MODULE

8

Leader-Member Exchange Theory

"Even as a hero, sometimes I have to be selfish for those close to me."

- ***Benjamin*** *Tennyson*

Time Period and Situation

Leader-Member Exchange Theory became the focus of research in the late 1970s. Before the LMX theory, researchers thought of leadership as a process with consistent relationships between a leader and every follower. LMX changed that idea by theorizing that a leader has different relationships with each of their followers. Early research focused on the formation of in-groups and out-groups while later research shifted the focus to how LMX changed organizational effectiveness.

Agenda

1. Leader-Member Exchange Theory Definition
2. LMX Examples
   a. King Arthur
   b. Mahatma Gandhi
   c. Oprah Winfrey
   d. Ben Tennyson

Student Objectives:

1. Students will understand LMX Theory including both the positives and negatives of this theory.
2. Students will be able to develop connections between LMX and in-group/out-group.
3. Students will be able to recognize groupthink and be better equipped to avoid it.

Facilitation Notes

1. EMPHASIZE THAT: Being in the in-group can have its advantages and disadvantages.
2. EMPHASIZE the connection between the leaders and LMX/in-group and out-group.
3. Ben 10 is at the end for a reason. He's fun, so it makes him a good end point. Talking about him in the beginning will probably disappoint the students because less interesting leaders will follow.
4. Make sure to talk to people beforehand for the Groupthink activity.

Theory

1. Leader-Member Exchange Theory (LMX)
   a. Leadership as a process that focuses on the interactions between leaders and followers. The close relationship between leaders and followers is the focal point of this leadership process. Leaders form unique and individual relationships with their followers, referred to as dyadic relationships (Northouse 137-138). LMX Theory has been linked to more positive organizational outcomes such as improved performance, job climate, empowerment, etc. (Northouse 146).
   b. Individualized relationships can lead to the formation of an in-group and an out-group (Northouse 140).
      i. In-group: relationships are defined by mutual trust, respect, liking, and reciprocal influence. Members of the in-group may receive benefits they may not experience if they did not maintain a close relationship with the leader (Northouse 140).
         1. Working with an in-group can help leaders increase productivity. In-group members are more likely to exceed the requirements and find innovative ways to improve the organization. In turn, leaders give them more responsibilities and opportunities (Northouse 144)
         2. If relationships in the in-group become too close, some respect may be lost. This can lead to abuse of the relationship by the follower, and they may think they are exempt from rules or regard themselves as at a higher position.
      ii. Out-group: relationships are defined by more formal communication and keeping things strictly professional (Northouse 140).
         1. Outgroup members perform strictly within and receive benefits of their assigned roles (Northouse 145). They require less of a commitment in maintaining the leader-follower relationship when compared to members of the in-group.
         2. Some of the biggest criticism of LMX centers on the existence of an out-group and the unequal opportunities it gives to members of the out-group compared to those given to members of the in-group.
   c. Opposite to in-group/out-group is the idea of leadership making, another concept that is part of LMX theory. Leadership making is the idea that leaders should develop high-quality exchanges with *all* followers, not just a select group. This attempts to include every follower in the in-group.
   d. Leadership-making development process figure (Northouse 142)

Table 7.1 Phases in Leadership Making

	Phase 1 Stranger	Phase 2 Acquaintance	Phase 3 Partnership
Roles	Scripted	Tested	Negotiated
Influences	One way	Mixed	Reciprocal
Exchanges	Low quality	Medium quality	High quality
Interests	Self	Self and other	Group
		Time →	

SOURCE: Adapted from "Relationship-Based Approach to Leadership: Development of Leader–Member Exchange (LMX) Theory of Leadership Over 25 Years: Applying a Multi-Level, Multi-Domain Perspective," by G. B. Graen and M. Uhl-Bien, 1995, *Leadership Quarterly, 6*(2), 231.

    e. Connection: Groupthink
        i. Groupthink is the idea that individual members of groups tend to accept the viewpoint that they perceive as the group consensus, whether or not the group members believe it to be true or optimal. This can reduce the effectiveness of the group as a whole. Group behaviors, bias (such as in-groups and out-groups), and pressures can all affect groupthink.

Examples of Leader-Member Exchange

King Arthur (Fictional Character)

Resources:
1. https://www.britannica.com/topic/King-Arthur
2. https://www.britannica.com/topic/Round-Table-Arthurian-legend#ref908097
3. https://study.com/academy/lesson/knights-of-arthurs-round-table-legend-quiz.html

CORE Crash Course (CCC):

    King Arthur is a legendary king who appears in various texts ("King Arthur"). Arthur had a council of 12 trusted knights, known as the "Knights of the Round Table." As Arthur's closest friends and advisors, the knights of the round table had to earn their spot by taking the oath of honor that consisted of various ideas surrounding morality and chivalry ("Knights of Arthur's Round Table"). Arthur's close relationship to his round table knights, as opposed to the rest of his court, showcases the concept of in-group and out-group. The knights of the round table were considered friends and given more important tasks, while those who were not a part of the round table were given average tasks.

Discussion Questions:
1. Are leaders who have an in-group and an out-group good leaders?
2. Would it ever be beneficial to be part of the out-group?
3. Are there drawbacks to being part of the in-group?

