

LMX Leadership and Organizational Performance: A Study in an Oil Company in the UAE

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Abstract

This empirical study was aimed at studying the association between leadership and organizational performance in a leading oil company in Abu Dhabi (UAE). The researchers chose to assess the relationship between leadership and performance using the Leader-Member Exchange (LMX) theory. Performance factors considered for this research work included organizational communication, leader-member trust and the leaders' supportiveness at work. A questionnaire related to leadership (LMX theory for this work) and organization performance elements was designed and mailed to 215 respondents using the survey monkey channel. The sampling method employed for this research work was convenience sampling. A response rate of 20% resulted in collection of 43 questionnaires of which 30 were complete in all respects. The degree of association was statistically tested. The research results establish the relationship between the implementation of LMX. The findings of the study revealed that the relationship established following the implementation of LMX theories significantly influences performance. The results also show that trust and communication of organizational goals are significantly related.

Keywords: LMX leadership, trust, communication, performance

Introduction

Performance management encompasses practices that guarantee that the goals are consistently being achieved in an efficient way. In most cases, performance management can concentrate on the performance of a corporation, a segment, worker, or even the procedure to create a product or service and many other fields. Furthermore, performance management can be referred to as a process that corporations align their resources, schemes, as well as resources, systems and workers to tactical goal and precedence.

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Governmental agencies, and even in political environments among others with the intention of generating desired impacts. Therefore, it can be said that performance management is a tactical and mixed method to augment the efficiency of organizations through enhancing the performance of the persons who toil in them and through developing the capacities of groups and individual providers.

It is possible to get all workers to reconcile personal goals with organizational goals and augment productivity and profitability of a corporation through the performance management procedure (Nielsen, 2013). Managing workers or system performance and supporting their objectives, ease the efficient delivery of strategic and operational ambitions. Some people argue that there is a clear and immediate correlation amid using performance management programs and improved business and corporate outcomes. On the other hand, within the public department, the impacts of performance management systems have differed from desirable to undesirable, suggesting that differences in the features of performance management systems and the contexts into which they are executed play an essential part in the achievement or failure of performance management. For workers performance management, using integrated software, instead of a spreadsheet based recording system may deliver significant return on investment through a range of direct and indirect sales profits, operational competence benefits and through opening the hidden potential in every worker work day, including the time they use not performing their task.

It is imperative to note down that, it is not possible to have a performance management scheme without a person that oversees the daily events around the place of work. Just because the organization's management contains a hand in the performance of their workers does not imply that is where the dollar ends. Corporate leadership has to be included in the performance management systems as well because they ultimately dictate the performance culture of the organization. Therefore, leaders use the performance reviews to be in a better position of analyzing the information and aid enhance their group's performance. It is through leadership that high-performance standards are improved by carrying out standard performance response and setting of goals through training. Thus, this shows that leadership has a great responsibility in performance management because it has to set all the necessary changes in action. The objective of any corporation is not simply to endure, however, also to sustain its availability by enhancing performance.

To attain the requirements of the highly competitive marketplaces, the corporate must always augment performance. Earlier literature proposes that role of leadership is vitally significant for achieving the performance of the organization (Deluga, 2008). Some studies demonstrate that the role of leadership is extremely imperative for a company to attain a high level of performance.

Research methodology

Objectives

The research was aimed at examining the influence of Leader-member exchange theory on organizational performance. The researchers examine the influence of LMX leadership on employees' trust in their leader. The next logical objective was to study the influence of LMX leadership in achieving organizational goals. Of interest to the researchers was to ascertain whether or not employees' trust in their leader has an influence on organizational performance. An effort has been made examine whether leaders' support influences organizational performance.

Need for the Study

Literature Review

Various researchers show that, unlike many other prominent leadership theories, the leader-member exchange (LMX) theory does not center on particular features of an effective organizational leader (Deluga, 2008). Instead, it bases on the form and importance of the associations between a manager and his or her workers. The principle is for a leader to cultivate as many high-quality associations as possible. As a result, this will lead to increases in the follower's sense of job gratification and corporate citizenship and increased productivity and achievement of organizational missions.

