

The Role Of LMX In Employee's Job Motivation, Satisfaction, Empowerment, Stress And Turnover: Cross Country Analysis

Maria Malik, Xi'an Jiaotong University, China

Difang Wan, Xi'an Jiaotong University, China

Muhammad Ishfaq Ahmad, University of Lahore, Pakistan

Muhammad Akram Naseem, University of Lahore, Pakistan

Ramiz ur Rehman, University of Lahore, Pakistan

ABSTRACT

We investigated the effect of Leader Member Exchange (LMX) quality relationship on employee motivation, stress, turnover, satisfaction and Psychological Empowerment with a sample of 1500 employees across four countries. As expected, we found that high quality relationship positively associated with the employee motivation, satisfaction, Psychological Empowerment and lowers the employee stress, turnover. The study also sheds lights on relationship between employee motivation and employee turnover and stress.

Keywords: Leader Member Exchange; Employee Motivation; Employee Stress.

INTRODUCTION

The leadership exchange theory is based on different types of relationship between the leaders and group members. This theory contributes a lot in the leadership understanding perspective. Leader form different types of relations with their subordinates depending upon different characteristics of leader Dienesch and Liden (1986). They develop the process of leader member exchange theory and concluded quality of these relationships based upon the common characteristics of leader and subordinates.

Normally there are two types of relationship between leaders and subordinates observed. One is formal relationship inside the organization which is employment contract so called out group relationship. Other type is informal or extended relationship outside the organization so called in group relationship. This type of relation based upon number of factors like trust, respect ect. Subordinates become the part of in group or out group in the leader follower relationship.

Over the past two decades dramatic changes like downsizing, layoff and organization restructuring have changed employee's mindset. Due to these changes employees lose trust and feel insure. All these factors together not only effect the performance of the organizations but the performance of employee as well. This behavior changed the employee's attitude towards their work and consequences came in the form of high employee turnover.

As organizations built their human capital by investing significantly in different activities of training, workshops and orientations ect so they cannot afford turnover. Meanwhile finding right people for right place becomes a very big challenge for organizations. This is always a shortage of right people in the market. Research studies shows that employee's satisfaction is the key reason of turnover (Ahmad Faisal Mahdi, & Mohamad Zaid Mohd Zin, 2012),

This is the reason why people come with different satisfaction theories. One of the most famous is Herzberg Motivation-Hygiene Theory (1959). He explained that people are influenced by two sets of factors this is why it is also called Two factor theory. Similarly Maslow comes forward and proposed hierarchy of needs. In this theory he explained that satisfaction is very important but vary from level to level. The relationship between job satisfaction and motivation is not generally called into question. As Herzberg 1959 develops job satisfaction and motivation relationship based upon two set of factors.

Our research aimed to make evident and to understand the concept of Leader member exchange theory and its variables in cross country comparison of Pakistan, India, Nepal and Sri Lanka in three sectors of telecommunication, textile and food producers. We wanted to check how leader member exchange theory influence employee job satisfaction, employee turnover, employee motivation, employee stress and Psychological Empowerment in these countries. Likewise we also wanted to test how these variables react to each other. There is rich literature available on leader member exchange but mostly explained the quality of relationship between leader and follower. There is a lot of space available for exploring the relationship of leader member exchange and its variables. This study is an effort to contribute and fill this space. This study may help the practitioners in their effort to influence the job satisfaction. Respondents came from telecommunication industry, textile industry and food producers in target countries.

Conceptual Background and Hypotheses

LMX and Job Satisfaction

The literature of LMX shows that high quality LMX may influence the job satisfaction (Scandura and Graen, 1984; Sparrowe, 1994). According to the findings of Leronardo Stringer, (2006) high quality LMX not only positively effective for followers job satisfaction but outcomes of organization also. This result is consistent with the same concept given by Herzberg (1959) in the “theory of job satisfaction”. He argued that job satisfaction and dissatisfaction are different sets of working conditions that are influenced by different factors.

Utilizing the multiple regression analysis Chester A. Schriesheim et al, (1998) shows delegation and LMX both have significantly effects on subordinate performance and job satisfaction. LMX differentiation increases the performance of Low LMX members but no change in the individual performance of high LMX members. On the other hand LMX have positive effect on group performance depending upon the level of interdependence e.g, for high interdependence higher performance and lower the interdependence lower the performance demonstrated by Robert C. Liden et al, (2006).

