

# Review on Leader Member Exchange Theory: Supply Chain Management to Increase Efficiency

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**Abstract**— This study aims to examines three elements shape leadership in Leader-Member Exchange (LMX) theory as a relationship and process. The goal of supply-chain management is to create a satisfied customer by coordinating all of the activities of the supply-chain members into a seamless process. LMX quality is important for the company, because it relates to employee behavior and attitudes, including improving employee performance. The research method applied literature review using description logic and systematics. In this article the theory will be observed specially the effect of LMX on employee performance and antecedents of LMX. The results of the study found that the effect of LMX quality on performance is determined by the characteristics of the task as antecedent LMX in the company.

**Keywords**— *Leader-Member Exchange; supply chain management, Characteristics of Task; Employee Performance.*

## 1. Introduction

The increasingly complex organizational life phenomena today require the development of leadership theory that is able to deal with the complexities and problems found in many organizations, both government and private organizations. The reform agenda voiced in Indonesia has had an impact on the pattern of delivery of aspirations by the community, both the aspirations conveyed to the government and the company. These aspirations were delivered openly through various media, both print, electronic and public campaign media such as mass demonstrations and orations involving many members of the community. Many print media that provide a column of public opinion and public space, where people can submit complaints, criticism, and input to the parties concerned. Posters, leaflets, as well as forms of outdoor media are also widely used by the public to express their aspirations.

Electronically, in addition to delivering aspirations through radio and television media, today community forums and public forums formed

online through the internet are also widely used by the public to convey aspirations, ideas, and ideas, as well as criticism for related parties. It is not uncommon to find debate between the two parties through the internet media, such as reporting on employee demonstrations to companies or citizen demonstrations to the government. As is currently being warmly conveyed through various media regarding demonstrations against the planned increase in fuel oil (BBM) to demand that the President resign in 2012.

These events indicate the existence of freedom owned by citizens to convey aspirations to anyone, both institutions and individuals. This freedom needs to be balanced with the style or strategy of leadership of an institution both private and government institutions. This balance of leadership style is needed so that the people's aspirations can be accommodated and addressed wisely, if not, there will be a leadership crisis and there is dissatisfaction with the ongoing leadership. This fact is indicated by the desire of citizens or employees to overthrow existing leadership.

Another case can be seen in the demonstration of company employees demanding a decline in leadership, because existing leadership is considered unprofessional. This unprofessionalism is mentioned by employees from the neglect of duties carried out by management and neglect of employee welfare. Another case was also found in Denpasar City, Bali, which was a demonstration of employees of PT Telkom Regional Division of Bali and Nusa Tenggara who were demonstrating and threatening management to strike. The action was the result of an indication of violations of the work contract agreement by management and other cases [1-3].

If the demonstration does not get a reaction from the management satisfactorily, the employee will show negative attitudes and behaviors, such as strikes, violations, leaving the workplace, employee embezzlement, various frauds, and other actions

that harm the company. Thus it can be explained that when there is an ineffective relationship between employees and superiors it will have an impact on employee behavior and work attitudes, such as decreasing work motivation, performance, and commitment, as well as employee loyalty which ultimately impacts on company performance in general.

This relationship between superiors and subordinates is an absolute correlation in leadership. In the LMX theory (leader-member exchange) it is stated that the element of leadership is three things that are interconnected, namely leader, follower, and exchange [4]. These three elements shape leadership as a relationship and process. Locke et al implicitly explained "effective leaders must know how to inspire and relate to their followers", because leaders only exist if there are followers, and followers will only exist if there are leaders. If both parties relate well to each other reciprocally then the existing leadership will be effective and satisfying. This effective and satisfying leadership will have a psychological impact and improve employee performance [5]. Graen and Uhl-Biel explain that good LMX quality will provide good outcomes for the organization, as has been proven in several empirical studies that have been done before, namely organizational behavior, satisfaction, and organizational commitment, and employee performance [6].

LMX theory shows the inherent limitations of a leader, including the limitations of personal, social, and organizational resources (eg energy, time, and personal strength), so that leaders do not interact with the same pattern in each of their followers [7]. Some followers receive a higher level of social exchange in terms of information sharing, time to interact, mutually beneficial support, and informal influences. While other followers may get lower levels [7]. Employees with high LMX quality feel they have an obligation to contribute to the progress of the leader's agenda, doing work and tasks at a higher level of difficulty. As a result, these employees will provide more time, effort, and energy than their coworkers who have low LMX quality. This is because at low LMX quality, employees will receive fewer resources from leaders, and employee behavior is largely based on work agreements [8-12].

