

# Leaders Member Exchange Bond: Examining The Impact Of Leader Member Exchange On Job Satisfaction Through Perception Of Politics

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## Abstract

The Leader Member Exchange insight is one of the most venerable perspectives in the leadership literature. The central tenet is that leaders form relationships (LMX) on a spectrum ranging from high quality to low quality exchange with followers. Extending leader member exchange theory, the current study examines job satisfaction as an outcome of LMX quality. Further, it examines perception of organizational politics as a mediator between leader member exchange and job satisfaction. It also examines the employee resilience between the relationship of perception of politics and job satisfaction. Based on deductive approach, cross sectional time lag study was designed. A non-probabilistic, convenience sampling technique was applied to collect data. The data of 279 respondents were used for data analysis. The results revealed a significant impact of LMX on job satisfaction. The mediation of perception of politics. and moderation of employee resilience were found insignificant. The current research contributes to the leadership body of knowledge and also extends the managerial implications to practice.

**Keywords:** leader member exchange, perception of politics, employee resilience, job satisfaction

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## I. INTRODUCTION

Leadership has been a major focus of research interest for decades. The literature on leadership has expounded different types like transformational leadership, transactional leadership, authentic leadership and ethical leadership etc. Significant for the present study however, is the leader member exchange (LMX), which is found to be one of most powerful perspectives in leadership literature. Gottfredson & Aguinis, (2017) meta-analyzed various leadership styles, and found LMX to be the strongest explanation of how leader behaviors affect follower performance. In light of this finding, researchers recommend to examine LMX quality with renewed interest and vigor. LMX theory classifies followers in broadly two groups: in-group followers and

out-group followers. In-group members are reported to have elevated levels of job satisfaction (Kwon, Lim, Hong & Yoon, 2019) and different facets of job performance like individual performance (Wayne, Shore, Bommer & Tetlock, 2002; Bauer & Green, 1996; Kacmar, Witt, Zivnuska & Gully, 2003) group performance (Liden, Erdogan, Wayne & Sparrowe, 2006), and in-role performance (Law, Wang & Hui, 2010).

The causal mechanisms of LMX-work outcome relations are not entirely understood. Hence, the current study brings a political perspective to the leader member exchange quality and its effects on employee outcomes. Perceptions of politics in the organization have been empirically tested as a predictor of LMX (Rosen, Harris & Kacmar, 2011), but to date, its role as a mediator in the LMX-work outcome relationship has not been examined. This is intriguing, given that all out-group members are not

poor performers (Martin, Guillaume, Thomas, Lee & Epitropaki, 2016) which may incline them to attribute their outsider status emanating from the leader's politicking rather than their own work standards and merit. Specifically, LMX is defined as the quality of relationship between a supervisor and a subordinate (Graen & Scandura, 1987); perception of organizational politics is a situational variable regarding employee cognitions about the political dimension of the work environment. In addition, although the negative outcomes of perception of organizational politics have been studied (Thompson & Watkins, 2016), the perception of organizational politics construct has failed to show main effects on key work attitudes (Chang, Rosen & Levy, 2009). As a result, researchers call for more attention to be paid to the leadership-POP link (Naseer, Raja, Syed Donia & Darr, 2016). This study responds to such calls, by proposing a political mechanism underlying the LMX- work outcome relationship.

Likewise, employee resilience are capabilities to overcome adversity, trauma and persistent stressors. Individual differences in follower emotion regulation (e.g., resilience) are proposed as boundary conditions for leader-member relations and work-related outcomes (Little, Gooty & Williams, 2016). The extant LMX literature also has not incorporated emotion-based variables like resilience in their studies (Epitropaki & Martin, 2015). This study contends that positive emotions are powerful buffers against stressors like having high POP about the work environment. In sum, current study propose that LMX quality predicts significant work outcomes like job satisfaction by the mediating mechanism of POP coupled with the mitigating effects of employee resilience.

The current study is an extension to the resilience and LMX literature in a meaningful way. Firstly, the leadership research has largely ignored its impact on follower wellbeing (Inceoglu, Thomas, Chu, Plans & Garbasi, 2018). By testing the interactive effects of two different kinds of employee resources: LMX as a leader resource and ER as an individual resource, the study will provide a finer grained analysis of its impact on work related outcomes relevant to employee wellbeing. Secondly, scholars lament the void in empirical testing of the resilience construct

(Williams, Gruber, Sutcliffe, Shepherd & Zhao, 2017). Finally, the LMX-work outcome relationship will be studied through a political lens, enhancing the understanding of the processes underlying leadership effects on critical follower outcomes.

