's important to note that they have measured the moderating impact of job experience on employee satisfaction and intentions to quit, they have not measured the impact of the mutual tenure between employee and the boss. Hence, the current study makes important contributions.

### **Practical Implications**

The current study provides some valuable implications for managerial practice. Leader Member Mutual Tenure has significant impacts on job satisfaction, organizational commitment job stress and turnover intentions. Managers can try enhancing the mutual tenure of employees with their boss to improve employee level outcomes.

Significant contribution of this study is the mediation effects of quality of LMX. Managers can utilize these findings to improve the quality of LMM. As the data was collected from cement industry of Pakistan so this specifically applies to the industry.

### **Limitations and Future Research**

The current study has several limitations. A potential limitation of this research is the common criticism in the cross sectional research design. Future research may be carried with longitudinal data to provide more generalized results. Another limitation is same source bias as all data regarding dependent, independent and mediator variables is collected from the same respondents.

Future research may also be carried to study the impact of LMMT and quality of LMX on other employee level outcomes such as job performance, OCB and turnover.

### **References**

- Anderson J. R. (2006). Managing Employees in the Service Sector: A Literature Review and Conceptual Development, *Journal of Business Psychology*, 20(4), 501-523.
- Bass, B. M. (1990). Bass & Stogdill's Handbook of leadership – Theory, Research and Managerial Applications. New York: The Free Press.
- Bolino Mark C and Turnley William H. (2009) Relative Deprivation among Employees in Lower-Quality Leader-Member Exchange Relationships, *The Leadership Quarterly*, 20(3), 276-286.
- Chen, CC. & Chiu, SF. J (2008) An Integrative Model Linking Supervisor Support and Organizational Citizenship Behavior, *Journal of Business and Psychology*, 23(1), 1-10.
- Cheng, J.-W., Lu, K.-M., Chang, Y.-Y. & Johnstone, S. (2013). Voice behavior and work engagement: the moderating role of supervisor-attributed motives. *Asia Pacific Journal of Human Resources*, 51: 81–102. doi: 10.1111/j.1744-7941.2012.00030.
- Cook.K.S. (1977). Exchange and Power in Networks of Inter organizational Relations. *The Sociological Quarterly* 18: 62-82.

- Dansereau, F., Cashman, J & Graen, G. (1973). Instrumentality theory and equity theory as complementary approaches in predicting the relationship of leadership turnover among managers, *Organizational Behavior and Human Performance*, 10(1), 184-200.
- Dansereau, F., Graen, G., & Haga, W.J., (1975). A vertical dyad linkage approach to leadership within formal organizations: A longitudinal investigation of the role making process. *Organizational Behavior and Human Performance*, 13(1), 46-78.
- DeConink J. B. (2009). The effect of leader-member exchange on turnover among retail buyers, *Journal of Business Research*, 62(12), 1081-1086.
- Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986). Perceived organizational support. *Journal of Applied Psychology*, 71, 500-507.
- Garland B, McCarty W. (2010). Rating the Prison Boss: Examining Supervision Among Prison Health Care Staff, *Journal of Criminal Justice*, 38(1), 69-76.
- George C. Homans. 1958. Social Behavior as Exchange. *The American Journal of Sociology*, 63(6), 597-606.
- Gertsner, C.R., & Day, D.V. (1997). Meta-analytic review of leader-member exchange theory: Correlates and construct issues. *Journal of Applied Psychology*, 6, 827-844.
- Glasø L, Einarsen S. (2006). Experienced affects in leader-subordinate relationships, *Scandinavian Journal of Management*, 22(1), 49-73.
- Graen, G. B. and Cashman, J. F. (1975). A role making model of leadership in formal organizations: A developmental approach. In J. G. Hunt and L. L. Larson (Eds.), *Leadership frontiers*, Kent, OH: Kent State University Press, 143-165.
- Graen, G. B., & Ginsburgh, S. (1977). Job resignation as a function of role orientation and leader acceptance: A longitudinal investigation of organizational assimilation, *Organizational Behavior and Human Performance*, 19(1), 1-17.
- Graen, G., Novak, M. & Sommerkamp, P. (1982). The effects of leader-member exchange and job design on productivity and satisfaction: Testing a dual attachment model, *Organizational Behavior and Human Performance*, 30, 109-131.
- Graen, G.B. (1976). Role making processes within complex organizations. In: M.D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology* (pp. 1201-1245). Chicago: Rand-McNally.
- Graen, G.B., & Scandura, T.A. (1987). Toward a psychology of dyadic organizing. *Research in Organizational Behavior*, 9, 175-208.
- Graen, G.B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25years: Applying a multi-level multi-domain perspective. *Leadership Quarterly*, 6(2), 219-247.
- Jassem A., Ramdane D., Kamel M, (2011). Determinants of Job Satisfaction in the UAE, A case study of Dubai police, *Personnel Review*, 40(1), 126-146.
- Keller, T., & Dansereau, F. (2001). The effect of adding items to scales: An illustrative case of LMX. *Organizational Research Methods*, 4(2), 131-143.
- Kelloway, E. K., Gottlieb, B. H., & Barham, L. (1999). The source, nature, and direction of work and family conflict: A longitudinal investigation. *Journal of Occupational Health Psychology*, 4, 337-346.
- Keyoor P and Sahadev S (2008) The moderating role of industrial experience in the job satisfaction, intention to leave relationship: an empirical study among salesmen in India, *Journal of Business and Industrial Marketing*, 23(7), 475-485.

