

Building employees' organisational commitment with LMX: the mediating role of supervisor support

Hsiow-Ling Hsieh

I-Shou University
Kaohsiung, Taiwan

ABSTRACT: This study examines the relationships between leader-member exchange (LMX), supervisor support and organisational commitment for bank employees. Data for the study were collected during 2011 by using a questionnaire completed by employees at E Sun Bank and First Bank in southern Taiwan. The study found that the quality of LMX influences employees' organisational commitment through supervisor support. Findings imply that perceived supervisor support acts as a mild mediator in the psychological context towards employees when it comes to the link with LMX and organisational commitment in Chinese banks. The study showed that a supervisor's considerations for their subordinates can lead to employees feeling important within the organisation and that appropriate encouragement could inspire employees to dedicate more effort towards the organisation.

Keywords: Leader-member exchange (LMX), organisational commitment, supervisor support

INTRODUCTION

How to keep excellent employees' commitment to the organisation appears particularly important nowadays. The workforce is becoming more aware of human issues and relations, and employees play a crucial role in any successful organisation [1]. Moreover, a leader's role also plays a key factor in influencing those subordinates. Leadership has been defined as the process of influencing others to understand what needs to be done and agreeing about how to do it effectively.

A leader's role is to create an engaging work environment. If employees perceive support in the organisational environment or supervisor support, it may add value to their perceptions of organisational support and increase their job satisfaction and organisational commitment [2]. When compared with Westerners, the Chinese have a stronger sense of responsibility and obligation towards those who have a close relationship with them. This is known as *guanxi* in Chinese society. Thus, commitment to the organisation may be of particular relevance for understanding the work behaviour of Chinese employees [4].

The author focused on Chinese employees and explored their role in the link between leader-member exchange (LMX) and commitment. Therefore, the purpose of this study was to examine the relationships among LMX, mutual relationships, such as trust and supervisor support, and organisational commitment for employees in banks.

LITERATURE REVIEW

Leader-Member Exchange (LMX)

The influence of leadership is important in any organisation. Leadership has been widely conceptualised and tested in behavioural psychology and business management. But early leadership theories have not been completely satisfactory because most of them are based on two basic assumptions: homogeneity and fair treatment. These theories viewed subordinates' exceptional differences of attitude to the same leader as measurement error [5].

The past two decades have produced several other leadership theories. One of the more recent theories is the leader-member exchange (LMX) theory. LMX is defined as the quality of the exchange between a leader and their

subordinates, which means that supervisors and subordinates establish mutual relationship and develop the level of mutual respect and trust [6]. The theory, basically, declares that the relationship between a leader and their subordinates is in anticipation of the consequences at the individual, group and organisational level [7]. A good relationship consists of trust, mutual appreciation and respect.

The development of LMX is related to emotion, loyalty and contribution. As for leaders, they develop a closer relationship of trust with some subordinates in anticipation of better subordinate performance and have the responsibility to achieve operational goals [8]. This behaviour might reach the leader's expectation, becoming a self-fulfilling prophesy.

Supervisor Support

Supervisor plays an important role in organisations. He/she has to provide timely information and feedback to employees in the workplace. Accordingly, it is vital for employees that their supervisor is able to offer appropriate assistance and support when they encounter any trouble at work [9].

Supervisor support includes matters, such as caring about subordinates, valuing their contributions, helping them on work-related issues and facilitating their skill development [13]. More specifically, employees with high levels of both routine performance and creativity need to trust their supervisors and believe that these supervisors will provide necessary resources, support and backing for ideas. In addition, trust in supervisors appears to build a psychologically safe environment, one that allows employees to focus their cognitive attention on the job, thus improving their production and allowing them to express their creativity [10].

Supervisor support is related to certain feedback and the advantage that subordinates receive from their supervisors for their contributions. Due to managerial constraints, it is difficult for supervisors to treat each subordinate identically. Therefore, limited organisational resources influence different types of relationships or exchange relationship development. If a good relationship exists, subordinates will perceive a higher level of support from their supervisor and supervisors will also take the future career development of subordinates into consideration [11]. As such, the first hypothesis is as follows:

H1: High quality LMX is positively related to supervisor support.

Organisational Commitment

The concept of commitment to the organisation has drawn increasing attention from researchers in recent years. In particular, it has been found to be an important predictor of job performance [16]. Mowday, Porter and Steers noted that commitment is the relative strength of an individual's identification with, and involvement in, the organisation in terms of values and goals [12].

The organisation commitment model consists of three major parts: antecedents, outcomes and organisational commitment. First, antecedents of organisational commitment involve work experiences, personal characteristics and jobs of quality. Work experiences are distinguished from group attitudes, organisational characteristics and personal significance [13].