There are numerous benefits of high quality relationships including special treatment, differential distribution of formal and informal rewards and positive job related feedback (Richard M. Dienesch & Robert C. Liden, 1986, Joelle D. Elicker et al, 2006, George B. Graen & Mary U hl-Bien 1995). Conversely followers in low quality LMX relationship practiced the exact opposite (Richard M. Dienesch & Robert C. Liden, 1986). Following compensations for high quality LMX followers, as explained by social exchange theory are likely related to be the positive outcomes. More explicitly, high quality relationships are strongly associated with the follower’s satisfaction and performance (Kenneth J. Harris et al, 2009).

Many adverse effects may arise for leader member relation characterized by low quality, Low quality LMX relatively associated with the low level of job satisfaction (Claudia C. Cogliser et al, 2009, Pascale M. Le Blanc & Vicente González-Roma, 2012, Birgit Schyns & Hans-Joachim Wolfram, 2008). Locke’s criticism Herzberg Motivation-Hygiene Theory, give new theory. He criticized that Herzberg pay much attention on physical needs. Locke’s theory on job satisfaction and stated that man mind and body are much closed. Through mind processing human discovers his/her needs and psychological needs. Finally he concludes that individual’s needs may be similar but values are not. Locke defers to Rand’s (1964) definition of value as “that which one acts to gain and/or keep”. So job satisfaction seems to be also dependent upon the values and goals.

LMX and Job Stress

Given the complexity of modern work, it becomes challenge for the leader to manage these complexities in the working environment. As the characteristics of work changed, leaders have to be implemented these changing to their subordinates, which create pressure and resulted in stress. Stress process involves several factors some are related with the situation and some came from individual characteristics. According to the National Institute for Occupational Safety and Health (NIOSH, 1999), job stress can be defined as “the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker”. Ken Harris & Micki Kacmar, (2003) argued that LMX quality and job stress are negative correlated means in high quality LMX job stress is low whereas in low quality LMX job stress is high.

Furthermore, Christopher H et al, (2009) by using 442 employees’ data concluded LMX serves as a source of minimizing the stress. High quality LMX is a source of deduction in job stress supported by empirically findings (Joseph B. Lyons & Tamera R. Schneider, 2009). Barry J Babin & James S. Boles, (1996) examined the same concept in retail marketing and comes up with the conclusion that supervisor support has positive influence on job satisfaction, performance and stress.

Complex working environment in organizations is not only the source of employee stress, there are many reasons of stress as Locke’s explain that every one’s values are not same. When leaders or organizations value does not match with the values of the subordinates, it creates conflicts which ultimately lead to stress. Conflicts always disturb the LMX relations and resulted in stress revealed by (Ericka R. Lawrence, 2012). Work stress plays moderation role in LMX relations by M.Gökhan Bitmiş &Azize Ergeneli, (2012). Due to working stress employee cannot perform and their motivation level becomes zero. Its common meth that stress can be controlled by motivation, so motivation becomes important tool for leader to reduce the employee stress. In this section we will see how Quality of LMX affects motivation.

LMX and Motivation

Robert House, 1971 gives path goal theory in which he states that behavior of leaders is contingent to the satisfaction, performance and motivation of his/ her subordinate. According to this theory, leaders are responsible to assist and coach their subordinates to achieve the goals. As LMX states that leaders have different relations with different groups , so in this way the motivation of followers depend upon hid/her relation with the leader.

Donald E. Wynn, Jr, leader have significant influence on the motivation of the subordinates. John H. Humphreys & Walter O. Einstein, 2004 offered findings that effective leadership is a source of motivation for subordinates. John E. Barbuto, Jr. & Gregory T. Gifford revealed empirically findings that leaders are the main source of motivation for subordinate.

Creatively is becoming a topic of ever increasing interest to organizational leaders. To increase the creativity they are supposed to motivate their employees and encourage them to introduce even they failed in early empts. To achieve this, again the environment and behavior of leader matters a lot. So there is a need to study the influence of LMX on creativity. Pamela Tierney et al, (1999) conducted study to check this relationship and concluded, LMX quality have strong power to motivate employees to do creativity.