Mahatma Gandhi (1869-1948)
Resources:
1. https://www.britannica.com/biography/Mahatma-Gandhi

CORE Crash Course (CCC):

Mahatma Gandhi was a lawyer, politician, writer, and social activist against the British rule of India. Gandhi had a desire to constantly improve himself, and did so by rallying the people of India through nonviolent protests. He was known to have a close group of followers who worked with him to gather support for his movements. The group that developed a close relationship with him would be considered his in-group. The rest of his followers still maintained his goal and helped him but did not develop a close relationship with him ("Mahatma Gandhi").

Discussion Questions:
1. Is having in-groups and out-groups fair?
2. How does Gandhi's in-group/out-group dynamics compare to King Arthur's dynamic?
   a. What potential ways did Gandhi's differing dynamic affect the outcome of his goal?
3. How can a leader help members of the out-group become the in-group?
   a. Should the leader help members of the out-group come into the in-group?

Oprah Winfrey (1954-Present)
Resources:
1. https://www.biography.com/media-figure/oprah-winfrey
2. https://www.forbes.com/sites/jennagoudreau/2010/10/22/how-to-lead-like-oprah-winfrey-own-rachael-ray-dr-oz-phil/#5c7972a35582
3. https://www.businessinsider.com/oprah-winfrey-success-secret-2019-3?r=US&IR=T

CORE Crash Course (CCC):

Oprah Winfrey grew up in a humble home in rural Mississippi. She eventually attended Tennessee State University in 1971 and began working in radio and television broadcasting. In 1976, she began hosting the TV chat show *People Are Talking*. She hosted the show for eight years before being recruited by a Chicago TV station to host her own morning show. Due to her open and warm-hearted personality, Oprah was incredibly successful and launched her own program: *The Oprah Winfrey Show*. As talk shows became more and more exploitative, Winfrey vowed to keep tabloid topics out of her show, earning her respect and popularity ("Oprah Winfrey"). Winfrey is known to keep her audience involved in her shows and treat them as equals (Goudreau). She makes her intentions clear and responds depending on how her followers react to her shows (Bort).

Discussion Questions:
1. How does the environment affect leader/follower dynamics?
   a. Ex. talk show host vs religious leaders
2. Can pressure from the media force a fake relationship between celebrities/leaders and followers?
3. How could Winfrey's background affect her leadership style?

Ben Tennyson (Ben 10) (2005-Present)

Resources:
1. https://www.youtube.com/watch?v=35Sbd9jAsII&feature=youtu.be

CORE Crash Course (CCC):

Ben 10, born Ben Tennyson, is a 10 year-old boy who was given possession of a special watch called the Omnitrix. This allowed him to morph into a series of unique creatures with superhuman abilities. He took it upon himself to use his new ability to save people from harm. In one episode, his small-town love, Julie, is captured by an enemy. Ben 10 goes to save her, but when he arrives, he finds that there is also another girl there, who is an actress. They are hanging from a cliff and Ben 10 has to choose between Julie and the actress, so he chooses Julie as they fall. Although a superhero like Ben 10 is responsible for the safety of everyone there, he formed a closer relationship with Julie, which gave her the upper hand in Ben's decision.

Discussion Questions:
1. Is it justifiable for a leader that is responsible for the safety of others to form an in-group?
2. How does romance/sexual attraction play a role in LMX?
3. How do the special abilities of the leader affect the individual relationships with each member?

Activities

Activity 1: Introducing In-Group and Out-Group

Purpose:
Demonstrate the differences and similarities between the in-group and out-group

Materials: Paper, hat, blindfolds or shirts

Directions:

Write 'friend' on a third of the paper slips and 'acquaintance' on the rest (or other relationships that can be distinguishable between in-group and out-group). Fold them and put these papers in a hat. Have students choose a piece of paper. The 'acquaintance' slips refer to the out-group and the 'friend' correlates to the in-group. Based off of this, have the in-group members on one side of the room and the out-group on the other. Blindfold the out-group (or tell them to close their eyes) and instruct everyone that they must order themselves in line by height, but they cannot speak. Set a time limit for 90 seconds and then they can begin.

The out-group members will have more trouble deciding their line because they cannot see, and will therefore show the added benefit that in-group members have compared to out-group. After the 90 seconds, tell the out-group members that they can take their blindfold off and see the results. The students can then discuss why the in-group had better results than the out-group and how they were put at an advantage. Then, the facilitators will

introduce the idea of the in-group and out-group and explain the differences and similarities.

Activity 2: Groupthink

Purpose:
Demonstrate the connection between LMX and groupthink by providing an intermittent activity

Materials: Marker, board

Directions:

      Five students are chosen out of the class and asked to draw something (let's say that it is a circle). Those five students are told beforehand to draw a square even though they were told to draw a circle. They go up to the board and do so. Then another student is chosen and told to draw a circle as well. If the activity works correctly, the students that were chosen afterward will also draw squares on the board. Continue doing this until at least one student has drawn the correct shape. After doing so, we will then comment on how they were influenced by the other people in the class instead of doing what they are told.

References

1. https://www.britannica.com/science/groupthink