Applying the leader-member exchange theory, leadership plays a significant role in performance management in that it helps in promoting positive recruitment experiences and increase corporate effectiveness. Some studies show that comprehending the role of leadership in performance management is vital because leadership is seen as one of the driving forces for enhancing an organization's performance. In most cases, successful leadership is viewed as a compelling foundation for administration expansion and persistent possible benefit for corporate performance improvement.

For instance, leader-member exchange assists corporates to attain their immediate goals more efficiently through associating job performance to valued rewards and ensuring workers have the sources required to get the task accomplished. It is recognized further that, visionary leaders cultivate a strategic vision through acting consistently, and create dedication towards the vision. Some scholars propose that leader-member exchange leadership will lead to greater levels of consistency or unity, loyalty, reliance, inspiration and hence performance in the new managerial atmospheres.

According to Deluga (2008), when some companies pursue practical approaches to enable them to outperform others, a conventional method is to concentrate on the roles of leadership. This is because group leaders are believed to play an essential role in molding shared customs; assisting groups deal with their settings, as well as harmonizing shared activities. The leader-member exchange (LMX) perspective has offered helpful insights into the association amid leadership and group performance hence significant management performance of an organization. The leader-member exchange acknowledges employees' desires and needs and then clarifies how those desires and needs will be achieved in exchange for employees' work.

It is through explaining what is required of workers and the consequences of their actions, leader-member exchange leadership is in a position to create confidence in employees to exert the necessary determination and energy to attain expected levels of management performance. From the views of other researchers, there are dimensions of leader-member exchange leadership, which encompasses contingent reward, management by exception active, as well as management through exception-passive (Bauer & Ergoden, 2015). For instance, the contingent reward is the level to which the leadership sets up constructive exchanges with workers. The manager expounds on the anticipations and develops the recompense for attaining these anticipations. In overall, management by exception is the level to which the leadership takes remedial action on the foundation of the outcomes of leader-subordinate exchanges.

Therefore, as noted, the differences amid management through exception-active and management through exception-passive depends on the timing of the leader's intervention. In most cases, for effective performance management, managers supervise employee actions, expect problems, as well as take remedial actions before the conduct cultivates serious challenges (Zaffron, 2009).

On the other hand, inactive leaders wait until the behavior has established issues before taking action. Furthermore, under leader-member exchange theory, leadership implements an advice-giving style for making decisions. They participate in different levels of the session with associate assistants, although the leadership remains the ultimate choice makers. Compared with other leadership theories such as classical leadership, under the leader-member exchange leadership, the source of workers' dedication comes from the motivation provided by the leaders through rewards, agreements, as well as anticipations negotiated with the leader instead of their fear of, or reverence for the classical leaders. As the industrial scheme becomes more modifiable, the functions of in organization become a more custom and convention, and the organization is mostly greatly managed by the leaders (Zaffron, 2009). Additionally, the group requires leadership to cultivate a performance strategy.

In most situations, workers need to comprehend where the team is going. It implies that as a leader, it is imperative they take full responsibility for ensuring that they carry the task to end. Unluckily, it is realized that about fifty-five percent of corporate declares that the organization leadership is not completely engrossed in leadership as they should be.

When leadership relaxes from performance management, worker alignment, goal coordination, as well as strategy suffers. Nevertheless, when leadership has a crucial role in performance management and cultivates a plan for their scheme, workers are more likely to remain on track with their individual objectives and corporate goals. Similarly, their managers take responsibility for their group's general arrangement and remedy performance as they occur. As it is always, a strategic performance plan keeps the whole group focused on one end target.

Consecutively, for performance management to be enhanced in any company, leadership has to follow and scrutinize performance information. Despite the fact that leaders may not be able to aggregate these figures themselves, they are accountable for comprehending what these numbers mean for the performance of their group and general accomplishment of the organization.