Increasing sense of globalization, firms invest lot of money and time to get the advantage of globalization. Especially over the past two decades, complex global competition, rapidly increase in information technology shift towards service oriented organization push the firms to change their traditional way of doing things. These changes altogether forced them to adopt the concept of decentralized structure. In this structure employees shares the powers and encouraged to take more responsibilities. So with the passage of time the concept of empowerment becomes important factor to survive in this competitive world.

LMX and Psychological Empowerment

The concept of empowerment is not new, but in the past it may not have been used with this particular name. Thomas and Velthouse, (1990) define empowerment with certain changes in four meaning dimensions, competence, self-determination and impact reflecting an individual direction to his or her job role.

Meaning

They define meaning as the worth of work goal and believe with its own ideas and standards. It is a fit between individual beliefs, values and goals with organization goals and beliefs.

Competence

Competence belongs to individual capabilities and skills to perform a task. Here a competency means how individuals (subordinates) skillfully do their job roles.

Self Determination

Self determination belongs to individual's behavior to having choices to perform actions or job roles. This belongs to decision of performing work roles means which method should be adopted to perform certain tasks.

Impact

Impact means how an individual can influence work outcomes strategically, administratively. In nutshell empowerment with these four dimensions push employee to perform their work more actively.

Given competitive world and pressure, both theorists and academics have argued that traditionally hierarchical structures and management techniques should be changed with the employee empowerment, new management techniques. Normally it is argued that the benefits of empowerment have not always been achieved, because problems occur in the implementation of employee empowerment. We will discuss this variable in the context of LMX. In good relationships managers like to give more empowerment to his or her subordinates while don't like in bad relationships.

In their study Koen Dewettinck & Maaike Van Aemijde, (2011) explained direct relationship exist between job empowerment, job satisfaction and quality of LMX relationship. Beomcheol (Peter) Kim & R. Thomas George, 2005, by running Bivariate correlation revealed findings that LMX has significant positive influence on job empowerment and its dimensions, influence and attitude as well. Significant association between LMX and follower perception of empowerment exist argued by Sparrowe, (1994).

However we believe that job satisfaction, motivation and empowerment are dependent upon the quality of LMX. In particular, we suggest that employees, who have Low Quality LMX, suffer in dissatisfaction, low motivation and empowerment, always looking for new opportunities and try to leave organization. Thus in the following section we explain how LMX influence employee turnover.

LMX and Turnover

Academic and practitioner, turnover experts, believe that supervision plays a vital role in employee turnover decisions. As per LMX theory relationship between leader and subordinate either high quality or 'Good' or low quality or 'Bad' relations. A Good relation always helps employees embed within the organizations. Firms as a strategy continuously put efforts to maximize LMX perceptions between subordinates to reduce the turnover. Similarly bad relationship has been viewed bad attribute and assumed a key reason of employee quit. The same relation is observed by (Gerald R. Ferris, 1985, & George B. Graen et al, 1982) empirically findings showed that leadership style has strong predictor power of employee turnover. Organization committed is significantly affected by quality of LMX, which negatively contributed in employee turnover argued by Baek-Kyoo (Brian) Joo, (2010).

Regardless of Low quality LMX generally consider as the basic cause of turnover. However, empirically findings of several studies reported non-linear relationship between quality of LMX and job turnover (Paula C. Morrow et al, Kenneth J. Harris et al, 2005). Employees with high LMX enjoyed more attention from the supervisors. They develop their skills and enhance their value in the market. Such improvements make employee more attractive to other employers. In this way subordinates even with high LMX may leave firms.

Extending this, Jacob W. Breland et al, (2007) have noted that LMX is important predictor of career success and individuals with low quality LMX subject to more success comparable to high quality LMX. For example an individual in low quality LMX experiences different problems but with these experiences he enhances his skills to overcome these problems. With following skills his career becomes more successful and exactly opposite with high quality LMX member. Furthermore an empirically analyses by (Carl p. Maertz jr et al, & Birgit Schyns et al, 2007) demonstrated that low quality LMX had not significant effect on employee turnover.

One interesting aspect of LMX and job turnover is the conflict between the leader and subordinate. These conflicts may have several dimensions like follower duties and responsibilities, communication gaps and job problems ect which ultimately resulted turnover intention. Caroline C. Wilhelm et al, (1993) findings revealed attributional conflicts are positively related to turnover intention.