Eisenberger and Rhoades concluded that supervisor support is an antecedent to perceived organisational support because supervisors serve as agents of the organisation and the treatment that employees receive from the supervisor is a reflection of how they are viewed by the organisation [3]. In addition, Dhruv, Fern and Ramon reported only a small statistically significant relationship between supervisor satisfaction and turnover [14]. The result significantly noted that supervisor support and job satisfaction consist of distinct and separate constructs. However, there has been limited research analysing perceived support in the organisational environment and its distinctiveness from both job satisfaction and organisational commitment [2].

Eisenberger and Shanock found out that organisational support theory may be expanded to provide subordinates with support as a means by which supervisor's mutual favourable treatment comes from the organisation. Supervisors' perceptions that the organisation valued their contribution and cared about their well-being were found to be related to subordinates' perceptions of support by the supervisor. In turn, this was related to a subordinate's perceived organisational support, in-role performance and extra-role performance [15]. Thus, the organisation's supportive treatment of supervisors may add value to the perceived organisational support and performance of subordinates.

According to these findings, perceived supervisor support may let subordinates feel mutual treatment in the organisation. In addition, the subordinates who receive supervisor support may contribute more to the organisation. The second hypothesis is:

H2: Perceived support from supervisors is positively related to subordinates' organisational commitment.

Related Research on LMX, Supervisor Support and Organisational Commitment

According to the LMX literature, the quality of LMX is negatively associated with subsequent turnover. Because perceived supervisor support and affective commitment to the supervisor are strong indicators of the quality of exchange relationships between employees and supervisors, it is plausible that they will affect the turnover process as well [16].

Current transformations in most companies around the world suggest that supervisors become a more critical focus of exchange with employees than ever before. Indeed, because organisations are encountering dramatic changes, and are becoming more decentralised. Their visibility to employees may be more limited than in the past. In addition, employees' trust in their employer may have diminished due to these changes. A consequence of this is that supervisors may not only *represent* but also partly *replace* the organisation in keeping their employees motivated and willing to stay [17].

Personal characteristics include age, education, tenure and sense of achievement. Job characteristics comprise task identity, feedback and optional interaction. Outcomes, the third part of the organisation commitment model, consist of intention to leave or retention, attendance, job performance and turnover. In addition, organisational commitment has proved to be the most crucial commitment, which influences work results and employees' desire to stay in the organisation, and it leads to employees having high commitment to fulfil organisational goals [18].

It also refers to the employees' emotional attachment and is generally considered as three dimensional construct comprising. These are affective commitment, continuance commitment and normative commitment. Some empirical evidence indicates that organisational commitment gives rise to the desire to make further contributions to the organisation, whereas job commitment brings about negative effects [19]. The third hypothesis is:

H3: Supervisor support mediates the relationship between LMX and organisational commitment.

METHODOLOGY

Sampling Design

Data for the study were collected during 2011 by using a questionnaire of employees at E Sun Bank and First Bank in Kaohsiung and Tainan, Taiwan. Of the 702 questionnaires distributed, 370 were returned, producing a return rate of 52.71%.

Instrument

The study was implemented through a questionnaire that was used to collect data in line with studies based on the literature review. A pilot study for the draft questionnaire was carried out in order to consolidate its reliability and construct validity. The questionnaire was divided into two parts. The first part was general information about respondents and the second part comprised four sections. Each section represented one of study's four variables. Each item was ranked using a five-point Likert rating scale, with 1 representing *Strongly Disagree*, 2 representing *Disagree*, 3 representing *Neutral*, 4 representing *Agree* and 5 representing *Strongly Agree*.

RESULTS AND DISCUSSION

Effects of LMX on Supervisor Support

The results in Table 1 show whether LMX has any impact on supervisor support. In Model 1, the controlled variables, such as sex, education and tenure, have only 0.6% explanatory power, which is under the significant statistical level. It reports that β value of LMX is 0.816 ($p < 0.001$). It means higher quality of LMX leads supervisor to give more support to employees so H1: *high quality LMX has a positive effect on supervisor support* was supported.

Table 1: Effects of LMX on supervisor support.

| | Model 1 (β) | Model 2 (β) |
|--------------|---------------------|---------------------|
| sex | -0.053 | -0.053 |
| edu | 0.404 | 0.026 |
| tenure | 0.033 | -0.016 |
| LMX | | 0.816*** |
| ΔR^2 | 0.006 | 0.665 |
| ΔF | 0.640 | 646.059**** |
| R^2 | 0.006 | 0.671 |
| F | 0.640 | 162.963*** |

* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$

Effects of Supervisor Support on Organisational Commitment

To realise whether supervisor support has any impact on organisational commitment, Table 2 shows that the β value of supervisor support is 0.663 and R^2 is 0.456 ($p < 0.001$). In addition, tenure also has little effect ($\beta = 0.078$, $p < 0.05$) on organisational commitment. According to the data, supervisor support has a significant impact on organisational commitment and those employees get more supervisor support and may raise their organisation commitment so H2: *supervisor support has a positive effect on subordinates' organisational commitment* was supported.