Therefore, with adequate communication and collaboration as part of the organization culture, the leader can guarantee this information and the alterations that are made after that stick and improve the performance standards all through the organization. Some scholars declare that leadership requires focusing the crowd. This means making the workers remain on the right path as part of performance management (Madden, 2014). In any provided performance appraisal, the leader must mentor his or her followers by efficient methods of communication and recognition. The most comprehensive deployment of a dynamic performance management scheme happens when the cause and effect linkages between present performances are employed to define and align future performance. Management, in general, needs an active person in performance management.

Company leadership puts up the standards for worker performance standards and company culture quality. The employees always look up to their leaders to set examples and to keep them focused on attaining the objectives of the enterprise. This cannot be attained without having an effect performance management strategy and the information to track from that performance management system. Throughout a tactical performance organization scheme, leadership can recognize developmental, and coaching necessitates although the company and adjusts their programs accordingly.

Population

Regarding this study, the population will comprise of two types of employees from the oil company.

Sample Size:

In this research the convenience sampling method was used. The reason for convenience sampling was that it does not force the employees to participate in the research.

Research Instrument

A structured questionnaire was mailed to 215 employees, of which 43 respondents returned the questionnaires. A response rate of 20% was achieved on the mailed questionnaire. However, among the 43 questionnaires received, only 30 were complete in all respects and have been utilized for this study. The questionnaire included data elements regarding demographics and employee perception toward various leader characteristics. The questionnaire included statements on the supportive nature of the leader, leader-member relationship, and leader-member trust among other factors.

Hypothesis

The effect of leader-member exchange leadership on performance management has been debated by researchers in the area of organizational action and control. The literature shows possible profit results of leader-member exchange for the corporation, amplified flexibility, reduced turnover, as well as improved dedication, trust, and group work. Features of leader-member exchange leadership, including offering contingent rewards have been found to be positively related to worker performance and determination.

Nonetheless, when the contingencies involve aversive reinforcements, then the effectiveness of the form in overall decreases. Fascinatingly, current research has demonstrated a positive association amid leader-member exchange and diversity activities when the leaders are mature and have higher social values. As a result of the limitations of this type of leadership, it is frequently contrasted although unfavorably with other forms of administration such as transformational leadership. A significant number of empirical works propose that transformational leadership has higher performance management results (Swiss, 2005).

A case in the point is that transformational leadership at lower corporate levels has been recognized to have a positive association with the intermediate result of organizational identification, although the relationship is not as powerful as with transformational leadership. In the light of the literature, it is argued that in the context of strategic leadership, the leader-member exchange has an impact on performance management of the organization. Therefore, the following hypotheses have been proposed; for instance, there is an association between strategic leadership forms and performance management in the productivity of an organization. Accordingly, compared to other leadership types, the leader-member exchange has a powerful positive impact on performance management within a company. In conclusion, the research aimed at finding out more and detailed information concerning the role of leadership in performance management using a leader-member exchange theory of leadership. For instance, it was discovered through the research that performance management incorporates activities that ensure missions are continuously being gained in a manner that is effective.

More often than not, performance management can give thought to the well-being of a business, a sector, member of staff, or even the process to generate a product or service among other fields. Furthermore, the research realized that the leader-member exchange recognizes the needs and wants of workers and later shed light on the fundamental ways concerning how to attain the desires and requirements in exchange for human resources` labor. It is through illuminating or expounding on what is required of a member of staff and the cost of their actions, leader-member substitute leadership is in a position to generate self-assurance in workers to exert the necessary willpower and energy to attain certain levels of management performance. Therefore, it can be said that the leadership has a great role to play in the area of performance management in an organization. To achieve the research objectives, the study utilized the following hypotheses

Leadership

H1: Leader-member exchange has a statistically significant association with employees' trust in their leader;

H2: Leader-member exchange has no statistically significant relationship with the achievement of organizational goals;

Performance

H3: Employees' trust in their leader has statistically significant association with the organizational performance; and

H4: The supportiveness of the leader has no statistically significant association with the performance

Tabulation and Inferences

The results of the research were interpreted using the theoretical framework discussed in the literature review section. Consequently, it is possible to determine if the finding agree or disagree with the previous studies. The structure of the questionnaire considered the aims and objective of the research. It included the questions concerning the relationship between leadership variables and performance. The SPSS software was used to analyze the relationships between the variables and disprove or approve the hypotheses.

