

## **Using Leader-Member Exchange (LMX) as a Mental Model for Relationship Building**

### **Abstract:**

Building relationships is an important skill for managers. Leader-member exchange (LMX) leadership theory focuses on the quality of relationships between a leader and a follower. Using the LMX construct, management educators can create a mental model for students to reflect on current relationships and to determine how to build initial relationships in the future. In this session, participants will take part in a classroom activity designed for undergraduate leadership and organizational behavior classes to help students develop insights into relationship building.

**Keywords:** Leader-Member Exchange, Relationship building, Mental models

### **Using Leader-Member Exchange (LMX) as a Mental Model for Relationship Building**

According to Gallup (2015), one of the most important skills needed by future managers will be the ability to build relationships. Workforce demographics are changing at a dramatic pace as a result of factors such as technology, mergers, and globalization (Hoppe, 2004). While the modern workplace contains a mixture of workers from different generations, the generation known as the “Baby Boomers” will be leaving the workforce soon (Jamrog, 2004). It is estimated that the nation’s largest living generation known as Millennials (i.e., individuals born between 1982 and 2000) will dominate the future workforce (Fry, 2016; PWC, 2011). Eventually, millennials will assume key supervisory roles in organizations. Given that managers will play a key role in the future of the workplace (Clifton, 2011), it will be important for management educators to provide appropriate instruction to ensure that students possess essential competencies needed to be successful in future management and leadership positions.

The quality of one-to-one relationships is the core element of leader-member exchange (LMX) leadership theory. As a result, this provides an opportunity for management educators to align theory with practice to educate and inform future managers and leaders. The classroom activity presented provides a method for students to reflect on existing relationships and to be proactive in building future relationships by using a mental model of the LMX construct.

This classroom activity was designed to be used in leadership and organizational behavior classes at the undergraduate level. With some modification and additional rigor, it is possible that this activity could be implemented in courses at the graduate level. Ideally, the exercise is administered during one class period in order to allow sufficient time for individual reflection and sharing, small group work, and large group discussions. Due to the heavy use of newly introduced concepts, it is best to conduct this activity subsequently after a class period

where LMX theory has been introduced via lecture or through a course reading completed in advance of the class period.

### **Theoretical Foundation**

LMX leadership theory and mental models serve as the foundation for this activity. The next sections will provide an overview of both areas along with implications for teaching.

#### **Leader-Member Exchange (LMX)**

LMX is a leadership theory that focuses on the quality of relationships between a supervisor and a subordinate (Northouse, 2016). The one-to-one relationship between the supervisor and the subordinate is referred to as a dyad. One of the assumptions of LMX theory is that individual one-to-one relationships (dyads) differ in the organization based on the quality of the supervisor-subordinate relationship. Some relationships are characterized as being high quality, while others can be characterized as low quality. As a result of these differences in the relationship quality of the dyad, the result is that some followers are considered to be a part of the in-group (high quality dyads), while the remaining followers are considered to be a part of the out-group (low quality dyads). An application from LMX leadership theory is for managers and leaders to determine ways to build high quality relationships with all of their followers.

LMX researchers have developed various instruments to measure supervisor-subordinate relationship quality in organizations. The most popular assessment used is the LMX-7 (Graen & Uhl-Bien, 1995) which measures LMX from a unidimensional perspective. A second assessment used is the LMX-MDM (Liden & Maslyn, 1998) which measures LMX from a multi-dimensional perspective. A third and most recently developed instrument is the LMSX (Bernerth, Armenakis, Field, Giles, & Walker, 2007) which addresses not only the general relationship quality but also adequately measures the social exchange component of

relationships. The LMX7, LMX-MDM, and LMSX inventory items can be found in Appendices A, B, and C, respectfully.