## II. LITERATURE REVIEW

The following existing literature is reviewed to develop the theoretical framework.

### A. LMX Quality and Job Satisfaction

LMX theory posits that leaders form differential relations with their followers at the workplace (Graen & Uhl-Bien, 1995). Followers who accomplish designated tasks on time gain the trust of leaders (Martin et al., 2016), as well as confidence and respect of the supervisor (known as high quality LMX employees), while poor performers have low quality relations, low levels of trust and are emotionally and psychologically distant from their leaders (i.e., low quality LMX) (Gajendran & Joshi, 2012). Although the LMX stream has been enriched with interrelated constructs such as LMX differentiation (Henderson et al., 2009), Likewise, LMX ambivalence (Lee et al., 2019), and LMX variability (Hooper & Martin, 2008), The current study focuses on the basic LMX-work outcome relationship. Locke (1976) defined job satisfaction as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". The LMX-job satisfaction link is elucidated by a core tenet of LMX theory, i.e., the norm of reciprocity. As supervisors assign more meaningful tasks to high quality LMX employees; give them higher performance ratings (Rege, Molleman & de Brake, 2019) and extensive rewards, subordinates reciprocate by putting extra input into job tasks. These supervisor-subordinate interactions positively reinforce each other and result in pleasurable work environment for the in-group employee (Dulebohn et al., 2012). In exchange for resources by the leader, high quality LMX employees invest more time and energy in work tasks, which lead to job satisfaction. On the job, it is reasonable to assume that the employee-boss relation forms such a vital link. Thus, in comparison to low quality LMX employees, high LMX employees would be less susceptible to

turnover intentions than those scoring low on the LMX scale. In addition, high quality LMX followers acquire more information and resources from their leaders, which deepens their affiliation with the job and organization (i.e., high person-job and person-organization fit). This results in low turnover of in-group employees (Boon & Biron, 2016). Finally, relating to work related outcomes discussed above, meta-analytic results support the relationship between LMX quality and these specific job outcomes (Gestner & Day, 1997; Dulebohn et al., 2012; Rockstuhl, Dulebohn, Ang & Shore, 2012).

Hypothesis 1: LMX has positive and significant impact on job satisfaction

### **B. Mediation of Perception of Politics**

Organizational scholars have identified perception of politics (POP) as an important dimension of workers conception of the workplace. POP refers to an employee's subjective evaluations regarding others' self-serving work behaviors not sanctioned by authority (Ferris, 2000). Past studies have found various harmful effects of high perceptions of organizational politics. For instance, high POP among workers of the organization was found to reduce levels of employee performance (Vigoda, 2007; Chen & Fang, 2008; Zivnuska, Kacmar, Witt, Carlson & Bratton, 2004; Bai, Han & Harms, 2016; Naseer et al., 2016), contextual performance (Witt, Kacmar, Carlson & Zivnuska, 2002), organizational citizenship behavior (Hsiung, Lin & Lin, 2011), trust (Indartono & Chen, 2011), creativity (Malik, 2019) and increase negligent behavior (Rawwas et al. 2018) and workplace incivility (Ogungbamila, 2013).

Also, in line with attribution theory (Kelley, 1973), the achievements of high LMX employees would be internally attributed (i.e. dispositional attribution) as in-group members would perceive their privileged position as a fruit of their own endeavors (i.e. on merit), rather than political favor of the leader (Atinc, Darrat, Fuller & Parker, 2010) In contrast, in low LMX quality employees, perception of organizational politics would be high, as they would make external attributions for their failure to build strong relations with the supervisor.