Participants Composition

Gender. The oil company considered for this research has 54% female employees and 46% male employees. The proportion of male to female from the respondents was 50% male and 50% female as indicated by the table below.

Gender Composition					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	15	50.0	50.0	50.0
	female	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Table 1: Gender Composition

The level of education. Tabulation of the demographic factor 'Educational qualifications' indicates that 46.7% of the respondents had a Master's degree, followed by 26.7% who had a Bachelors' degree, 16.7% had a Diploma qualification. Only 3% of the respondents had a PhD qualification.

Educational qualifications					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	5	16.7	16.7	16.7
	Bachelor	8	26.7	26.7	43.3
	Master	14	46.7	46.7	90.0
	PhD	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Table 2: Level of Education

Leadership Findings

Dyadic relationship and employees trust.

To assess the influence of dyadic relation on employees' trust, the study hypothesized that there is a statistically significant association between the two variables: -

H1: The relationship between workers and leaders has a statistically significant association with employees' trust in their leader.

Dyadic relationship: The relationship between staff and officers was assessed by asking employees to rate how they associate with their managers. From the previous studies, a leader who integrates LMX theories is likely to develop a dyadic relationship with workers. The tables below present the findings concerning the relationship. The vast majority (50%) affirmed that their relationship with their leader was excellent.

Relationship with your leader?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not good	8	26.7	26.7	26.7
	Good	7	23.3	23.3	50.0
	Very Good	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Table 3: Relationship with the Leader

Trust .Trust was assessed by asking the participants to rate their confidence in the abilities of their leader. From a literature review, a leader-member theory focuses on the building a good relationship with the employees. About 33.3% of the participants pointed out that they do not trust their leader, and they cannot defend their decisions. However, a significant majority (46.7%) affirmed that they trust their leader. The table below summarizes these findings.

Trust in the leader					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I do not have confidence in my leader	10	33.3	33.3	33.3
	I slightly trust my leader	6	20.0	20.0	53.3
	I fully trust my leader	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

Table 4: Trust in the leader

To assess the association between trust and employee-leader relationship, a cross-tabulation was performed. It facilitated the determination of the extent to which the two variables are connected. A one-way ANOVA cannot be performed because both variables are discrete. The table below indicated the results of the cross tabulation.

Relationship with Manager * Trust Cross tabulation						
			Level of Trust			Total
			I do not have trust in my leader	I slightly trust my leader	I fully trust my leader	
Relationship with Manager	Not good	Expected Count	2.7	1.6	3.7	8.0
		% of employees with bad relationship	87.5%	12.5%	0.0%	100.0%
		% Level of Trust	70.0%	16.7%	0.0%	26.7%
	Good	Expected Count	2.3	1.4	3.3	7.0
		% of employees with bad relationship	28.6%	42.9%	28.6%	100.0%
		% Level of Trust	20.0%	50.0%	14.3%	23.3%
	Very Good	Expected Count	5.0	3.0	7.0	15.0
		% of employees with bad relationship	6.7%	13.3%	80.0%	100.0%
		% Level of Trust	10.0%	33.3%	85.7%	50.0%
Total		Expected Count	10.0	6.0	14.0	30.0
		% of employees with bad relationship	33.3%	20.0%	46.7%	100.0%
		% Level of Trust	100.0%	100.0%	100.0%	100.0%

Table 5: Cross-tabulation for Relationship with manager and Trust

Two meaningful interpretations can be made from the cross tabulation above. Firstly, the majority of employees (70%) of those that have a poor relationship with their managers do not trust them. Secondly, the majority of workers with excellent relationship with their leaders (85.7%) fully trust their leaders. Based on the Chi Square test, this research concludes that there is a statistically significant association between trust and relationship with the manager ($p < 0.005$). See below Chi-Square Test table.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.472 ^a	4	.000
Likelihood Ratio	22.660	4	.000
Linear-by-Linear Association	16.846	1	.000
N of Valid Cases	30		
a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is 1.40.			