### **Mental Models**

Mental models are defined as “psychological representations of real, hypothetical, or imaginary situations” (Mental Models and Reasoning, n.d.). It is suggested that human beings approach tasks based on some type of mental model based on their understanding and reflections from past experiences (Vandenbosch & Higgins, 1996). Mental models are important and powerful, because by shaping what a person sees or looks for, it affects and influences what people do (Senge, 1990). In addition, mental models enable individuals to make decisions and to take actions on events and situations that could occur in the future (Solansky, Duchon, Plowman, & Martinez, 2008). Mental models exists in all domains (Brewer, 1987).

### **Teaching Implications**

There are several teaching implications and how this session contributes to effective teaching and learning. First, LMX leadership has direct relevance to the industry needs of future managers. Second, connecting theory to practice when it comes to the skill of relationship building is an important skill for management students to develop. Third, the development of mental models helps to encourage life-long learning and the development of a heuristic that can be used in their future careers.

### **Learning Objectives**

There are two learning objectives for this activity:

1. Students will identify the LMX dimension(s) applicable in existing relationships.
2. Students will identify the LMX dimensions(s) applicable to building future relationships.

These learning objectives are based on the premise of using an existing theory (LMX) to create a mental model to examine relationship building.

### **Exercise Overview**

The first part of this activity provides the student with an opportunity to do some individual reflection on existing relationships in their life. Each student is provided a Current Relationships Worksheet (see Appendix D). They are asked the question: *“Identify 4 people that you interact with on a regular basis. Write their names in the spaces on the sheet.”*

Students typically put down people such as their parents, siblings, a supervisor, or friends. After they have identified people, the next step is for students to begin reflecting on the quality of these relationships. The student shares with someone else (preferably in a small group setting) about the quality of those relationships, whether it is good or bad, and what makes the relationships work. If time permits, individuals are asked to share their comments with the larger class.

The second part of this activity is to provide an overview, or a recap, of the basic concepts of LMX leadership theory using the LMX-MDM construct. The reason why this activity was designed based on the LMX-MDM is because the multi-dimensional nature of the LMX-MDM enables students to deconstruct the different components of a relationship (Affect, Loyalty, Contribution, and Professional Respect). For this part of the exercise, the students use the descriptions of the four dimensions of the LMX-MDM to determine which LMX dimension(s) are applicable in describing the nature of the relationships between the student and the people they identified. In order to justify their rationale, students are encouraged to read the LMX-MDM inventory items for each of the four dimensions as a way to reflect upon if they have seen these activities in the context of that relationship. For each current relationship, the student would indicate which dimension is the most dominant for that relationship. If there are

two or more dominant dimensions, the student is asked to rank them in order of priority (with 1 being the most dominant). Afterwards, students share their results with other classmates either in 1 on 1 discussions or in small groups. If time permits, a few students are encouraged to share their results and rationale with the large class.

The final part of this activity focuses on how students can apply this mental model toward developing future relationships. Each student is provided a Future Relationships Worksheet (see Appendix E). This worksheet contains the roles of four people students most likely will have relationships with in the future: a supervisor, a spouse/significant other, a co-worker, and a client/customer. Students are given some time to think about the following question: *“Based on what you know about relationships, which dimension(s) do you think will be important in developing an initial relationship with these individuals in the future?”* The key word in this question is initial, because the nature of relationships change over time. For example, the relationship between a mentor and mentee may start out being based on the Professional Respect dimension, but over time it may transition to an Affect dominated relationships. If two or more dimensions are deemed important, the student is asked to rank them in order of priority (with 1 being the most dominant). Afterwards, students share their results with other classmates either in 1 on 1 discussions or in small groups. The instructor has options to either a) let students do this activity on their own outside of class, b) discuss this worksheet collectively with their small group, or c) discuss this worksheet collectively as a large group discussion. If the instructor chooses to do items B or C, a debriefing topic would be to compare and contrast to see if there are any similarities or differences between how students would approach building initially relationships in the future.