These high levels of POP have been found to reduce job satisfaction levels (Andrews & Kacmar, 2000; Han-Yin, 2004; Miller, Rutherford & Kolodinsky, 2008; Kacmar, Bozeman, Carlson & Anthony, 1999; Ferris et al., 2002). Specifically, employee performance is unrelated to high quality relations with the leader (Martin et al., 2016). In other words, out group members are not in the inner circle of the boss due to poor performance, but rather other (potentially political) considerations. Certainly, Jablin (1981) found that employees perceiving their supervisors highly involved in politics have lower satisfaction and lesser communication with their leaders than employees who see their managers as less involved in politics. Indeed, the items' capturing POP has at its core, "the formation of dominant groups within the organization, against whom no employee raises voice" can be conceptualized as similar to the in-group members notion in LMX literature.

Hence, both theoretical rationale and empirical results support the contention that subordinates quality of relations with the supervisor influences the perceptions of organizational politics, such that out-group members perceive more organizational politics than the in-group (Atinc, Darrat, Fuller & Parker, 2010) and this, in turn, strongly relates to work outcomes.

Hypothesis 2: Perception of politics mediates the relationship between LMX quality and job satisfaction

### **C. Moderation of Employee Resilience**

Drawn from the Latin word *resilio*, meaning to "jump back" (Alexander, 2013), Luthans (2002) defines resilience as the, "the developable capacity to rebound or bounce back from adversity, conflict, and failure or even positive events, progress, and increased responsibility". According to Youssef & Luthans (2007) resilience constitutes a major focus of inquiry in positive organizational behavior (POB). Resilience has found to be a significant predictor of positive work outcomes for the organization and mitigates the negative impact of job insecurity on

emotional exhaustion and counterproductive work behavior (Shoss, Jiang & Probst, 2018). Specifically, resilience has positive associations with supervisor rated job performance (Luthans et al., 2005) and has a positive impact on self-esteem and purpose in life (Waite & Richardson, 2004).

For any individual employee, the state of being routinely deprived of positive interactions with the boss (i.e., low LMX), harboring notions of unfairness at the workplace (i.e., high POP) can be overwhelming negative situations leading to low job satisfaction. However, the positive capacity inherent in resilience (Bonanno, 2004); its value as a resource strength for the employee buffers against destructive forces and mitigates the negativity arising from setbacks, traumas and failures (Sutcliffe & Vogus, 2003). Consequently, a resilient out-group member would have lesser negative perceptions than an employee who lacks resilience. In addition, the broaden and build theory contends that psychological source capacities like resilience, broaden one's set of cognitive skills, enhance positive moods and refine problem solving capacity (Frederickson, 2001). In broadening one's mental and emotional resources, they not only create upward spirals of performance, but also "undo" some of the damaging aspects of the workplace (e.g., injustice). As a result, a highly resilient employee, facing adverse circumstances (e.g., High POP) would be less likely to quit than an employee lacking resilience. Furthermore, adversity at the workplace is a precondition for employee resilience to overcome difficulties (Britt, Shen, Sinclair, Grossman & Klieger, 2016). In the organization, sustained harassment or abusive supervision are instances of such adversity. Similarly, we submit that high perceptions of organizational politics is a significant stressor that potentially triggers resilient employees to strive harder at work and lessens the adverse impact on satisfaction and commitment levels.

Hypothesis 3: Employee resilience mitigates the negative relationship between perception and politics and job satisfaction

Keeping in view the literature reviewed, following theoretical framework is proposed.

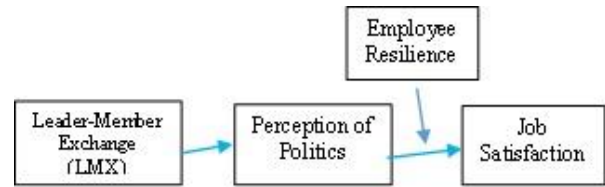


Figure 1. Theoretical Framework

### III. RESEARCH METHOD

In order to gain high levels of external validity of the hypothesized relationships, The respondents were recruited from project-based organization in the IT industry of Pakistan. All organizations had more than a thousand employees and the leader member interaction in these firms were both frequent and meaningful. Employees were given the questionnaire with cover letter ensuring confidentiality and secrecy of their responses. To minimize common method issues (Podsakoff, Mackenzie, Lee & Podsakof, 2003), data were obtained in three-time lags using non-probabilistic sampling technique. The present study gave a four-week interval between each data collection wave. Such a duration is justified, for the variables of interest were mostly attitudes and perceptions, which take a relatively shorter period of time to manifest after the influence of the predictor variable is measured (Law, Wong, Yang & Huangl, 2016). The research design of current study is aligned with previous leadership studies (Chen, Lam & Zhong, 2012; Little, Gooty & Williams, 2016). In the first wave, predictor variable LMX was assessed by the respondents and mediating and moderating variable POP and Resilience were filled in the second phase. In the third phase, the followers responded to the outcome variable, job satisfaction. The overall time taken for data collection was three and a half months. The responses with missing values, incomplete, and extremely ended questionnaire were excluded, and a sample size of 383 questionnaires were found suitable to enter for statistical analysis. The more than 300 sample size is suitable to generalize the results (Hair, 2018).