Employee motivation and job satisfaction

Gilbreth (1914/1973) introduce time and motion theory , by combining the time work study of Frederick Winslow Taylor with the Motion Study work of Frank and Lillian. Time theory was used to set the standard time for work while motion study evolved to improve the work methods.

After a certain level of performance has been achieved, further results may come in the form of reward. For these reaction peoples comes with different theories like, attribution theory, equity theory, and job characteristics theory. As Locke, (1976), the degree of satisfaction or dissatisfaction is a function of fulfillment of value and importance of value to the individual.

Bandura, (1986) sates that rewards for performance are of two types self administered rewards and administrated by others. Self administrative rewards can be measured by comparing performance by internal goals of the individuals. On the other hand administrated by others means rewards which administrated by other normally bosses, by comparing their performance with the stated goals. So employee motivation depends upon the rewards of their work. If the expected rewards are not equal to the actual rewards, result comes in the form of in dissatisfaction.

Jacques Igalens and Patrice Roussel, (1999) revealed compenstation package is a significant factor of employees motivation and commitment with the organization. These results consists with the Maslow's hierarchy of needs, 1943 in which he explains people needs rewards in the form of money to fulfill their basic needs. Similar findings were revealed by (C.A.L. Pearson, 1991, Huey-Ming Tzeng, 2002 and Donald P. Moynihan and Sanjay K. Pandey, 2007)

Employee motivation and Job Stress

Karasek's (1979) job demands-control model is most common model for occupational stress. The main premise of the job demands-control model is that control job demand strain and helping the subordinates in challenging task to motivate them and learn new skills.

Evidence from (House 1982, Jayaratne et al 1988 & cummings, 1990) shows social support within the organization, (supervisor, and colleagues) and outside the organization (family and friends) plays a significant role to reduce the occupational stress. Woolfolk, (1990, 2001) study the same concept in Educational Psychology and concluded that mostly decisions taken by teachers are the result of motivation.

Psychological Empowerment and job satisfaction

Empower is positive related to job satisfaction observed by Kirkman and Rosen, (1999). Spreitzer, et al. (1997) examined the relationship between empowerment dimensions and job satisfaction. They concluded that meaning dimension of empowerment have strong predictive power of job satisfaction while impact have no influence on job satisfaction. Ambiguous findings were reported by different scholars for empowerment. Empowerment dimensions except competence were significant predictors of general job satisfaction reported by Thomas and Tymon, (1994).

Employee Motivation and employee turnover

Motivating and retaining good employees has always been a big challenge for organizations. Employee with actual work perform better job which lead low supervision and low turnover argued by (Eby & Freeman, 1999; Harkins & Petty, 1982). Several studies have been conducted to find the link between intrinsic motivation, accidents and its outcomes as (Ambrose & Kulik, 1999). Intrinsic motivation was influenced by job design and employee behavior found by Ebay and freeman, (1999)