In addition to the positive impact of LMX on organizational outcomes, Dunegan, et al shows that when employees are burdened with tasks that are full of uncertainty, LMX will be significantly associated with improving employee performance. Conversely, if the level of challenges and uncertainty of tasks imposed on employees is

tolerable and can still be managed, LMX does not have a significant effect on employee performance [13-20].

Based on the description above, it can be explained that LMX quality is important for the company, because it relates to employee behavior and attitudes, including improving employee performance. Therefore, it needs to be explored further through empirical studies to find out the factors that can improve the quality of LMX in a company. In connection with improving employee performance, Hasibuan explains that employee performance can be measured using employee behavior and competencies [16]. This means that if an employee has good behavior and adequate competencies, it is expected that the performance delivered when carrying out their duties will also be in accordance with established service performance standards, and will ultimately satisfy internal and external consumers. Adequate competence without being accompanied by good behavior will have an impact on the emergence of behavioral deviations and attitudes that have an impact on consumer dissatisfaction and poor corporate image.

Furthermore, the balance between the behavior and competency of employees in carrying out the work carried out is influenced by several factors, both managerial and individual factors. As explained by As expressed by Mathis and Jackson that performance is influenced by factors consisting of individual ability variables to do the work, organizational support variables, and effort expended variables [21-22]. Individual ability factors include talent, interests, and personality traits of employees. While organizational variables include training and development, equipment and technology, performance standards, and management and coworkers. Furthermore, efforts expended include motivation, job design, work ethics, and the level of employee turnover.

If it is associated with the leadership phenomenon that has been described in advance, then in this study we will observe the effect of LMX on employee performance, and will trace the antecedents of LMX. Thus, if an LMX antecedent has been found, it will be easier to find out what the company can do in improving the quality of LMX in the company, in order to achieve better and wiser employee performance improvements.

## 2. Literary Review

Leadership in the company is an important factor in the company, because leadership behavior will

influence the behavior, perceptions, and attitudes of employees to the company, such as affective commitment [23, 24], organizational commitment of valued Human Capital [25], organizational citizenship behavior [26], job satisfaction [27, 28], employee turnover [29], employee retention, Human Capital, structural capital, and relational capital [30], and employee loyalty [31].

According to Drucker's term, leaders are individuals who made things happen. Leaders are 'who make something into something itself', making the organization become a real organization. In this case, the leader is an individual human being, while leadership is the trait attached to it as a leader [32]. Leaders are individuals who are responsible for giving direction in the form of visions and strategies for organizations and teams. The leader is the person who decides what the goals and objectives of the organization or group and directs the activities needed to achieve these goals. A leader is a person whose own behavior, beliefs, and words can influence the actions of others.

Furthermore, from the words of the leader, leadership is defined as "the art of getting others to want to do something that is sure to be done" [38]. This means that leadership is an art to influence other people to do something that is believed to be done. Leadership is a translation of leadership. According to Hasibuan leadership is the way a leader influences the behavior of subordinates to be willing to work together and work productively to achieve organizational goals [33-40].

In broad definition, leadership involves influencing processes in determining organizational goals, motivating follower behavior to achieve goals, influencing to improve the group and culture. In addition, it also affects the interpretation of events to followers, organizing activities to achieve goals, maintaining relations of cooperation and group work, obtaining support and cooperation from people outside the group [41, 42].

## 2.1 Leader-Member Exchange (LXM) Theory

Leadership cannot take place without the elements in leadership. Graen and Uhl-Bien explained that leadership has three domains, namely leader (L), follower (F), and relationship or exchange (X) which can be described in Figure 1 below [12]:

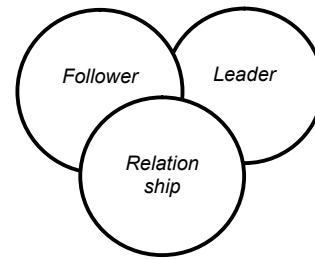


Figure 1. Leadership Domain [12]

The existence of these three domains is also explained in the definition of leadership delivered by Locke et al., that leadership is "the process of inducing others to take action toward a common goal" [27]. These definitions are explained by Locke in three subdefinitions, namely:

1. Leadership is a relational concept. Leadership only exists if there is a relationship with another party called a follower. Theoretically it can be explained that if there are no followers there will be no leader. Implicitly, this definition shows that "effective leaders must know how to inspire and relate to their followers".
2. Leadership is a process. Leadership can only take place if a leader does something to facilitate the leadership process.
3. Leadership requires inducing others to take action. Leaders influence followers to take action in various ways, such as using legitimacy, modeling, goal-setting, rewarding and punishing, organizational restructuring, team building, and communicating vision.