#### Measurement Instruments

The following are the measurement instruments of the constructs used in theoretical framework:

### Leader Member Exchange (LMX)

The scale developed by Hassaan & Khan (2022) was used. The instrument has a total of seven items. Responses to each item were rated on a five-point likert scale. Sample item includes, " My supervisor has capability to gauge my expertise.". The items were coded such that higher scores reflected in-group membership.

### Perception of Org. Politics

Perception of organizational politics was adapted from the measure initially developed by Ferris & Kacmar, (1991) and further validated by Kacmar & Carlson, (1997). As the POP scale is a one-dimensional scale, we used the six-item subscale. This is in line with previous POP studies (Johnson, Rogers, Stewart, David & Witt, 2017). Sample items include "People in this organization tend to build themselves up by tearing others down" and "There has always been an influential group in this department no one ever crosses". Items were coded in such a way that higher values represented more politics in the organization.

### Employee Resilience

The Brief Resilience Scale (BRS) was used to assess employee resilience. This instrument was developed by Smith et al., (2008) and was recommended for application by Windle, Bennett & Noyes, (2011). Sample items include, " I tend to bounce back quickly after hard times" and " It does not take me long to recover from a stressful event".

### Job satisfaction

Job satisfaction was measured with five items on a scale ranging from 1=strongly disagree to 5=strongly agree. This scale was adopted from Brayfield & Rothe (1951). Sample items include "I find real enjoyment in my work" and "I feel fairly satisfied with my present job".

## IV. RESULTS

The results of the statistical analysis are presented in the tabular form e.g., demographic in Table 1

### A. Descriptive Profile

The study shows following demographical data (see Table-1). Following are the salient features of the respondents w.r.t the Gender, Age, Marital status, Education, also the clothing brands they prefer or use

**Table 1**  
**Demographic Profile**

Characteristics	Percentage %
<b>Gender</b>	
Male	60.3
Female	39.7
<b>Age</b>	
< 25	8.5
25-30	29.7
31-34	31.8
35-40	19.5
41-44	7.9
45-50	2.1
51-54	7.9
>=50	0.5
<b>Job Hierarchy</b>	
Junior level	72.6
Middle level	21.5
Senior level	5.9
<b>Qualification</b>	
Intermediate	3.8
Bachelors	52.1
Masters	43.3
Doctors	0.8

N = 279

Likewise, the demographic statistics of the constructs are shown in Table 2.

**Table 2.**  
**Demographic Statistics**

Characteristics	Mean	Standard Deviation
LMX	3.8187	.82799
JS	3.6179	.89417
POP	3.7391	.73759
ER	3.3441	.93009

Where LMX = Leader-Member Exchange, JS=Job Satisfaction, POP = Perception of Politics, ER = Employee Resilience

The responses of all constructs used in the theoretical framework are more than average which means fairly good data is collected for the statistical analysis of the theoretical framework. Similarly, standard deviation of is below the 1 which means that data is low deviant which is again a good sign for the reliability of the data for further analysis.

## B. RESULTS ANALYSIS

Structured equation modeling (SEM) is applied for statistical analysis of the results. The SEM is

comprised of measurement model and structured model as described below:

### Measurement Model

Measurement model is comprised of the internal consistency of items i.e., Cronbach's Alpha  $\geq 0.7$ , composite reliability (CR)  $> 0.7$ , Average Variance Extract (AVE)  $\geq 0.5$ , Convergent and Discriminate Validity (DV) among the constructs. All the values of measurement model are within ranges as described below in Table 3.