METHODOLOGY

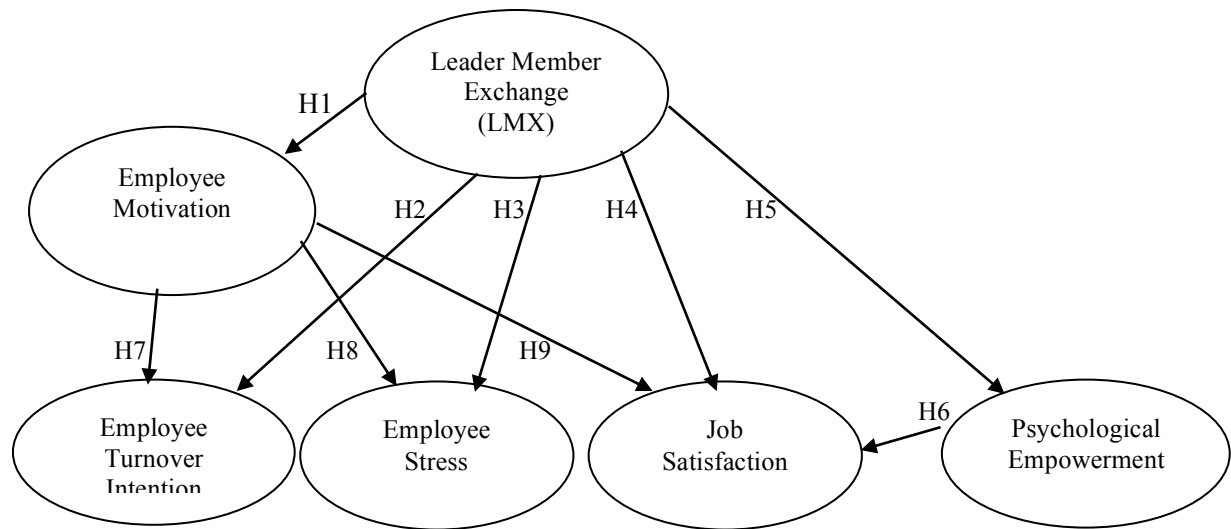
Research Design

This study examines the relationship between Leader-Member Exchange (LMX) and employee motivation, employee turnover intention, employee stress, job satisfaction and psychological empowerment. It also looks at the relationship between each of these variables. Each of these variables is measured utilizing standardized, close-ended questions, which is present to supervisory and non-supervisory employees in telecommunication industry, textile industry and food producers in Pakistan, India, Nepal and Sri Lanka. We collected the data of 1500 employees. Due to reason such as employee absence on the date of data collection, response rate is less than 100 percent.

The resulting sample distribution was diverse in terms of country proportion, 26.33 percent from India, 25.86 percent from Pakistan, 23.46 percent from Nepal and 24.33 percent from Sri Lanka. 36.1 percent respondents were female, 63 percent were mal and 0.9 percent did not report their gender. Respondents have an average age of 37 years. Among the respondents, 14.2 percent had secondary school certificate, 26 percent had matriculation certificate, and 19.1 percent held bachelor degree, 24.7 percent held master degree and 11.3 percent held higher than the master degree. 30.2 percent respondents had an organizational experience of between 3-5 years and only 9.6 percent respondents had an experience of more than 10 years.

Hypotheses regarding the relationships between the constructs, as illustrated in Figure 1.1

Figure 1.1 Relationship between Variables and hypotheses indentified



H1: The quality of the LMX relationship, measured by three dimensions of respect, trust, and obligation, will be directly related to employee motivation. According to (Manu Leenawong, Anne Scaduto et al, 2008 & Pamela Tierney et al, 1999), a positive relationship is expected with high quality LMX and negative relationship is expected with low quality LMX.

H2: The quality of the LMX relationship, measured by three dimensions of respect, trust, and obligation, will be non linear relationship with employee turnover intention means high quality LMX and low quality LMX producing high level of turnover reported by (Paula C. Morrow et al, Kenneth J. Harris et al, 2005, Carl p. Maertz jr et al, & Birgit Schyns et al, 2007). So increased turnover intention may remain same in both high quality LMX and low quality LMX.

H3: The quality of the LMX relationship, measured by three dimensions of respect, trust, and obligation, will have significant impact on stress. High quality LMX resulted in reduction in employee stress by (Barry J. Babin et al, 1996, Dr rosemary R. Legace et al & Joseph B. Lyons & Tamera R. Schneider, 2009). Low stress is expected in high quality LMX and high stress is expected in low quality LMX.

H4: The quality of the LMX relationship, measured by three dimensions of respect, trust, and obligation, will be directly related to job satisfaction. Following the existing empirically findings by (Chester A. Schriesheim et al, 1998, Robert C. Liden et al, 2006, Richard M. Dienesch & Robert C. Liden, 1986, Joelle D. Elicker et al, 2006, George B. Graen & Mary U hl-Bien 1995) revealed there is positive relationship between high quality LMX and job satisfaction and opposite in low quality LMX, positive relationship expected between high quality LMX and job satisfaction.

H5: The quality of the LMX relationship, measured by three dimensions of respect, trust, and obligation, will be directly related to Psychological Empowerment. Empirically findings by Samuel Aryee & Zhen Xiong Chen, 2006 & Carolina Gómez & Benson Rosen, 2001 showed there is positive relationship in high quality LMX and negative relationship in low quality LMX. Same results are expected between LMX and Psychological Empowerment.

H6: Psychological empowerment, measured utilizing the four dimensions of meaning, competence, self-determination and impact will have significant impact on job satisfaction as argued by (Sally A. Carless, 2004, Guangping Wang & Peggy D. Lee).