Table 2: Effects of supervisor support on organisational commitment.

| | Model 3 (β) | Model 4 (β) |
|--------------------|---------------------|---------------------|
| sex | -0.085 | -0.050 |
| edu | -0.079 | -0.106 |
| tenure | 0.056 | 0.078* |
| supervisor support | | 0.663*** |
| ΔR^2 | 0.190 | 0.437*** |
| ΔF | 2.115 | 256.031 |
| R^2 | 0.190 | 0.456*** |
| F | 2.115 | 66.859 |

* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$

Effects of LMX and Supervisor Support on Organisational Commitment

Table 3 reports the effect of LMX and supervisor support on organisational commitment, and the β values of LMX and supervisor support are 0.458, 0.287 and R^2 is 0.525 ($p < 0.001$) so it has a significant impact on organisational commitment. However, education also has a negative effect on organisational commitment. On the whole, supervisor support has partial mediating effects on LMX and organisational commitment. It points out that the mediating effect is strong so H3: *supervisor support mediates the relationship between LMX and organisational commitment* was supported.

Table 3 Effects of LMX and supervisor support on organisational commitment.

| | Model 5 (β) | Model 6 (β) | Model 7 (β) |
|--------------------|---------------------|---------------------|---------------------|
| sex | -0.085 | -0.086* | -0.070 |
| edu | -0.079 | -0.091* | -0.099* |
| tenure | 0.056 | 0.070 | 0.075 |
| LMX | | 0.692*** | 0.458*** |
| supervisor support | | | 0.287*** |
| ΔR^2 | 0.190 | 0.479 | 0.027 |
| ΔF | 2.115 | 304.350*** | 18.144*** |
| R^2 | 0.190 | 0.498 | 0.525 |
| F | 2.115 | 79.178*** | 70.375*** |

* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$

IMPLICATIONS FOR ENGINEERING EDUCATION

Overall, the results have both theoretical and practical implications. In terms of theory, a supervisor's support has a mediating effect on commitment, suggesting that according to leader-member exchange theory (LMX), it may be fruitful to examine supervisory support within organisations. From a practical perspective, the results of the present study identify several possible implications for engineering education.

First, supervision is an organisational role, the effective enactment of which entails the ability to meet the needs and goals of group members with task or work requirements. Thus, a supervisor serves as a function of interactive skills, such as administrative coordination, task-related technical knowledge and human relations.

Second, understanding, maintaining and enhancing organisational commitment is critical. Organisations could evaluate supervisors on their ability to build a committed workforce. Organisations may benefit by pursuing high-commitment practices, such as on-the-job training and development activities. This kind of information could be used to develop strategies to improve both the effectiveness of front employees like engineers and the organisation.

Third, head supervisors may need specific training in order to develop coaching and a consideration-orientated leadership, which focuses on mutual respect instead of controlling behaviours. Consequently, it would be particularly

beneficial for supervisors to provide emotional support to front employees, giving them adequate feedback on their performance.

CONCLUSIONS

The study supported the proposition that LMX has a positive impact on supervisor support in banking. If the relationship between supervisors and some subordinates is closer, subordinates may perceive more support than other subordinates. As a result of the study, the high quality of LMX has a positive effect on supervisor support.

The study found that if subordinates receive more support from their supervisor, their organisational commitment in banking will be relatively high. As such, supervisor support has a positive effect on a subordinate's organisational commitment.

The study showed that supervisor support has a positive impact on LMX and organisational commitment so supervisor support in banking influences the relationship between LMX and organisational commitment. According to the study, *supervisor support mediates the relationship between LMX and organisational commitment* was partially supported.

The study pointed that supervisors' considerations with their subordinates may cause employees to feel important within the organisation and appropriate encouragement may inspire employees to dedicate more effort to the organisation. It is essential, therefore, that supervisors understand the significance of building a positive relationship with their respective subordinates.

In addition, the study revealed that employees and supervisors are satisfied with their performance in closer relationships. When the quality of LMX is higher, the supervisor may know more about employees' needs so their support will increase more than with others.

As a consequence, the supervisor should clearly state the goals and vision of the organisation and, most importantly, the role each subordinate has in contributing to the business operations. Providing the awareness instils a sense of belonging and a positive feeling of identification with the organisation, the subordinate's commitment to the organisation will be enhanced.