The involvement of three leadership domains has an impact on the existence of empirical studies that use different approaches. For example a model that focuses on leaders as well as behavioral or personality approaches, models that emphasize followers, such as empowerment approaches, or models that emphasize relationships such as LMX, or models that use combinations of existing domains, such as situational approaches that focus on leaders, followers, and relationships in a combination.

Based on the domain and definition of leadership, it can be explained that in leadership there will be reciprocal relations between leader and follower in order to create a leadership process. One theory that explains leader and follower relationships in the leadership process is leader-member exchange theory.

Leader-Member Exchange (LMX) theory is a theory developed by [12] which begins with the development of an alternative leadership model called the Vertical Dyad Linkage (VDL) by

Dansereau, Graen, and Haga in 1975. LMX was developed based on the fact that leaders are not bound in an average leadership style with subordinates, but have differences between subordinates in shaping and directing relationships. The meaning is that in one superior-subordinate relationship group there are those that are more effectively interwoven, but there are also those that cannot be intertwined in such a way [43].

### 3. Materials and Method

A scientific exposure requires information that is in accordance with the problems that have been formulated and the purpose of the study, so that it requires a design or overall plan for the work order of exposure in the form of an operational formula of scientific methods, details of decision lines as a choice along with basic or reasons scientific. Therefore, in every scientific presentation a method is needed in writing.

Therefore, the writing method used is the presentation of writing in the form of a description logically and systematically. Where data is collected through document analysis, which is an analysis of the literature review which is the result of empirical testing. In this study, previous studies collected were studies that tested the multidimensionalism of LMX, factors that predicted LMX and outcomes of LMX in organizational environments, especially those related to performance.

The data analysis technique that will be used in this study is qualitative data analysis techniques. In this case the data analysis technique is through a process of searching and systematically compiling data obtained from the classification results of the relevant literature review, so that it is easy to understand, and the findings can be informed to others. As mentioned by Sugiyono that qualitative data analysis is done by organizing data, describing it into units, synthesizing, arranging into patterns, choosing which ones are important and which will be studied, and making conclusions that can be told to people other [44].

The stages of data analysis techniques in this study are to follow the principles in a sociological approach, which will follow the principles of explanation, dissection and abstraction, and precision and clarity [45].

1. The principle of explanation provides an explanation of the answer to the 'why' question, such as why LMX is formed in the scope of the organization (explanans) and what must be explained from the answer to the question (explanandum). The principle of closeness is very

necessary to fulfill the principle of explanation, so the question 'why' will continue until the saturation point, such as why LMX is formed in the organization, and why the forming factors have different effects on LMX, and why the effect LMX has on performance is different -different.

2. The principle of dissection and abstraction are two aspects of the same activity, and are the core components of the analytical approach. Dissection refers to the decomposition of phenomena found from the results of a study of the existing literature and the mechanism of the cause and effect relationship, so as to produce results, namely LMX formation, outcomes LMX, and its impact on performance. After that, abstraction or separation is carried out from each phenomenon so that each phenomenon becomes more clearly visible.

3. The principle of precision and clarity means that the results of research must be able to measure concepts in empirical research clearly and easily understood.

Through these steps, it is expected that it can be used to develop a model that illustrates the antecedent LMX in an organization and its impact on employee performance.

## 4. Results

### 4.1 Employee performance

Performance is a target or outcome that must be achieved, such as reflecting the profit generated or business income last year. In professional companies, performance is defined based on the viewpoint of value creation related to the chain of inputs, processes, and outputs [20]. Moeljono quotes Walker as saying that individual performance is the result of a process of integration between individual capabilities and individual attitudes towards aspects of work and organization [32]. Where also explained that the performance of an employee will be greatly influenced by the way the individual responds to conditions that affect his work process. Mathis and Jackson provide a definition of performance as what is done or not done by employees [30].

