

MASTER'S THESIS

Proposing a model of leader-member exchange: leadership style, exchange and employee psychological outcomes

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**Proposing a Model of Leader-member Exchange: Leadership Style,
Exchange and Employee Psychological Outcomes**

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**A thesis submitted in partial fulfillment of the requirements
for the degree of
Master of Philosophy**

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ABSTRACT

A model of leader-member exchange is proposed and the relationships among leadership style, leader-member exchange, group membership status and employee psychological outcomes are explored using data from a survey of mainland Chinese employees (n = 344).

The results suggest that both transformational leadership and transactional leadership involve frequent leader-member exchange in terms of work-related communication exchange, non-work communication exchange, work-related non-communication exchange and non-work non-communication exchange. Leaders were found to interact with in-group members more frequently than with out-group members. In-group members had more positive psychological outcomes compared with out-group members. Through exchange with members, both transformational leaders and transactional leaders can enhance followers' perceptions of being in-group members, so as to increase those employees' positive psychological outcomes.

More experienced supervisors were more likely to exhibit a transformational or transactional leadership style, and their subordinates were more likely to report positive psychological outcomes in terms of leadership satisfaction, trust, compliance, job satisfaction and commitment. Employees' commitment to their organizations was positively associated with their tenure in the organization.

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