H7: Employee motivation is measured by three proportions of work environment, pay and benefits and recognition program will have direct relationship with intention to quit. Huey-Ming Tzeng, (2002) argued that motivation have

significant role in employee's intention to quit. Similar results are found by (Inge Houkes et al , 2003 & Carole L. Jurkiewicz, 1998). It is expected low motivation results in more employee turnover and high motivation is helpful to overcome employee turnover problem.

H8: Employee motivation is measured by three proportions of work environment, pay and benefits and recognition program will have negative relationship between the job stresses. Intrinsic motivation is positive related with stress where as extrinsic motivation is negatively related with the job stress by Luo Lu. (1999).

H9: Employee motivation is measured by three proportions of work environment, pay and benefits and recognition program will have positive relationship with job satisfaction. Jacques Igalens & Patrice Roussel, (1999) argued that salary packages motivation is positive related with the job satisfaction of employees. But as Maslow's hierarchy theory job satisfaction vary from one position grade level to other position grade level. In nut shell salary package is expected the key variable in job satisfaction.

Principle component analysis was used to identify the dimensions of LMX, employee motivation, employee turnover, employee stress, job satisfaction and psychological empowerment. Descriptive statistics and reliabilities will be calculated for each of the composite variables and correlation analysis will be utilized to identify the relationships between the constructs. A covariance matrix was calculated for all survey items in order to facilitate the structural equation modeling. Structural equation modeling will be utilized to test the ten hypotheses proposed in the model.

MEASURES

To measure and achieve study object, we used valid, well tested and reliable instruments that have been extensively used by the researchers. We applied LMX -7 commonly used instrument for the measurement of respect, trust and obligation between leader and subordinates (Dienesch and Liden (1986), George B. Graen & Mary U Hl-Bien, (1995) & Chester A. Schriesheim et al, (1998). A five-point Likert type scale is offered to rate each item, with the rating 1 = Rarely, 2 = Occasionally , 3 = Sometimes, 4 = Fairly often & 5 = Very often. Leronardo Stringer, (2006) found cronbach's alpha of 0.895 for this instrument, which shows it reliable instrument.

Job satisfaction has been measured by short form of Minnesota Satisfaction Questionnaire. We measured the intrinsic, extrinsic, and general job satisfaction by taking response from participants on a five-point Likert-type scale, consists of 1 = very dissatisfied, 2 = dissatisfied, 3 = neutral, 4 = satisfied, and 5 = very satisfied. Hancer & George (2001) found Cranach alpha .87, .86 and .90 for general job satisfaction, intrinsic job satisfaction, and for extrinsic job respectively which shows the readability of this instrument.

We utilized Spreitzer (1992) developed instrument for Psychological Empowerment dimensions of meaning, competence, self-determination and impact measurement. This instrument consists of 12 questions three for each dimension. Psychological empowerment related questions consist seven-point scale demonstrated as 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = neutral, 5 = slightly agree, 6 = agree, and 7 = strongly agree.

Mitchel.s (1981) turnover study helps us to determine Turnover intention. A five-point scale will be included consist of 1= not accurate at all, 2= not accurate, 3= Neutral, 4= accurate, 5= accurate at all. The reliability of this instrument is observed from Cronbach.s alpha of .81 calculated by Good, Sisler, & Gentry, (1988). Job stress is measured by offering five-point scale questionnaire consists of 1 = Never, 2= occasionally, 3 = somewhat often, 4 = frequently and 5 = Almost always. Employee motivation is measured by borrowing questionnaire of the human resource department of Government of the British Virgin Island.

RESULTS

Preliminary Analysis

Before collecting the data we checked the reliability of the studied variables.

Table 1. Reliability Analysis

Variable	Cronbach's Alpha	No Of Items
Satisfaction	0.76	20
Stress	0.79	4
Employee Motivation	0.83	10
LMX	0.88	7
Psychological Empowerment	0.82	19

Reliability estimates of independent and dependent variables ranged from 0.76 to 0.88.