In simple terms, it can be explained that the things related to knowledge and resources provided are referred to as input factors, while the solutions provided are referred to as processes, and the final concept or implementation reflects output factors. Thus performance will compare between input and output, which in turn will reflect the efficiency of the process that connects input and output [20].

Hasibuan states that performance can be measured using employee behavior and competencies. The

elements assessed in performance according to Hasibuan [16]:

a. Loyalty: Employee loyalty to the organization means a person's willingness to perpetuate his relationship with the organization, if necessary by sacrificing his personal interests without expecting anything. Loyalty includes loyalty to work, position, and organization. Loyalty is reflected in the willingness of employees to maintain and defend organizations both inside and outside of work from undermining irresponsible people.

b. Work performance: Work performance includes work results both in quality and quantity produced by employees from the job description. Quality of work is the level at which the work completion process is carried out as expected. Quantity is the amount of work that is realized in terms of the amount of money, number of units, or number of activities that can be completed.

c. Honesty: Honesty includes honesty in carrying out its duties to fulfill agreements both for itself and for others.

d. Discipline: discipline according to Hasibuan is the awareness and willingness of someone to obey all applicable company regulations and social norms. Awareness is the attitude of someone who voluntarily obeys all regulations and is aware of their duties and responsibilities. So, this individual will obey or do all his tasks well, not on compulsion. Willingness is the attitude, behavior, and actions of someone who is in accordance with the rules, both written and not. Furthermore discipline can be seen from if employees always come and go home on time, do all the work well, comply with all company regulations, and prevailing social norms [16].

e. Creativity: Ivancevich, et al. states that creativity is a personality trait that involves the ability to pass from rigid thinking and produce new and useful ideas [18]. Creativity is also a personality trait that can be encouraged and developed in organizations. Some ways that can be done include:

1. Encourage everyone to look at old problems using new perspectives.
2. Ensure that certain people know that it's okay to make mistakes. This is because one barrier to creativity is the fear of making mistakes and failing.
3. Provide as many people as possible with as much work experience as possible..
4. Establish examples in the leader's approach to dealing with problems and opportunities.

f. Cooperation: Collaboration includes willingness to participate and cooperate with other employees vertically and horizontally both inside and outside the work, so that the results of the work are getting better [16].

g. Personality: Personality includes behavioral attitudes, politeness, cheerfulness, likes, gives a pleasant impression, shows a good attitude, and is sympathetic and reasonable.

h. Initiative: Initiative includes the ability to think original and based on one's own initiative to analyze, assess, create, give reasons, get conclusions, and make decisions to solve problems faced [16].

i. Ability: Skills refer to an individual's capacity to work on various tasks in a job, which consists of intellectual abilities and physical abilities [44]. Intellectual ability is the ability needed to carry out mental activities. While physical ability is the ability needed to perform tasks that require stamina, dexterity, strength, and similar skills. Hasibuan states that skills include the ability to unify and harmonize various elements that are all involved in the preparation of policy and in the management situation [16].

j. Responsibility: Responsibilities include willingness to account for their wisdom, work, and results of work, facilities and infrastructure used, and work behavior [16].

Employee performance that is common to most jobs includes the following elements: quantity of results, quality of results, timeliness of results, attendance and ability to work together. Most jobs have more than one job criterion or dimension. Often certain individuals show better performance on certain job criteria than others. In addition, some criteria may be more important than others for the organization. Weight can be used to show the relative importance of several job criteria in one job [30, 35].

Therefore, in determining performance appraisal, a basis for performance assessment is needed. The basis of the assessment is the job description of each individual member because the job description and assignment will be carried out by each member. The appraiser assesses whether the job description is good or bad, what is done / not, and what is done effectively / not. The benchmarks that will be used to measure member work performance are standard. A standard can be considered a specified measure, something that must be attempted, a model to be compared, a tool to compare one thing with another.

In general the standard means what will be

achieved as a measure for assessment. Broadly speaking, the standard is divided into two [16]:

- a. Tangible standard is a target that can be set by measuring instruments or standards. Standards in physical form are divided into: quantity standards, quality standards, and time standards. For example, kilogram, meter, good, bad, hour, day and month.
- b. Intangible standards are targets that cannot be measured or standardized. For example, standards of behavior, loyalty, participation, loyalty, and dedication to the institution.