REFERENCES

1. Grantham, C., *The Future of Work: The Promise of the New Digital Work Society*. NY: McGraw-Hill (2000).
2. Allen, D.G., Lynn, M.S. and Rodger, W.G., The role of perceived organizational support and supportive human resource practices in the turnover process. *J. of Manage.*, 29, 1, 99-118 (2003).
3. Eisenberger, R. and Rhoades, L., Perceived organizational support: a review of the literature. *J. of Applied Psychology*, 87, 698-714 (2002).
4. Wong, C.S. and Kung, H.L., An exploratory investigation on commitment to specific constituencies in Taiwan. *Chinese J. of Psychology*, 40, 1, 1-13 (1999).
5. Cashman, J. and Graen, G.B., *A Role-Making Model of Leadership in Formal Organizations: A Development Approach*. In: Hunt, J.G. and Larson, L.L. (Eds), *Leadership Frontiers*. Kent, OH: Kent State University Press (1975).
6. Hsiung, H.H. and Tsai, W.C., Job definition discrepancy between supervisors and subordinates: the antecedent role of LMX and outcomes. *J. of Occupational and Organizational Psychology*, 82, 89-112 (2009).
7. Maslyn, J.M. and Uhl-Bien, M., Leader-member exchange and its dimensions: effects of self-effort and other's effort on relationship quality. *J. of Applied Psychology*, 86, 4, 697-708 (2001).
8. Brower, H.H., Schoorman, F.D. and HoonTan, H., A model of relational leadership: the integration of trust and leader-member exchange. *Leadership Quarterly*, 11, 2, 227-250 (2000).
9. Durham C.C., Knight, D. and Locke, E.A., Effects of leader role, team-set goal difficulty, efficacy, and tactics on team effectiveness. *Organizational Behavior and Human Decision Processes*, 72, 203-231 (1997).
10. Madjar, N. and Ortiz-Walters, R., Trust in supervisors and trust in customers: their independent, relative, and joint effects on employee performance and creativity. *Human Performance*, 22, 128-142 (2009).
11. Chang, W.C., Chen, C.H., Hu, C.S. and Wang, S.J., The effect of leader-member exchange, trust, supervisor support on organizational citizenship behavior in nurses. *J. of Nursing Research*, 16, 4, 321-328 (2008).
12. Mowday, R.T., Porter, L.W. and Steers, R.M., *Employee-organization linkages: The Psychology of Commitment, Absenteeism, and Turnover*. New York: Academic Press (1982).
13. Steers R.M., Antecedents and outcomes of organizational commitment. *Administrative Science Quarterly*, 22, 46-57 (1977).
14. Dhruv, G., Fern, E.F. and Ramon, A.A., Salesforce turnover: those who left and those who stayed. *Industrial Marketing Manage.*, 18, 1, 1-9 (1989).
15. Eisenberger, R. and Shanock, L.R., When supervisors feel supported: relationships with subordinates' perceived supervisor support, perceived organizational support, and performance. *J. of Applied Psychology*, 91, 3, 689-695 (2006).

16. Stinglhamber, F. and Vandenberghe, C., Organizations and supervisors as sources of support and targets of commitment: a longitudinal study. *J. of Organizational Behavior*, 24, 3, 251-27 (2003).
17. Butz, R.M., Dietz, J. and Konovsky, M.A., Top management and immediate supervisors as distinct targets of trust. Paper presented at the 16th Annual Conf. of the Society for Industrial and Organizational Psychology, San Diego: CA (2001).
18. Cohen, A., *Multiple Commitments in the Workplace: An Integrative Approach*. Mahwah, NJ: Erlbaum (2003).
19. Allen, N.J. and Meyer, J.P., Affective, continuance, and normative commitment to the organization: an examination of the construct validity. *J. of Vocational Behavior*, 49, 252-276 (1996).

BIOGRAPHY



Hsiow-Ling Hsieh is a Professor in the Department of Business Administration in I-Shou University, Kaohsiung, Taiwan. She received her PhD from the National Kaohsiung Normal University, Kaohsiung, Taiwan. Dr Hsieh has a special interest in statistical data analysis, knowledge management, psychology, organisational behaviour, human resource management and education. She is currently a board member of the Education Committee and the Commission on Gender Equality Education of the Kaohsiung County Government. She is also a member of the Teacher Assessment Committee of I-Shou University, and of the Teacher Assessment Committee of the Kaohsiung First University of Science and Technology. Professor Hsieh also serves as an editor of the *Journal of Humanities and Social Sciences* and as a reviewer for the *Journal of Human Resource Management* and the *Taiwan Academy of Management*.