**Table 3.**  
**Factors Loading, CA, CR, and AVE**

Construct items	Factor Loading	CA	CR	AVE
<b>Leader-Member Exchange (LMX)</b>		0.876	0.904	0.573
LMX1: My supervisor has capability to gauge my expertise.	0.732			
LMX2: My supervisor believes in employee skills.	0.797			
LMX3: My supervisor favors responsible behavior.	0.750			
LMX4: My supervisor allows me to debate on project task.	0.701			
LMX5: I have skills which are required to complete a project task.	0.740			
LMX6: My boss keeps me with in team.	0.800			
LMX7: I have overall good relation with my boss.	0.786			
<b>Job Satisfaction</b>		0.804	0.864	0.561
JS1: I feel fairly satisfied with my present job	0.760			
JS2: Most days I am enthusiastic about my work.	0.713			
JS3: Each day at work seems like it will never end.	0.798			
JS4: I find real enjoyment in my work.	0.732			
JS5: I consider my job to be rather unpleasant.	0.738			
<b>Perception of Politics</b>		0.762	0.838	0.509
POP1: There is a group of people in my department who always get things their way because no one wants to challenges them.	0.700			
POP2: I have seen changes made here that only serve the purposes of a few individuals, not the whole work department.	0.704			
POP3: People in this department tend to build themselves up by rearing others down,	0.720			
POP4: Favoritism rather than merit determines who get ahead around here.	0.730			
POP5: People here usually don't speak-up for fear of retaliation by others.	0.712			
<b>Employee Resilience</b>		0.803	0.863	0.558
ER1: I tend to bounce back quickly after hard work.	0.782			
ER2: I have a hard time making it through stressful events.	0.774			

ER3: It does not take me long to recover from a stressful event.	0.727
ER4: It is hard for me to snap-back something bad happens.	0.740
ER5: I usually come through difficult times with little trouble.	0.708

Hence, it can be said that the measures adopted for this study are highly reliable and can be used for further statistical analysis. The satisfactory score of CA lies between 0.762 and 0.876 and it is highly acceptable to be used in the existing study. The composite reliability does not need any equal loading of a specific construct, unlike Cronbach’s alpha. The CR values must be in the range of 0 and 1 and it must be greater than 0.69 to get accepted. In the current study, CR values are 0.803 to 0.904.

Similarly, average variance extract (AVE) should be greater than 0.5 for further statistical analysis. The AVE of the current study found in acceptable range from 0.509 to 0.573. Hence; it can be argued that measurement model for the current study is reliable for further analysis. Likewise, discriminate validity of the constructs used in model is required to be ensured and should be greater than rest of the constructs. The discriminate validity of current study shown below in Table 4.

**Table 4.**  
**Discriminant Validity.**

Constructs	LMX	JS	POP	ER
LMX	0.757			
JS	0.367	0.749		
POP	-0.009	-0.146	0.713	
ER	0.455	0.430	0.112	0.7479

Where LMX = Leader-Member Exchange, JS = Job Satisfaction, POP = Perception of Politics  
ER = Employee Resilience

**Structural Model**

The structural model of the current study reflects the direct and indirect effect between the independent variable, dependent variable, mediator, and moderator. In the current study, it reflects the impact of Leader-Member exchange on job satisfaction. Then, it examines the mediating effect of perception of politics between LMX and job satisfaction. Further, it also predicts the moderating effect of employee resilience between the perception of politics and job satisfaction.

The validity of the constructs direct and indirect association is confirmed by path coefficient and t-values. The PLS-SEM algorithm is executed in Smart PLS 3.0 and results are presented in Fig. 1. The inner model is illustrating in Table 5 which comprised of original sample (O), mean (M), standard deviation (SD), t-statistics (T), and the p-values. It is depicted from the values that t-statistics is greater than the required threshold value limit, and the p-value is also less than 0.05.