- Kim S., O'Neill J. W, Cho H. (2009). When does an employee not help coworkers? The effect of leader-member exchange on employee envy and organizational citizenship behavior. *International Journal of Hospitality Management*, 25(2), 170-192.
- Kreis, K., & Brockopp, D. Y. (1986). Autonomy: A component of teacher job satisfaction. *Education*, 107(1), 110-115.
- Lapidus R. S, Roberts J. A, Chonko L. B (1996) Stressors, leadership substitutes, and relations with supervision among industrial salespeople, *Industrial Marketing Management*, 25(5), 395-409.
- Liden, R. C., & Maslyn, J. M. (1998). Multidimensionality of Leader-Member Exchange: an empirical assessment through scale development. *Journal of Management*, 24(1), 43-72.
- Liden, R. C., Wayne, S. J., and Stilwell, D., (1993). A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology*, 78(4), 662-674.
- Nelson Debra, Raja Basu and Robin Purdie (1998). An Examination of Exchange Quality and Work Stressors in Leader-Follower Dyads, *International Journal of Stress Management*, 5(2), 103 - 112.
- Northouse, Peter G. (2001). *Leadership Theory and Practice*, second edition. Thousand Oaks, CA: Sage Publications, Inc.
- Ozer Muammer (2008). Personal and Task-Related Moderators of Leader-Member Exchange among Software Developers, *Journal of Applied Psychology*, 93(5), 1174-1182.
- Richard G. A. (1997). The sales manager as a Role model: Effects on trust, job satisfaction, and performance of salespeople, *Journal of the Academy of Marketing Science*, 25(4), 319-328.
- Schriesheim, C. A., Castro, S. L., & Cogliser, C. C. (1999). Leader-member exchange (LMX) research: A comprehensive review of theory, measurement, and data analytic practices. *Leadership Quarterly*, 10, 63-113.
- Simon Daniel H, Minguel I. Gomez, Edward W. Mc Laughlin and Dick R. Wittink (2009). Employee Attitudes, Customer Satisfaction, and Sales Performance: Assessing the Linkages in US Grocery Stores, *Managerial and Decision Economics*, 30(1), 27-41.
- Thomas C H., Melenie J. L. (2009) Preventing burnout: the effects of LMX and mentoring on socialization, role stress, and burnout *Human Resource Management*, 48(3), 417 – 432.
- Tierney, P., Bauer, T. N., & Potter, R. E. Extra-role behavior among Mexican employees: impact of LMX, group acceptance, and job attitudes. *International Journal of Selection and Assessment*, 10(4), 292-303
- Vecchio, R. P. (1982). A further test of leadership effects due to between-group variation and within-group variation. *Journal of Applied Psychology*, 67(2), 200-208.
- Wakabayashi, M. & Graen, G. B. (1984). The Japanese career progress study, a 7-year follow-up. *Journal of Applied Psychology*, 69(4), 603-614.
- Yukl, G. (2002). *Leadership in organizations* (5th ed.). Upper Saddle River, NJ: Prentice Hall.