### **Session Timeline and Description**

Participants at this session will be provided an opportunity to experience this class activity first-hand. Below is a tentative outline of how a 60 minute session on this classroom activity would be utilized if accepted for presentation at the conference:

- 5 minutes: **Introduction / Overview of Activity / LMX Theory / 4 Dimensions**
- 2-5 minutes: **Current Relationships Worksheet.** *(Participants would complete this on an individual basis).*
- 10 minutes: **Small Group Discussion.** *(Participants would share their individual responses and reflections with other participants).*
- 10 Minutes: **Large group discussion.** *(During this period, I would ask for a few volunteers to share their responses with the group. If no volunteers, I would share my personal examples).*
- 2-5 minutes: **Future Relationships Worksheet.** *(Participants would complete this on an individual basis).*
- 10 minutes: **Small Group Discussion.** *(Participants would share their individual responses and reflections with other participants. For this activity, since the Future roles are the same, participants will be asked to compare and contrast their individual responses).*
- 10 Minutes: **Large group discussion.** *(During this period, I would ask for a few volunteers to share their responses with the group. If no volunteers, I would share my personal examples. If time permits, a debriefing question would be to determine if there was any similarities or themes that emerged within and between the small groups).*
- 5 Minutes: **Lessons Learned / Q&A discussion.**

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## Appendix A

### LMX-7 Inventory Items (Graen & Uhl-Bien, 1995)

1. Do you know where you stand with your leader...do you usually know how satisfied your leader is with what you do?
2. How well does your leader understand your job problems and needs?
3. How well does your leader recognize your potential?
4. Regardless of how much formal authority he/she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work?
5. Again, regardless of the amount of formal authority your leader has, what are the chances that he/she would "bail you out," at his/her expense?
6. I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so?
7. How would you characterize your working relationship with your leader?

**Appendix B**

LMX-MDM Inventory Items (Liden & Maslyn, 1998)

<i>LMX Dimension</i>	<i>LMX-MDM Inventory Item</i>
Affect	I like my supervisor very much as a person.
Affect	My supervisor is the kind of person one would like to have as a friend.
Affect	My supervisor is a lot of fun to work with.
Loyalty	My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question.
Loyalty	My supervisor would come to my defense if I were “attacked” by others.
Loyalty	My supervisor would defend me to others in the organization if I made an honest mistake.
Contribution	I do work for my supervisor that goes beyond what is specified in my job description.
Contribution	I am willing to apply extra efforts, beyond those normally required, to meet my supervisor’s work goals.
Contribution	I do not mind working my hardest for my supervisor.
Professional Respect	I am impressed with my supervisor’s knowledge of his/her job.
Professional Respect	I respect my supervisor’s knowledge of and competence on the job.
Professional Respect	I admire my supervisor’s professional skills.

**Affect:** Affect is defined as “the mutual affection members of the dyad have for each other based primarily on interpersonal attraction, rather than work or professional values” (Liden & Maslyn, 1998, p. 50).

**Loyalty:** Loyalty is defined as “the expression of public support for the goals and the personal character of the other member of the LMX dyad” (Liden & Maslyn, 1998, p. 50).

**Contribution:** Contribution is defined as “perception of the current level of work-oriented activity each member puts forth toward the mutual goals (explicit or implicit) of the dyad” (Liden & Maslyn, 1998, p. 50).

**Professional:** Professional respect is defined as “perception of the degree to which each member of the dyad has built a reputation, within and/or outside the organization, of excelling at his or her line of work” (Liden & Maslyn, 1998, p. 50).