By determining standards for various purposes, what is called "standardization" arises, namely the determination and use of various sizes, types, and certain styles based on a standard composition. In the assessment of completion of job descriptions, the appraiser uses the standard as a measure of the results achieved and the behavior carried out, both inside and outside the work of the employee.

#### 4.2 Factors Affecting Employee Performance

Performance is a function of motivation and ability, so that to complete the task a person should have a degree of willingness and a certain level of ability [35]. Hasibuan states that performance is a combination of three important factors, namely the ability and interest of a worker, the ability and acceptance of the assignment of delegates, and the role and level of motivation of a worker [16]. Robbins and Judge [44] also explained that

employee performance is like a function (f) of the interaction between ability (A) and motivation (M), so that:

$$\text{Performance} = f(A \times M)$$

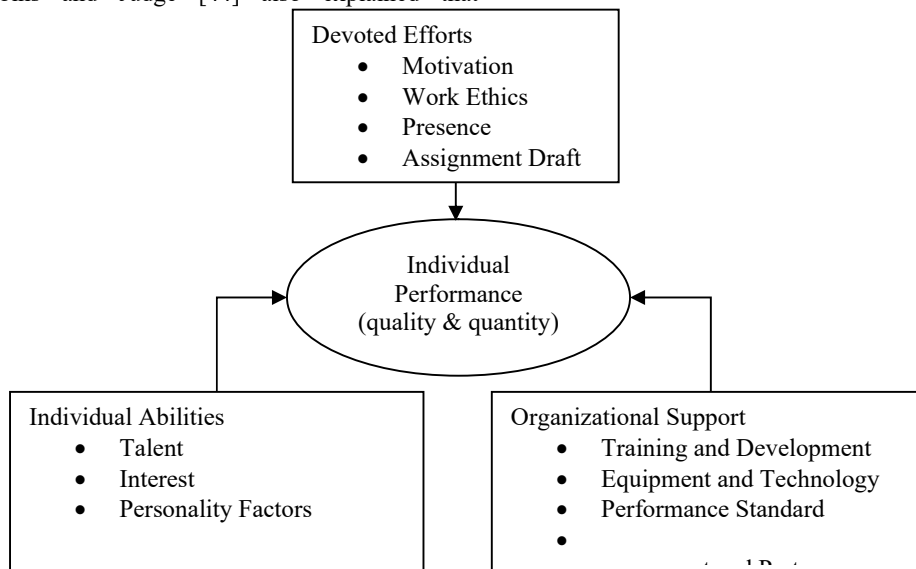
If one of the two is inadequate, the performance will be negatively affected. In addition to these two factors, there are other factors that influence employee performance, namely opportunity to perform-O, so that the equation becomes:

$$\text{Performance} = f(A \times M \times O)$$

Mathis and Jackson also state that there are three factors that influence employee performance, namely the individual ability variable to do the work, organizational support variables and efforts expended [30]. These factors can be illustrated in the following formulations:

$$\text{Performance (P)} = \text{Ability (A)} \times \text{Business (E)} \times \text{Support (S)}$$

Variables of individual abilities include talent, interests, and personality traits of employees. While organizational variables include training and development, equipment and technology, performance standards, and management and coworkers. Furthermore, the effort variables devoted include motivation, job design, work ethics, and the level of employee turnover. Thus it can be described in figure 2 below:



**Figure 2.** Individual Performance Components [30]

Based on the picture above, it can be explained that individual performance can be increased to the level where the three components exist in the employee. However, performance decreases if one

of these factors is reduced or absent.

Regarding the factors that influence the performance, there are eight conditions that can be

used to maximize the performance of employees [22]:

- a. Make the job important in the eyes of the employee.
- b. Select a person who has the potential to perform the job
- c. Clarify what's expected of the employee in the job
- d. Train the employee in the necessary knowledge, skills, and attitudes.
- f. Evaluate performance, and communicate results and expectations to the employee.
- g. Help him improve performance.
- h. Build and maintain rapport with the employee.
- i. Reward for the employee.

