The Impact of Leader-member Exchange (LMX) and Empowerment on Employee Voice Behavior

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ABSTRACT: This study examines the impact of leader–member exchange (LMX) and the moderating role of empowerment on employee voice behavior. A sample of 314 supervisor-subordinate dyadic exchanges was collected from a manufacturing firm in Mainland China. The results provided support the view that LMX and empowerment were both significantly associated with employee voice behavior. The positive relationship between LMX and employee voice behavior was stronger when employees received higher levels of empowerment. Theoretical and managerial implications of the research are discussed.

Keywords: Leader-member exchange (LMX), empowerment, employee voice behavior

JEL codes: L53, M54

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1. **Introduction**

There is a large body of leadership literature that examines the quality of leader-follower relationships (Harris, Wheeler, & Kacmar, 2009; Janssen & Van Yperen, 2004; Tangirala, Green, & Ramanujam, 2007). The relationship of leader-follower determines the nature of social and one-on-one reciprocal exchanges between leader and follower. Leader-member exchange (LMX) illuminates the quality of exchanges between supervisor-subordinate (Graen & Uhl-Bien, 1995).

Research studies have shown that LMX is positively related to employee attitudes and behavioral outcomes, such as job performance and job satisfaction (Schriesheim, Castro, & Cogliser, 1999; Ilies, Nahrgang, & Morgeson, 2007). Harris et al. (2009) examined the direct and indirect effects of LMX and empowerment on job satisfaction, turnover intentions and performance. They provide an important approach for the examination of the relationship between LMX and empowerment on employees’ attitudes and behaviors (Liden, Wayne, & Sparrowe, 2000).

Existing studies have found that LMX and empowerment have direct effects on employee behaviors (Schriesheim et al., 1999). Studies have also investigated psychological empowerment as a moderator on the outcomes of supervisor-subordinate relationships (Harris et al., 2009). However, existing studies have not fully examined the interactive effect of LMX and empowerment on employee outcomes, such as voice behavior. There is, then, a research gap to fill, linking LMX and empowerment to employee voice behavior (Liu, Zhu, & Yang, 2010).

This study uses empowerment as a moderator to examine the relationship between LMX and employee voice. Hence, the main purpose of this study is to examine the impact of LMX and empowerment on employee voice behavior. This study extends the existing literature in two ways. First, it investigates how LMX and empowerment are related to employee behavioral outcomes. It responds to the call from Harris and colleagues (2009) to examine the impact of LMX and empowerment on employee job satisfaction. Second, the study adds to the leadership literature by investigating LMX and empowerment and their relation to employee voice behavior in a specifically Chinese context.

2. **Theory and hypotheses**

**Leader-member exchange and voice behavior**

LMX theory explains the relationship in terms of high to low quality between different leaders and followers (Graen & Uhl-Bien, 1995). High quality exchanges indicate that followers have better relationships with their leaders (Dienesch & Liden, 1986). Such exchanges mean that followers tend to experience better social support, clearer channels of communication, enhanced trust, and motivated performance. On the other hand, followers in a low level LMX relationship have a different experience as evidenced by voice behavior (Gerstner & Day, 1997). Employees are not willing to speak up if they do not have close relationship with the leader. Social exchange theory explains high quality relationships between supervisor and subordinates which encourage better employee outcomes (Liden, Wayne, & Stillwell, 1993; Sparrowe & Liden, 2005).

Empirical studies have examined how leadership behaviors are transmitted to employee voice behaviors (Detert & Burris, 2007; Graham & Van Dyne, 2006; Tangirala & Ramanujam, 2008). Employees’ voice behavior can challenges and upset the status quo of an organization and its
power holders (Morrison & Milliken, 2000). It is a discretionary provision of information aimed at improving the organizational and operational functioning of employees (Van Dyne & LePine, 1998). It can be used to promote constructive change in the status quo (Zhou & George, 2001) if positive in nature.

Hypothesis 1: LMX is positively related to employee voice behavior.