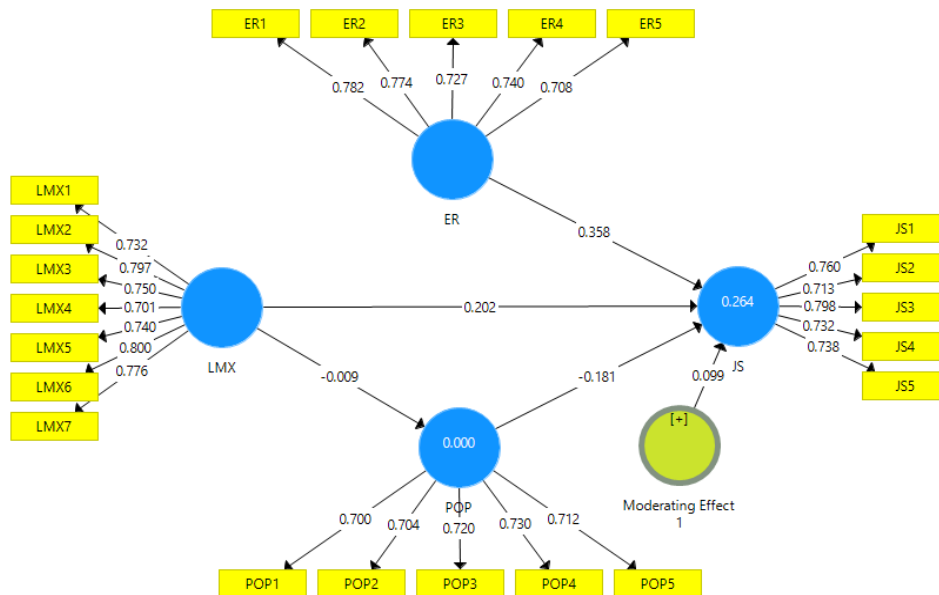


Figure – I Direct Relationship

The R<sup>2</sup> of the model is significant as p value is less than 0.05 and LMX has an impact of 0.264 on Job satisfaction which means model will bring 26.4% positive change in the criterion variable i.e., job satisfaction as shown in Fig-1. Hence, it can be stated that all the outer model loadings are significant so the hypothesis (H<sub>1</sub>) is supported as the results revealed (t-value =5.67 and p-value =

0.000). Thus, the results can be interpreted that LMX has positive and significant impact on Job Satisfaction which means change in a unit of LMX will bring a 35.8% positive and significant change in job satisfaction of the employees who are working in the direct leadership of supervisor. The results for hypothesis 1 are presented in Table 4.

**Table 5.**  
**Direct Relationships**

Hypothesis Path	Original Sample (O)	Standard Deviation (STDEV)	t-Statistics (O/STDEV)	p-value	Decision
H <sub>1</sub> . LMX → JS	0.358	0.063	5.670	0.000	Supported

Where LMX = Leader Member Exchange, JS = Job Satisfaction

Likewise, the indirect relationship of LMX and job satisfaction through the perception of politics are also examined using bootstrapping technique. The results indicates that LMX has no effect on job satisfaction through the perception of politics as shown in Table 6. It can be interpreted that perception of politics has negative effect on the job satisfaction but does not intervene the LMX effect on Job Satisfaction as a mediator.

The results are presented in the Table 6 and Fig. 2. Further, it is also revealed that resilient employees reduce the perception of politics influence on the job satisfaction. The moderating effect of employee resilience with perception of politics on job satisfaction is also presented in Table 6