## 5. Discussion

### 5.1 LMX dimensions in Organizational Outcomes

Dienesch and Liden [6] conducted a study on the dimensions that formed the LMX Theory concept as follows: In the existing literature, LMX has been characterized in terms of (a) degree of trust between leader and member [45]; (b) subordinate competence [45]; (c) degree of loyalty between leader and member [34]; (d) degree of perceived equity of exchange in the relationship by both leader and member [47, 48]; (e) degree of mutual influence [41]; and (f) amount of interpersonal attraction (or affect) between leader and member [33].

The summary above shows that the characteristics inherent in LMX include:

1. There is trust between leader and follower.
2. The existence of subordinate competencies.
3. There is loyalty between leaders and followers.
4. There is an equity relationship between leader and follower.
5. There is a mutually beneficial influence.
6. There is an interpersonal (affect) attraction between leader and follower.

Furthermore, by incorporating the mutual element in the social exchange concept on the concept of leadership, Dienesch and Liden (convey the three dimensions identified as follows [6]:

1. Perceived contribution to the perception of the amount, direction, and quality of work-oriented

activity each member puts forth toward the mutual goals (explicit or implicit) of the dyad. The contribution dimension is a dimension that includes the number, direction, and quality of work-oriented activities perceived by members in order to achieve mutually beneficial goals in the relationship between leader and member. The contribution dimension must have greater influence in overcoming the challenges and difficulties of subordinate assignments compared to the dimensions of loyalty and affect.

2. Loyalty-the expression of public support for the goals and personal character of the other members of the LMX dyad. Loyalty is an expression of the support of members to support the achievement of personal goals and character in other members involved in the relationship between leader and follower. The loyalty dimension must have a greater impact on a number of distances and assignment limits compared to the contribution dimensions and influence dimensions.

3. Affect the mutual affinities of each other based primarily on interpersonal rather than work or professional values. The effect or dimension of influence is a mutually beneficial affection between members in the relationship between leader and follower, each of which is based on the presence of interpersonal interests, and not because of professional or occupational values. The dimensions of affect in LMX must have a greater influence on schedule flexibility and autonomy in subordinate tasks compared to the dimensions of contribution and loyalty.

Graen and Uhl-Bien measured the dimensions of LMX Theory and determined the three dimensions of LMX, namely respect, trust, and mutual obligation as follows: We have a three dimensions — namely respect, trust, and obligation. Furthermore, we postulate that the offer to another LMX build partnership is based on these three factors. (2) The expectation that interacts with the obligation, and (3) the expectation that interacts with the obligation will grow over time as a career. oriented social exchanges blossom into a partnership [12].

Graen and Uhl-Bien state that the development of LMX is based on the characteristics of the work relationship as opposed to personal relationships or friendships, and the dimensions of trust, respect, and mutual obligation refer specifically to individual assessments of each term based on professional abilities and behavior [12]. In 1998, the dimension developed by Dienesch and Liden [6] was developed by Maslyn [29] as cited by Greguras and Ford [14] that there is a fourth

dimension added by Liden and Masilyn namely professional respect. Thus, forming the LMX concept is loyalty, trust, contribution, and respect, known as multidimensional LMX (LMX-MDM).

Yukl adds that the basis for developing relationships with high exchange rates is the presence of leader control over the expected overcomes of subordinates, such as better assignments, higher responsibilities, higher status, and tangible rewards [42]. Various tangible rewards These include increasing salaries / wages, special benefits (better work schedules, larger offices), and facilitating subordinate careers (promotion recommendations, giving development tasks with a high level of visibility). Associated with these benefits, there will be a high exchange by subordinates such as the existence of additional obligations and costs. Subordinates are expected to work harder, be more committed to task goals, loyal to leaders, and in some cases will be willing to share the administrative duties of leaders. The development of high exchange relations occurs gradually over a period of time, through empowering reciprocal behavior as a repetitive cycle of exchange. If the cycle does not break, the relationship that occurs will develop at the point where there are levels of mutual dependence, loyalty, and support.

The review of LMX theory, which is elaborated starting from the process of relations, the influence of independent variables, organizational outcomes, and the formation of the LMX concept in dimensions directs the conceptual framework relating to the impact, and the factors that influence it. organization consists of members who join in doing activities together to achieve certain goals set by the organization. Members of the organization will recognize the existence of a leader who will lead followers in the organization. In implementing leadership, a leader and its members will have mutual relations that influence each other. Leaders will influence followers in order to achieve organizational goals, where leader behavior will also be influenced by the situation, conditions, and level of ability of members.