Empowerment and voice behavior
Employee empowerment motivates employees to work by delegating authority from a high level to the low level in an organization (Conger & Kanungo, 1988; Thomas & Velthouse, 1990). Conger and Kanungo (1988, p. 474) defined empowerment as “a process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques providing efficacy information”. Detert and Burris (2007, p. 869) defined voice as “the discretionary provision of information intended to improve organizational functioning which may challenge and upset the status quo of the organization and its power holders”.

Considerable research studies have accumulated support on the impact of employee empowerment and employee performance (Spreitzer, Kizilos, & Nason, 1997). Empowerment provides employees with intrinsic motivation and allows them to think positively about their role in the workplace (Spreitzer, 1995). In fact, four main factors are involved: meaning, competence, self-determination, and impact. Meaning is the value attributed by employees to their own work goals and standards. Competence is the belief of employees that they are capable of performing their work tasks. Self-determination refers to employee choice in task selection and completion. Impact relates to the main strategic intent on the consequences of organization. The four factors of psychological empowerment have been associated with positive results (Liden et al., 2000). Employees are motivated in their work when they are empowered. The empowering experience can help to generate a strong sense of support in an employee which, in turn, means they are willing to speak up for the organization. Therefore, empowerment is directly associated with employee voice behavior.

Hypothesis 2: Empowerment is positively related to employee voice behavior.

The moderating role of empowerment
Empirical research has examined the impact of LMX and empowerment (Gao, Janssen, & Shi, 2011; Seibert, Silver, & Randolph, 2004) on employee outcomes. Although one empirical study (Harris et al., 2009) examined the impact of LMX and empowerment on job performance, there is less work available that deals with possible consequences, such as employee voice. Social exchange theory holds that the relationships between LMX and empowerment are significantly related to job satisfaction, performance, organizational citizenship behavior and turnover intention (Harris et al., 2009).

The impact of LMX on employee voice behavior alters according to how employees experience empowerment from top management. Empowerment provides a direct way to motivate employees to share information and open up lines of communication. Studies have examined
situations to discover when and how LMX determines job satisfaction (Harris et al., 2009). When employees are permitted to participate in decision-making, the trust relationship between leader and employee is enhanced. The relationship between LMX and employee voice behaviors is strong when employees are motivated to express their views. On the other hand, when empowerment is low, the sharing of information and exchange of resources is likely to be less effective (Cropanzano & Mitchell, 2005). As such, the relationships between LMX and employee voice behavior are stronger when employees experience a high level of empowerment.

Hypothesis 3: Empowerment moderates the positive relationship between LMX and employee voice behavior, such that the positive relationship is stronger when empowerment is higher.

3. Research method

The sample consisted of 314 leader-follower dyadic exchanges from the back office of a manufacturing firm in Mainland China. The manufacturing firm organizes and divides work to be done into specific tasks and units within a formal line management system. Two sets of questionnaires were administered to employees and their immediate supervisors separately. The authors explained the objective of the study, and explained the procedures for completing the questionnaire. The questionnaires were coded with an assigned identification number so that the authors were able to match employees’ questionnaires with their immediate leaders’ evaluations.

Subordinates were asked to rate the items on LMX, empowerment and job satisfaction. Leaders rated the items on employee voice behavior. To ensure confidentiality, the respondents were instructed to seal the completed questionnaires in envelopes and return them directly to the researchers on-site. Out of 350 set of questionnaires (350 for immediate leaders; 350 for employees), 314 usable questionnaires (314 leader-employee dyads) were returned, yielding a usable response rate of 89.7%. The maximum number of surveys completed by a single leader was three. The mean age and organizational tenure of the employees were 28.66 and 2.05 years respectively.

Measures

Leader–member exchange: Leader-member exchange was assessed on a 7-item LMX scale designed by Liden et al. (1993), Scandura, Graen, and Novak (1986), and Scandura and Graen (1984) (1 = strongly disagree; 7 = strongly agree). Sample items were “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” (1 = strongly disagree; 5 = strongly agree) and “How well does your leader understand your job demands and needs” (1 = not a bit; 5 = a great deal). The Cronbach’s alpha was set at 0.80.