Test of Hypotheses

Descriptive statics of all variables used in this study are displayed in Table-2 and correlations are displayed in table 3

Table 2. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction	1500	1.60	4.10	2.9280	.39300
Turn Over	1500	1.00	4.75	2.3367	.60455
Stress	1500	1.74	3.71	2.7834	.32327
Psychological Empowerment	1500	1.56	3.88	2.8216	.35833
Valid N (listwise)	1500				

Table 3. Correlation Matrix

		Satisfaction	Turn- Over	Stress	Psychological Empowerment	Motivation	LMX
Satisfaction	Correlation Coefficient	1.00	-0.19	-0.02	0.06	0.89	0.01
	Sig. (2-tailed)		0.00	0.55	0.02	0.01	0.02
Turn Over	Correlation Coefficient		1.00	-0.04	0.07	-0.62	-0.15
	Sig. (2-tailed)			0.08	0.01	0.02	0.06
Stress	Correlation Coefficient			1.00	0.02	-0.20	-0.81
	Sig. (2-tailed)				0.43	0.01	0.04
Psychological Empowerment	Correlation Coefficient				1.00	0.38	-0.34
	Sig. (2-tailed)					0.10	0.01
Motivation	Correlation Coefficient					1	0.67
	Sig. (2-tailed)						0.02
LMX	Correlation Coefficient						1
	Sig. (2-tailed)						

The Correlations among variables appear in the above posed table-3. Hypotheses 1 stated that leader member exchange is positively related with employee motivation. The results indicating that there is positive correlation ($r= 0.67$, $p= 0.02$) between leader member exchange and employee motivation (see table 3). Given that significance 0.02 we are saying there is positive relationship between leader member exchange and employee motivation. Turnover is negatively correlated with the leader member exchange that initially support hypothesis that in higher member ship exchange resulted in lower turnover.

To check the parametric and non-parametric analysis choices we did the run test and One-Sample Kolmogorov-Smirnov Test

Table 4. Randomness Run Test

	Satisfaction	Turn Over	Psychological Empowerment	LMX	Motivation	Stress
Test Value ^a	.03	2.33	2.78	.56	1.61	2.36
Cases < Test Value	750	750	750	750	750	749
Cases >= Test Value	750	750	750	750	750	750
Total Cases	1500	1500	1500	1500	1500	1499
Number of Runs	777	723	775	730	780	772
Z	1.343	-1.446	1.240	-1.085	1.498	1.111
Asymp. Sig. (2-tailed)	.179	.148	.215	.278	.134	.267

^a. Median

Table 5. One-Sample Kolmogorov-Smirnov Test

		Satisfaction	Turn Over	Psychological Empowerment	LMX	Motivation	Stress
N		1500	1500	1500	1500	1500	1499
Normal Parameters ^{a,b}	Mean	-.0083	-.0083	2.3378	2.7787	.5199	1.6058
	Std. Deviation	.86593	.86593	.84797	.07961	1.21394	.38823
Most Extreme Differences	Absolute	.020	.020	.015	.012	.016	.011
	Positive	.016	.016	.015	.008	.013	.008
	Negative	-.020	-.020	-.011	-.012	-.016	-.011
Kolmogorov-Smirnov Z		.759	.569	.453	.616	.444	.678
Asymp. Sig. (2-tailed)		.612	.903	.987	.842	.989	.748

^a. Test distribution is Normal.

^b. Calculated from data.

The p-values in the randomness run test shows that the data is collected randomly as $p > 0.05$ (see table 4). One-sample kolmogorove-smornov test showed that data is normally distributed supported by $p > 0.05$ (see table-5). These test suggested us to go for parametric analysis and we did the regression analysis to test our suggested hypotheses.

Table 6. LMX results testing Hypotheses

		Dependent Variable: LMX				Dep: Psy	Dep: Motivation			
		Model -1	Model -2	Model -3	Model -4	Model- 5	Model- 6	Model- 7	Model -8	Model- 9
Explanatory Variable	R2	0.32	0.53	0.62	0.42	0.2	0.25	0.29	0.59	0.76
Model Significance	F-stat	35.56	522.56	534.06	1094.08	2.843	3.25	32.26	31.29	132.6
	p-value	0.00	0.00	0.00	0.00	0.092	0.046	0.00	0.00	0.00
Motivation	co-efficient	0.473								
	Std.Error	0.08								
	t-stat	5.929								
	p-value	0.00								
Employee Turn Over	co-efficient	0.728				-0.12				
	Std.Error	0.032				0.005				
	t-stat	22.85				-24				
	p-value	0.00				0.00				
Stress	co-efficient	-0.701				-0.11				
	Std.Error	0.031				0.01				
	t-stat	-23.11				-11				
	p-value	0.00				0.00				
Job Satisfaction	co-efficient	0.911				0.85		0.75		
	Std.Error	0.028				0.025		0.019		
	t-stat	33.082				34		39.47368		
	p-value	0.00				0.00		0.00		
Psychological Empowerment	co-efficient	-0.664								
	Std.Error	0.394								
	t-stat	1.686								
	p-value	0.092								