In several studies stated that LMX theory contains various learning elements in organizations that are related to human resource management, organizational behavior, and leadership that involve leaders, members, and relationships that are in it. The determinants of LMX quality of task characteristics, communication, perception, organizational culture, trust, familiarity, and leadership are factors that have a relationship with each other. Work culture has an influence on the leadership model [31, 19].

## 5.2 Impact of LMX on Organizational Outcomes

The statement of Graen and Uhl-Biel above shows that the good quality of LMX will provide a good outcome for the organization, as has been proven in several empirical studies that have been done before. Some good outcomes for these organizations include increasing organizational citizenship behavior [2, 10, 21, 40, 41], increased job satisfaction [15, 19, 23, 25], increased organizational feedback and supervisor feedback [15], improved performance [19], extra effort that getting stronger [23], the climate of innovation in the developing [1], increasing employee affection, delegation, and self-efficacy [36], increasing employee organizational commitment [40], increased commitment to change for employees [26], as well as proactive tactic influences from each leader towards subordinates [42]. In addition, LMX also has a negative influence on intention to quit [23] and psychological fatigue (burnout) [13].

In addition to the positive impact of LMX on organizational outcomes, Dunegan, Duchon, and Uhl-Bien [8] show that when employees are burdened with tasks that are full of uncertainty, LMX will be significantly associated with improving employee performance. Conversely, if the level of challenges and uncertainty of tasks imposed on employees is tolerable and can still be managed, LMX does not have a significant effect on employee performance.

## 5.3 Antecedent LMX in Organizational Outcomes

Some previous empirical studies have been carried out by researchers before, where LMX quality outcomes in an organization are determined by employee task characteristics [8, 21]. In addition, good LMX quality will reduce communication traits [28], improve perceptions of organizational justice [9, 10, 44], increase attachment style that consists for trust, comfort (comfort), and intimate self confident [17], giving rise to a good organizational culture [1, 9], increasing group cohesiveness ( group cohesiveness) and perceived similarity [21], and increasing the length of relationship (relationship tenure) in the organization and reducing the distance of leadership (span leadership) with employees [36].

## 5.4 The Antecedent and LMX Outcomes Model in Organizations

In order to compile a model that describes the antecedent LMX and its impact in an organization, classification will be carried out from the following previous empirical studies in table 1 below:



**Table 1.** LMX Antecedent Classification Based on Earlier Empirical Studies (Source: Summary of Previous Empirical Studies)

Antecedents	Positive/Negative	Researchers
Assignment Characteristics	+	Kim dan Taylor, 2001; Dunegan, Duchon, and Uhl-Bien, 1992
Communication Traits	+	Madlock, et al, 2007
Organizational Justice Perception	+	Farahbod, et al., 2012, Erdogan, Liden, and Kraimer, 2006
Attachment style: Believe, Comfort, and Intimate self confident	+	Hsu, Lin, dan Cheng, 2010
Organizational Culture	+	Erdogan, et al., 2006; Alas, et al., 2011
Group Cohesiveness	+	Kim dan Taylor, 2001
Perceived Similarity	+	Kim dan Taylor, 2001
Relationship Tenure	+	Schyns, et al., 2005
Span Leadership	-	Schyns, et al., 2005

The table 1 shows that there are factors that influence the quality of LMX in an organization, namely:

1. Individual factors: leadership distance, length of relationship, communication traits.
2. Job-related factors: task characteristics
3. Factors related to the group: attachment style

(trust, comfort and intimate self confident), group cohesiveness, perceived similarity.

4. Organizational factors: Organizational culture, perception of organizational justice.

**Table 2.** LMX Impact Classification Based on Previous Empirical Studies (Source: Summary of Previous Empirical Studies)

Antecedents	Positive/Negative	Researchers
Organizational Citizenship Behavior	+	Truckenbrodt, 2000; Kim dan Taylor, 2001; Asgari, et al., 2008; Farahbod, et al., 2012
Job Satisfaction	+	Janssen and Van Yperen, 2004; Krishnan, 2005; Harris, Harris, and Epsilon, 2007
Organizational Feedback and Supervisor Feedback	+	Harris, Harris, and Epsilon, 2007
Performance	+	Janssen and Van Yperen, 2004
Performance	-	Dunegan, Duchon, and Uhl-Bien, 1992
Extra efforts	+	Krishnan, 2005
Climate of Innovation	+	Alas, Übius dan Vanhala, 2011
Affection Commitment, Delegation, and Self-Efficacy	+	Schyns, et al., 2005
Organizational Commitment	+	Truckenbrodt, 2000
Commitment to Change	+	Lo, et al, 2009
Proactive Influence Tactic	+	Yukl dan Michel, 2006
Intention to Quit	-	Krishnan, 2005
Burnout	-	Graham and Van Witteloostuijn, 2010