Empowerment: Empowerment as measured by Spreitzer's (1995) 12-item empowerment scale (1 = strongly disagree; 7 = strongly agree). A sample item is “The work I do is meaningful to me.” The Cronbach’s alpha was set at 0.90.

Employee voice behavior: Van Dyne and LePine (1998) scales was used to measure employee voice. Leaders’ completed the measure for each employee on supervisory ratings of voice (1 = strongly disagree; 5 = strongly agree). Sample items from this measure include “This particular employee develops and makes recommendations concerning issues that affect this work group,”
and “This particular employee speaks up in this group with ideas for new projects of changes in procedures.” Coefficient alpha for the scale was set at 0.86.

Control variables: Gender, organizational tenure, and age were controlled in the analyses. Past research has suggested or shown these variables to be related to the outcome variable of employee voice behavior (Detert & Burris, 2007; LePine & Van Dyne, 2001). Gender was dummy coded (0 = male, 1 = female). Age and organization tenure were self-reported in years.

4. Data analysis

Descriptive statistics: The means, standard deviations, and zero-order Pearson correlations of all the key variables are presented in Table 1. Figure 1 shows the research model of gender, age, organizational tenure, leader-member exchange (LMX), empowerment, and employee voice behavior.

Table 1: Means, standard deviations, correlations, and reliabilities of measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<tbody>
<tr>
<td>1 Gender</td>
<td>.57</td>
<td>.50</td>
<td>--</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>2 Age</td>
<td>28.66</td>
<td>5.94</td>
<td>.23**</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Organizational</td>
<td>2.05</td>
<td>2.25</td>
<td>.10</td>
<td>.25**</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Tenure</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 LMX</td>
<td>3.25</td>
<td>.64</td>
<td>.03</td>
<td>.12*</td>
<td>.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Empowerment</td>
<td>5.04</td>
<td>.87</td>
<td>.24**</td>
<td>.17**</td>
<td>.44**</td>
<td>.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Voice Behavior</td>
<td>4.59</td>
<td>.82</td>
<td>.10</td>
<td>.13*</td>
<td>.04</td>
<td>.24**</td>
<td>.28**</td>
<td>.86</td>
</tr>
</tbody>
</table>

Notes:

a) n = 314
b) The correlation coefficients are significant at * p < 0.05, ** p < 0.01.
c) Reliability coefficients appear along the diagonal.
Hypothesis testing

Hypothesis 1 predicts that LMX is positively related to employee voice behavior. Results indicated that LMX was positively related to voice behavior ($\beta = 0.24, p < 0.01$). Hypothesis 1 was supported.

Hypothesis 2 predicts that empowerment is positively related to employee voice behavior. Results indicated that empowerment was positively related to voice behavior ($\beta = 0.28, p < 0.01$). Therefore, hypothesis 2 was supported.

Hypothesis 3 predicts that empowerment moderates the positive relationship between LMX and employee voice behavior, such that the positive relationship is strongest when empowerment is highest. The moderating role of empowerment was significantly associated with LMX and voice behavior ($\beta = 0.13, p < 0.05$). Therefore, Hypothesis 3 was supported. The interaction between LMX and empowerment predicting job satisfaction and voice behavior were plotted in Figure 2.
Table 2: Tests of leader-member exchange, empowerment and employee voice behavior

<table>
<thead>
<tr>
<th>Variables</th>
<th>Voice Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Variables</td>
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<tr>
<td>Gender</td>
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<tr>
<td>Age</td>
<td>.08</td>
</tr>
<tr>
<td>Organization Tenure</td>
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<td>Independent Variables</td>
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<tr>
<td>LMX</td>
<td>.24**</td>
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<tr>
<td>Modifiers</td>
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<tr>
<td>Empowerment</td>
<td>.28**</td>
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<td>Moderating Variable</td>
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<tr>
<td>LMX x Empowerment</td>
<td>.09</td>
</tr>
<tr>
<td>N</td>
<td>314</td>
</tr>
<tr>
<td>Df</td>
<td>3</td>
</tr>
<tr>
<td>R²</td>
<td>.06</td>
</tr>
<tr>
<td>Δ R²</td>
<td>.06</td>
</tr>
</tbody>
</table>