In the above posed table we test the all suggested hypotheses by using the linear regression. In the first model leader member exchange is positively related with the employee motivation with p-value 0.00. Second model states that there would be positive relationship between LMX and employee turnover. Our findings validate this relationship with (r= 0.728, p= 0.00). In third hypothesis we made argument that there is negative relationship between LMX and stress. Model three confirms this relationship with (r= -0.701 and p= 0.00). It means whenever there is higher LMX stress is lower. Model 4 explores the relationship between job satisfaction and LMX. We found the expected relationship that higher LMX leads to higher job satisfaction and there is positive relationship between LMX and Job satisfaction. Model 5 investigates the relationship between LMX and Psychological Empowerment and we statistically observed that there is negative relationship between LMX and Psychological Empowerment (see table -6 model-5).

After checking the relationship between independent variable (LMX) with independent variables, we find the relationship among the independent variables. Model 6 we observed what is the relationship between Psychological Empowerment and job satisfaction. We found there is positive relationship between Psychological Empowerment and job satisfaction explained by (r= 0.85, p = 0.00). Model 7 and 8 explain the relationship of employee motivation with employee turnover and stress. We found that employee motivation have negative relationship with the employee turnover and employee stress. It means whenever motivation higher, employee stress and turnover is lower. Model 9 describes the relationship between employee motivation and job satisfaction. The overall model is significant with explanatory power of 0.76 and showed there is positive relationship between employee motivation and job satisfaction (see model-9 table-6).

CONCLUSION

The current investigation empirically examined implication of LMX theory that leaders differentiate between followers in terms of quality of relationship formed with each. This study studies the antecedents and outcomes of followers. Results of the current investigation suggest that there is direct relationship between LMX and suggested variables.

Our results revealed that high quality relationship enhances the employee motivation support the findings of Pamela Tierney et al, (1999).The association between LMX and Employee motivation is statistically highly significant. Our results revealed that higher quality of relationship resulted in lower employee turnover, higher satisfaction and lower stress. Although our results are consistent with the prior studies, we extend prior research through extensive analysis through cross countries.

The research presented in this study takes managers one step closer to the understanding the role of relationship with the followers motivation, satisfaction, stress, turnover and Psychological Empowerment.

AUTHOR INFORMATION

Maria Malik is a Doctoral Candidate at the School of Management, Xi'an Jiaotong University, and can be contacted at: maria_malik20066@yahoo.com. Her research interests focus on banking , human resource and governance practices.

Di-fang Wan (PhD, Xi'an Jiaotong University) is a Professor of Organization Management at the School of Management, Xi'an Jiaotong University, China. He received his PhD degree in Management through Xi'an Jiaotong University/University of Alberta Joint PhD Program under the Canada–China Management Education Project. His research interests include corporate governance, merger and acquisition, organization innovation, and experimental research. He has published numerous papers in Chinese leading journals and has published in the Journal of High Technology Management Research, International Journal of Health Care Finance and Economics, Management and Organization Review, and Asia Pacific Journal of Management. He has been in charge of several projects funded by the National Science of Foundation of China (NSFC).

Muhammad Ishfaq Ahmad is doing a PhD in Management. He is also a Lecturer at Lahore Business School, The University of Lahore.

Muhammad Akram Naseem is currently doing his PhD in Financial Management. He has more than ten years of teaching experience at University level and profession experience at Central Bank. Currently He served as an Assistant Professor of Statistics at Lahore Business School, The University of Lahore. Now, he is on study leave.

Ramiz ur Rehman is currently doing his PhD in Financial Management. He has more than ten years of teaching experience at University level. Currently He served as an Assistant Professor of Finance at Lahore Business School, The University of Lahore. Now, he is on study leave.

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