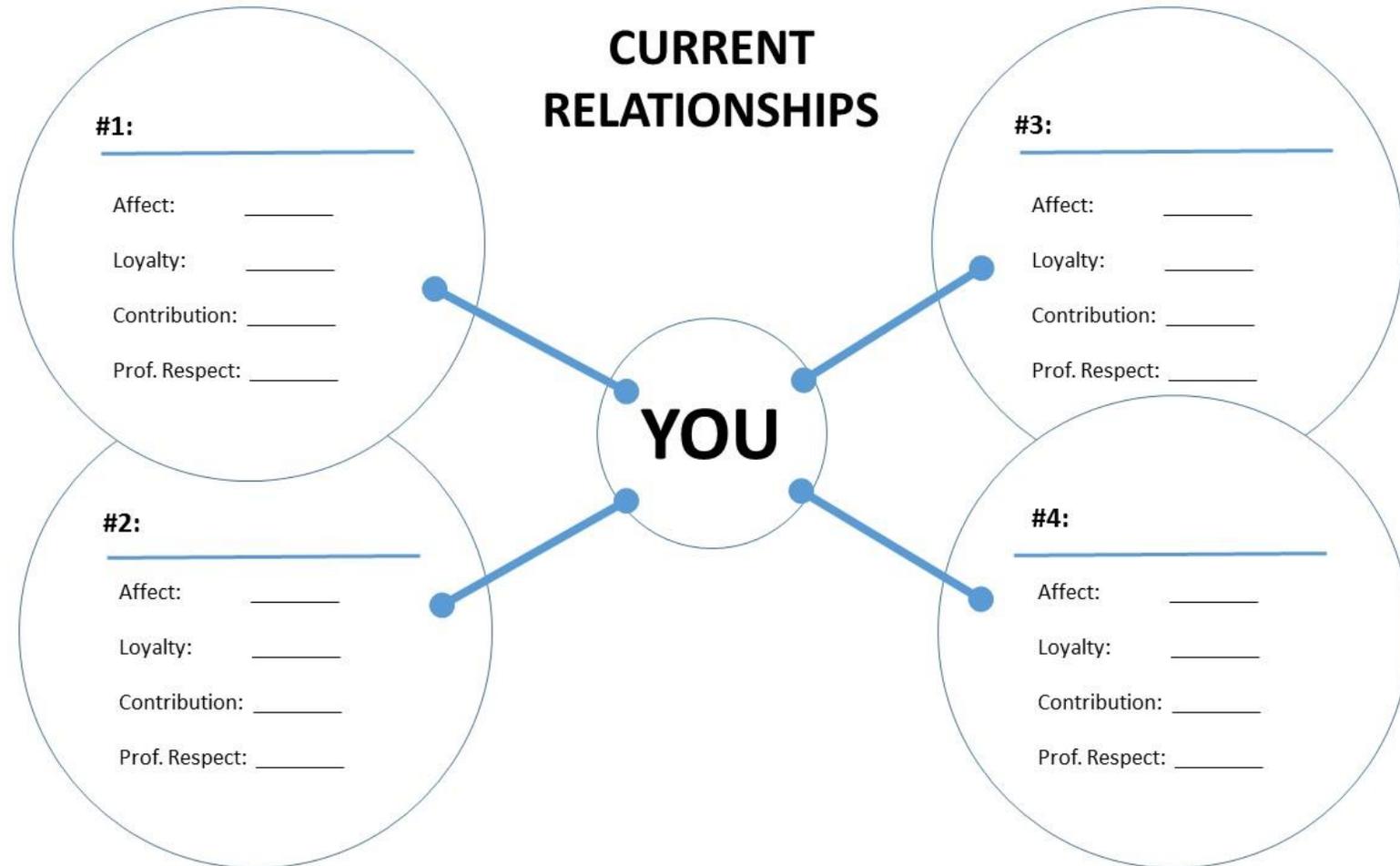
## **Appendix C**

### LMSX Inventory Items (Bernerth et al., 2007)

1. My manager and I have a two-way exchange relationship.
2. I do not have to specify the exact conditions to know my manager will return a favor.
3. If I do something for my manager, he or she will eventually repay me.
4. I have a balance of inputs and outputs with my manager.
5. My efforts are reciprocated by my manager.
6. My relationship with my manager is composed of comparable exchanges of giving and taking.
7. When I give effort at work, my manager will return it.
8. Voluntary actions on my part will be returned in some way by my manager.

**Appendix D**

**Handout 1: Current Relationships Worksheet**



**Appendix E**

Handout 2: Future Relationships Worksheet