Notes: * p < 0.05, ** p < 0.01, *** p < 0.001

Figure 2: The moderating effect of empowerment on the link between LMX and voice behavior
5. **Discussion**

This study examines the impact of LMX and the moderating role of empowerment on employee voice behavior. The results support existing studies showing that the relationship of LMX is positively associated with employee voice. Empowerment also impacts on the voice behavior of employees. When LMX and empowerment were involved, employee voice behavior was enhanced by motivation and the authority conferred by empowerment. The highest levels of voice behavior resulted when LMX quality was high and empowerment was high. Employees benefit from relationship bonding with supervisors.

Supervisors should maintain good relationships with subordinates to maintain a high LMX. The interaction between leader and follower plays an important role in shaping the behavior of employees in expressing their views in organization. Empowerment can allow employees to respond to different opinions, suggest new policies, and share information freely. It helps to explain the effectiveness of LMX in engendering employee voice activities. It is encouraging that employees feel motivated to provide solutions and suggest improvements.

6. **Limitation and suggestion for further study**

There are a number of major limitations to this study. The cross-sectional nature of the study implies that causes may be subject to alternative interpretations. In a longitudinal study, the measurement of cause and effect at different intervals would enhance the validity of the results. The data were collected in a manufacturing firm in Mainland China. This raises concerns about the generalizability of the findings to more domestic work settings and organizational structures in different cultural contexts. There may be different perceptions of expressible employee voice behavior in some organizations in certain cultural settings (Detert & Burris, 2007). Another limitation is demographic in nature: both the personal background of supervisors and subordinates are homogeneous, i.e. young and short organizational tenure. Future studies should target a more diverse sample. Finally, further study of the relationship between LMX and empowerment on employee voice behavior are proposed. Future studies should examine other psychological constructs in the relationship between LMX and empowerment on employee voice behaviors, such as trust in a leader.

7. **Conclusion**

To conclude, leadership research on LMX and employee voice behavior is examined. This study provides new implications for the impact of LMX on employee voice behavior. It provides guidelines for future work by reviewing and extending the existing literature on how empowerment and LMX affect employee voice behavior. The positive relationship between LMX and employee voice behavior was found to be stronger when employees received higher levels of empowerment.
References


Appendix

Items of LMX:
1. Do you know where you stand with your leader…do you usually know how satisfied your leaders is with what you do?
2. How well does your leader understand your job problems and needs?
3. 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?
4. Again, regardless of the amount of formal authority your leader has, what are the chances that he/she would “bail me out,” at his/her expense?
5. 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?
6. How would you characterize your working relationship with your leader?
7. How well does your leader recognize your potential?

Items of empowerment:
1. The work I do is very important to me.
2. My job activities are personally meaningful to me.
3. The work I do is meaningful to me.
4. I am confident about my ability to do my job.
5. I am self-assured about my capabilities to perform my work activities.
6. I have mastered the skills necessary for my job.
7. I have significant autonomy in determining how I do my job.
8. I can decide on my own how to go about doing my work.
9. I have considerable opportunity for independence and freedom in how I do my job.
10. My impact on what happens in my work environment is large.
11. I have a great deal of control over what happens in my work environment.
12. I have significant influence over what happens in my work environment.

Items of employee voice:
1. I develop and make recommendations concerning issues that affect this group.
2. I speak up and encourage others in this group to get involved in issues that affect the group.
3. I communicate my opinions about work issues to others in this group even if my opinion is different and others in the group disagree with me.
4. I keep well informed about issues where my opinion might be useful to this group.
5. I get involved in issues that affect the quality of work life here in this group.
6. I speak up in this group with ideas for new projects or changes in procedures.