Table 6: Chi Square test- Relationship with the Leader Dyadic relationship of LMX and communication of organizational goals

Communication of organizational objectives: This variable was assessed by asking participants how often their leader informs them of the changes in decision or targets. Already the findings of employee-leader relationship have been explained in the previous hypotheses. The findings concerning the communication of organizational goals are presented below. About 36.7% of the participants agreed that the manager frequently communicates changes in corporate decisions or goals.

Communication of organizational goals and change					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	7	23.3	23.3	23.3
	Moderately	12	40.0	40.0	63.3
	Frequently	11	36.7	36.7	100.0
	Total	30	100.0	100.0	

Table 7: Manager Frequency of communicating organizational goals

The Cross tabulation was used determine the association between two variables. The table below shows the findings of cross tabulations.

Relationship with Manager * Explanation for Changes in Organizational Decisions						
Cross tabulation						
		Communication of organizational Decisions			Total	
		Not at all	Moderately	Frequently		
Relationship with Manager	Not good	Expected Count	1.9	3.2	2.9	8.0
		% bad relationships	75.0%	25.0%	0.0%	100.0%
		% of communication of organizational decision	85.7%	16.7%	0.0%	26.7%
	Good	Expected Count	1.6	2.8	2.6	7.0
		% good relationships	14.3%	42.9%	42.9%	100.0%
		% of communication of organizational decision	14.3%	25.0%	27.3%	23.3%
	Very Good	Expected Count	3.5	6.0	5.5	15.0
		% very good relationships	0.0%	46.7%	53.3%	100.0%
		% of communication of organizational decision	0.0%	58.3%	72.7%	50.0%
Total	Expected Count	7.0	12.0	11.0	30.0	
	% employees	23.3%	40.0%	36.7%	100.0%	
	% of communication of organizational decision	100.0%	100.0%	100.0%	100.0%	

Table8: Relationship with manager and communication of organizational changes

Two observations can be made from the cross tabulation above. In situations where the employee-leader relationship is not good, there is no communication of corporate decisions. About 85.7% of employees who affirmed that they had a bad relationship with their leaders confirmed that organizational decisions were rarely communicated to them. The Chi-Square Test confirms this relationship ($p < 0.05$), See below Chi-Square Test table.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.672 ^a	4	.001
Likelihood Ratio	20.653	4	.000
Linear-by-Linear Association	13.267	1	.000
N of Valid Cases	30		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is 1.63.

Table9: Chi-Square Test - Relationship with manager and communication of organizational changes

Performance

Trust and organizational performance

The findings concerning this variable have been discussed above. The organizational performance was assessed by asking employees to rate the extent to which manager's priorities align with organizational goals. The table below summarizes these findings. A significant majority (56.7%) affirmed that the priorities of their leader were well aligned with the organizational objectives.

How well do your supervisor's priorities match up with the goals of your company?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not well	5	16.7	16.7	16.7
	moderately well	8	26.7	26.7	43.3
	very well	17	56.7	56.7	100.0
	Total	30	100.0	100.0	

Table 10: Supervisor's priorities

The Cross tabulation was used to determine the association between organizational performance and trust. The table below shows the findings of cross tabulations.

Trust * Supervisor's Priorities Cross tabulation						
			Supervisor's priorities match up with the goals of your company			Total
			not well	moderately well	very well	
Trust	I do not have trust in my leader	Expected Count	1.7	2.7	5.7	10.0
		% employees who trust their leader	40.0%	40.0%	20.0%	100.0%
		% of employees who believe managers priorities match up with the goals of your company?	80.0%	50.0%	11.8%	33.3%
	I slightly trust my leader	Expected Count	1.0	1.6	3.4	6.0
		% employees who trust their leader	0.0%	50.0%	50.0%	100.0%
		% of employees who believe managers priorities match up with the goals of your company?	0.0%	37.5%	17.6%	20.0%
	I fully trust my leader	Expected Count	2.3	3.7	7.9	14.0
		% employees who trust their leader	7.1%	7.1%	85.7%	100.0%
		% of employees who believe managers priorities match up with the goals of your company?	20.0%	12.5%	70.6%	46.7%
Total	Expected Count	5.0	8.0	17.0	30.0	
	% employees who trust their leader	16.7%	26.7%	56.7%	100.0%	
	% of employees who believe managers priorities match up with the goals of your company?	100.0%	100.0%	100.0%	100.0%	