In the table 2 shows that the majority of outcomes produced are outcomes that support organizational performance and individual performance. Including

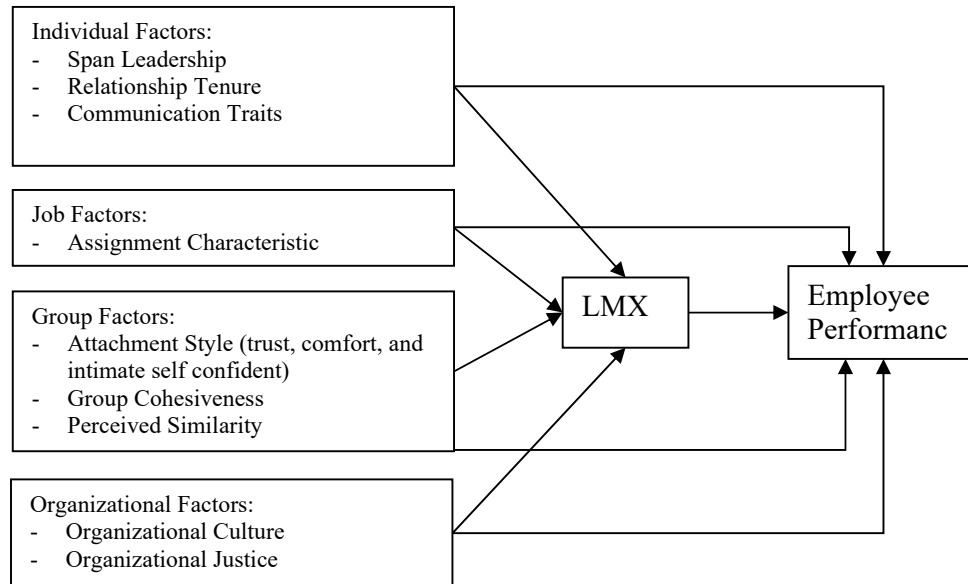
reducing the intention to get out and burnout. However, the table above shows a gap related to the effect of LMX on performance. In the study of

Janssen and Van Yperen [19], it was found that there was a positive influence on individual performance, but in Dunegan, Duchon, and Uhl-Bien [8] studies, LMX could have a negative effect on performance.

Based on further searches, the negative influence given by LMX on performance is caused by the impact of the characteristics of the tasks that preceded it. The results of the study by Dunegan et al [8] show that when employees are burdened with tasks that are full of uncertainty, LMX will be significantly associated with improving employee

performance. Conversely, if the level of challenges and uncertainty of tasks imposed on employees is tolerable and can still be managed, LMX does not have a significant effect on employee performance.

Therefore, this presentation will emphasize the impact of LMX on performance as a reference for empirical studies that can be used as further research on the conceptual model produced through this qualitative exposure. The antecedent classification of LMX and outcomes LMX above can then be used to form the conceptual model that depict in the figure 3 below:



**Figure 3.** LMX Antecedent Conceptual Model and Its Impact on Employee Performance

## 6. Conclusion

After doing the presentation and classification in advance, it can be concluded that the quality of the relationship between leaders and followers will influence organizational outcomes both positive and negative impacts, where LMX quality itself is influenced by factors that shape it such as organizational culture, leadership, communication, and task characteristics. This shows that in carrying out the leadership process, a leader must consider the attributes perceived by his followers and establish mutually beneficial interactions, so as to provide outcomes as expected by companies, leaders, and employees. Furthermore, advance exposure also shows that antecedent LMX can come from factors that are individual, group, and organizational, as well as factors inherent in the work itself.

The conceptual model in advance is a model produced from previous literature studies, where the grouping of attributes in each antecedent is based on the characteristics of the attributes

themselves, so that further empirical studies are needed to prove the attributes forming factors that affect LMX.

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