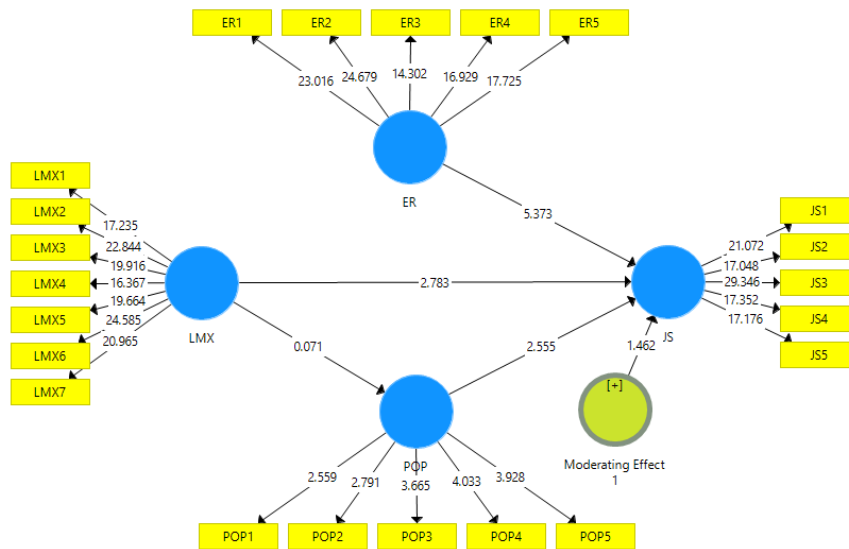


Fig II.... Indirect Relationship

The results revealed that perception of politics mediates the relationship between LMX and job satisfaction but it is insignificant. The values of mediation presented in the Table 6 that shows p value is greater than 0.05 and lower level of confidence interval and upper-level confidence intervals have opposite sign which means mediation of perception of politics is insignificant. Hence, hypothesis ( $H_2$ ) is not supported as indicated by the results ( $t=0.078$ ;  $p=0.938$ ;  $CI=-0.048 - 0.034$ ) and ( $t=1.529$ ,  $p=0.129$ ,  $CI=-0.036 - 0.022$ ) respectively.

There is no mediation of POP exists which reveals that perception of politics does not mediate between the LMX and job satisfaction. However, it has direct significant impact on the job satisfaction. Likewise, employee resilience has significant impact on job satisfaction but has insignificant influence as moderator as reflected in Table 6 and Fig. 2.

**Table 6.**  
**Mediation and Moderation Analysis (Indirect effects)**

Hypothesis/Path	Original Sample (O)	Standard Deviation (STDEV)	t-Statistics (O/STDEV)	p-Values	Confidence Interval (s) 2.5% - 97.5 %	Decision
H <sub>2</sub> . LMX-> POP->JS	0.002	0.022	0.078	0.938	-0.048 – 0.034	Not Supported
H <sub>3</sub> . POP x ER → JS	0.099	0.065	1.529	0.129	-0.036 – 0.022	Not Supported

## DISCUSSION

In a "crowded terrain" of leadership constructs (Alvesson & Einola, 2019), LMX theory is reported to be one of the most effective theories in leadership. A large body of studies show that LMX quality has meaningful consequences for the subordinate such as job satisfaction (Kwon, Lim, Hong & Yoon, 2019) and affective commitment. However, the mediating mechanisms are still not fully understood. In addition, the attenuating impact of positive psychological capacities like employee resilience in low LMX and POP frameworks are addressed in the present study.

The current study makes several theoretical contributions to the LMX and resilience bodies of literature. LMX theory is an extension of vertical dyad linkage model. As such, it focuses on the dynamic interactions between supervisors and their subordinates. In order to understand the underlying mechanisms of the LMX-Work outcome relationship, the present study deepens our understanding and clarifies the role played by POP. As mentioned in earlier sections, the POP construct has been studied as a predictor, rather than a mediator in LMX contexts. Thus, by examining POP as an intervening mechanism in the LMX-work outcome linkage, our study provides depth to the LMX literature by highlighting the political dimensions of leader-follower dyads. However, proposed hypothesis was not supported by the results.

Some previous empirical studies have shown curvilinear relationships of LMX with job outcome (Harris, Kacmar & Witt, 2005) that is, very high level of LMX scores may backfire and have "too much of a good thing effect"

resulting in heightened stress for the in-group employee and some have shown no correlation at all (Vecchio & Norris 1996).

Finally, research has found that job satisfaction is lower in collectivist countries (Dobrev & Kim, 2019), like the one from which this sample was drawn. In sum, both macroeconomic variables like unemployment rate and empirical studies like the past research cited above, lend credence to the failed hypothesis.

Likewise, as demonstrated in the study, resilience provides a strong buffer to negative situations like a politically charged atmosphere at the workplace. The study is a first in establishing the assertion that resilience facilitates sustained positive force by subordinates in the face of high POP. This may work as an antidote to low job satisfaction. Hence, the study responds to recent calls by leadership scholars to integrate psychological capital (resilience being at the core of the psychological capital variable) in the leadership- work outcome relationship (Muchiri, Shaihid & Ayoko, 2019). Finally, the study fills the gap by empirically testing emotion-based variables in LMX literature, as most LMX-emotion associations have been theoretical in nature (Goody, Thomas, Yamammiro, Kim, Medaugh, 2019). This is an empirical attempt to advance the literature on the subject. The current study leads toward many practical implications as well.