Table 11: The influence of supervisor's priorities on employee trust

The majority of the employees (80%) who do not believe in their leader feel that the priorities of the manager are misplaced. Consequently, they believe that the organization is not performing because of the misplaced priorities of the manager. By contrast, 70.6% of employees who trust their leaders affirm that the priorities of the manager are well-aligned with the organizational objectives.

However, the Chi-Square does not approve this relationship ($p > 0.05$). See below Chi-Square Test table.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.426 ^a	4	.009
Likelihood Ratio	14.705	4	.005
Linear-by-Linear Association	9.337	1	.002
N of Valid Cases	30		

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is 1.00.

Table 12: Chi-Square Test-v the influence of supervisor's priorities on employee trust

Supportiveness of the leader and organizational performance

Supportiveness of the leader was measured by asking the participants to rate the possibility of the manager assisting them despite the level of differences. The findings indicated that the majority of the employees (46.7%) felt that their supervisors would help irrespective of personal differences.

Supportiveness of the Manager

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The leader will not help at all	6	20.0	20.0
	The leader will slightly help	10	33.3	53.3
	The leader will be highly willing to help	14	46.7	100.0
	Total	30	100.0	100.0

Table 6: Supportiveness of the manager

The Cross tabulation was used determine the association between organizational performance and trust. The table below shows the findings of cross tabulations.

Supportiveness of the Leader and Organizational Performance						
			Organizational Performance			Total
			not well	moderately well	very well	
Supportiveness	not supportive	Expected Count	1.0	1.6	3.4	6.0
		% of employees who feel the manager is not supportive	66.7%	33.3%	0.0%	100.0%
		% level of organizational performance	80.0%	25.0%	0.0%	20.0%
	Slightly supportive	Expected Count	1.7	2.7	5.7	10.0
		% of employees who feel the manager is slightly supportive	10.0%	50.0%	40.0%	100.0%
		% level of organizational performance	20.0%	62.5%	23.5%	33.3%
	Very supportive	Expected Count	2.3	3.7	7.9	14.0
		% of employees who feel the manager is very supportive	0.0%	7.1%	92.9%	100.0%
		% level of organizational performance	0.0%	12.5%	76.5%	46.7%
Total		Expected Count	5.0	8.0	17.0	30.0
		% of employees who feel the manager is very supportive	16.7%	26.7%	56.7%	100.0%
		% level of organizational performance	100.0%	100.0%	100.0%	100.0%

Table 74: The influence of supervisor's supportiveness on organizational performance

Most of the employees (80%) who feel that the manager is not supportive also feel that the organization is not performing because of the misplaced priorities of the manager. A reasonable number of employees (46.7%) of employees who feel that the manager is supportive also believe that the organization is headed in the right direction because of the right priorities of the leader. Consequently, it can be confirmed that a supportive leader influences the performance of the organization. The Chi-Square test also confirmed this finding ($p < 0.05$).

Analysis and Conclusions

Analysis

The goals of this investigation were to determine the influence of leadership on performance. To establish the relationship between leadership and performance, the researcher made four primary hypotheses.

The first hypothesis is that the Dyadic Relationship of LMX has a significant association with Employees trust statistically. Leaders who utilize the LMX theory focus on establishing good relationships with their employees. They use this relationship to earn the trust of their employees. The findings of this study approved this hypothesis ($p < 0.05$). This finding also concurs with the results of Deluga(2008), who found a similar association between LMX and employees trust.