## Practical implications

The current study sensitizes managers to the impact the quality and nature of supervisor-subordinate interaction has on employee work outcomes. Given that leaders have limited time and resources, managers would do well to increase off-the-work social contacts with out-group members

in order to fend off the image of playing favorites among employees. Organizational policies, especially those related to HR, should clarify objective Key Performance Indicators (KPI's) in order to reduce uncertainty and ambiguity in allocating rewards. As the study demonstrated, LMX influences work related outcomes like job satisfaction through perceptions of organizational politics. As a result, this would work towards reducing negative contextual perceptions like POP at the workplace and signal to employees the fairness of work procedures at the workplace, linking employee appraisal to fixed systems rather than emotional liking/disliking of the supervisor. Though supervisor judgment will have some role in appraising subordinate performance, the need to make performance and reward criteria as objectively as possible would be crucial. This would help ensure satisfied and committed employees. In order to trivialize the role of politics at the workplace, and mitigate the potential negative spill from leader member relations organizations should also consider not placing too much power in the hands of supervisors. Instead, the leader member power imbalance could be reduced by empowering employees, granting job autonomy, raising awareness of employee rights, flattening the hierarchy of the organization and or making skip leaders more accessible to the focal subordinate.

Although increased resilience cannot be prescribed as an absolute good, as it may also have some negative consequences (Olekalns, Caza & Vogus, 2019). It is however the case that in addition to LMX training for employees, organizations should focus on building positive capacities like resilience to enhance psychological wellbeing of the workforce. This study shows the buffering role resilience plays when stressors like organizational politics are high. This insight gains prominence considering that organizations are in flux in today's economic environment and cannot always meet follower expectations. Indeed, interpersonal or situational adversity (i.e. low LMX and high POP) are to be expected sometimes, with employee resilience being one important remedy. With the increase of career flexibility and short-term contracts on the rise, followers should stick to making efforts to change stressful conditions at the workplace in their favor.

### **Limitations and future directions**

The present study has some limitations that provide avenues for future research. These should be kept in mind while interpreting the results and findings of the study. The first relates to the research design. Specifically, the time-horizon issue employed in this study. Although the current study employed time lagged design to deflate common method bias, with predictor variable, mediators and outcome variables studied across different time spans, the mediating variable and moderators were collected at the same time (T2). Future studies could capture the mediating and moderating variables at different times and stretch out the time lags. Further, the respondents were drawn from four different organizations in the service sector. The dynamics might change if the manufacturing sector employees were included in the sample. Future studies could draw on more diverse and heterogeneous population samples. In addition, the effect of LMX in high power distance cultures like Pakistan may be more prominent than in low power distance cultures (Liao, Liu & Song, 2019). As power hierarchies are seen as natural and unavoidable, employees in high power distance cultures would perceive more benefits attached with high quality social exchange with the leader than employees in low power distance cultures. It is also our opinion that the basic LMX- work attitude and behavior link is to be explored further by controlling related constructs like LMX differentiation (Henderson et al., 2009), LMX ambivalence (Lee et al., 2019), LMX variability (Hooper & Martin, 2008), and LMX social exchange (LMXSC) (Lee, Gerbasi, Schwarz & Newman, 2019) because many questions still remain. In this opinion we differ from the mainstream of LMX research that has mostly moved on from the fundamental LMX construct. Although the LMX-work outcome relation has been examined alongside an emotional capacity like resilience, it would be interesting to see how other emotion based variables operate on the LMX-work related outcome link, as boundary conditions or underlying psychological mechanisms. For instance, future studies could try to capture peer perceptions of envy when some of their colleagues are the favorites of their leaders (i.e. high leader member exchange relationship). We speculate that one potential dark side of being

an in-group member could be that it arouses malicious envy by employees surrounding him/her. Future studies could empirically test this hypothetical link.

### Conclusion

This study examined POP as a mediator to understand the underlying mechanism linking LMX with job satisfaction, affective commitment and turnover intentions, answering how LMX impacts work related outcomes. Further, resilience was employed as a moderator between POP and work outcomes, showing when the relation gets weaker or stronger. Drawing on a sample of 311 employees, with multi-wave data, our findings are that LMX quality does not have a significant direct effect on work related outcomes, instead POP mediates the LMX-work outcome relationships and resilience mitigates the negative impact of POP with job satisfaction and affective commitment.

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