The second hypothesis is that dyadic relationship of LMX has a significant relationship with the communication of organizational goals statistically. The LMX theory holds that effective leaders take advantage of the relationship to communicate policies and decisions. In this sense, effective communication can also occur if employees and the managers have a well-established association. This hypothesis was approved by this study ($p < 0.05$). Consequently, it agrees with LMX theory. Organizational performance significantly relies on effective communication of strategic goals, which can only exist if the management and employees have a good relationship.

Thirdly, the research hypothesized that employee trust in the leader has considerable influence on the performance of the organization. Relationships are based on trust. According to Zaffron (2009), the LMX can promote positive employment experience and extend organizational effectiveness. Employees can perform under such conditions. Despite the findings of the research agreeing with that trust influences performance, the Chi-Square disapproved this relationship. Confidence in the leader is only useful if it is used to convey important organizational goals and information. In itself, it does not guarantee organizational performance. Lastly, the research hypothesized that the supportiveness of the leader has no statistically significant association with the performance. The findings confirmed that a supportive leader influences the performance of the organization. The Chi-Square test also confirmed this finding ($p < 0.05$).

Conclusion

In this research, the focus was directed towards the relationship between performance and leader-member exchange. In general, the results were consistent with the previous findings but in contrary to the hypothesis established. The outcomes indicated that dyadic relationship of LMX theories facilitates the communication of organizational decisions to the employees, which improves performance. Secondly, it was also found that a leader, who is supportive, and implements the concepts of the LMX is likely to accelerate corporate performance. However, there are no mediating effects of employees trust on organizational performance. Employees believe in the leader only enables communication but not performance.

Consequently, it is suggested that a leader should take advantage of the trust bestowed upon him the employees to convey organizational strategies. In other words, the influences of trust on corporate performance might be indirect.

Recommendations

Findings show that the role of leaders in performance management organization and contribution requires cooperating for success to achieve organization goals. Leader relationship with employee can increase employees' productivity and contribution in performance management. Leaders must be able to provide resources that support organizational performance (Law-Penrose, Wilson and Taylor, 2015). Without trust in leader it is not possible to achieve the objectives of the organization. Therefore, Leader participation, attention and motivation has to be paid to fostering relationships between leaders at all levels and their subordinates, thus will lead to will improved performance Management. LMX can create employee loyalty to organizations even in spite of other organizational factors. Therefore, companies can train managers at all levels to enable them to establish solid relations with their subordinates. Meanwhile, it is necessary to create good superior-subordinate relationships by enhancing mutual communications and breaking bureaucracy. Leaders must focus on creating exchange relationships of high quality (Schermerhorn, Hunt, & Osborn, 2011).

They could possibly do this by meeting with members, to enable each other understand their motives, attitudes and the resources needed to strengthen performance. Any exchange established based on self-interest must then be converted into commitment to the vision, mission and goals of the organization. The quality of relationship between the leader and members could be strengthened working on the levels of trust and staying focused on organizational goals ((Kreitner & Kinicki, 2010). It is necessary for employees to maintain high-quality LMX relationships to access more ways of communicating and to desirable work assignments (Dulebohn et al., 2012). Research also indicates that high-quality relationships result in reduced role conflict and role ambiguity (Dunegan et al., 2002; Lagace et al., 1993). Employees in a high-quality relationship with their leader enjoy the trust of their leader and more freedom with decision making (Townsend et al., 2002) and are empowered (Keller and Dansereau, 1995).

Limitations

Firstly, the convenience sampling might not give a representative sample of the population. Selecting members based on their availability does not guarantee an equal probability of selecting individuals. Consequently, the study might bear a small degree of bias.

Secondly, the data gathered was majorly through self-reporting. It is likely that the data generated focuses on the self-concept of the participants instead of the actual information. Some inaccuracies are likely to occur if the members offered a false report. Unfortunately, it is not possible to determine whether the information given by the participant is accurate.

Future Research

Firstly, future research is required to address the mediate influencing of LMX on performance and job satisfaction. Despite the availability of various studies indicating that there is a significant association between LMX and performance, there are still few of them addressing the relationship between LMX and trust and organizational communication, which are critical predictors of corporate performance.

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