Received: 16 FEB 2023

Accepted on: 04 May 2023

Published: 8 June 2023



Research Article

The Impact of Active Engagement and Independent Critical Thinking in Modeling Managerial Behavior with Mediating Effect of Leader-member-Exchange

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Citation

Shah, M. S. (2023). The impact of active engagement and independent critical thinking in modeling managerial behavior with mediating effect of leader-member-exchange. Administrative and Management Sciences Journal, 1(2), 127-133

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ABSTRACT

The current study aims to determine the mediating role of leader-member exchange (LMX) on the relationship between followership dimensions (active engagement and independent critical thinking) and transformational leadership. Survey approach was used. Cross-sectional primary data was collected from employees of banking and telecom sector. Total 215 respondents participated in the survey. Non-probability sampling technique was used. Findings revealed that there was positive and significant association found between active engagement (AE), independent critical thinking (ICT), leader-member exchange (LMX) and transformational leadership (TFL). Furthermore, LMX partially and significantly mediates between AE, ICT and TFL relationship. It is concluded that leaders have to build good working relationship with their followers and these relationship must be based n trust, respect and loyalty.

KEYWORDS

Active Engagement (AE), Independent Critical Thinking (ICT), Followership Dimensions, Leader-member Exchange (LMX) and Transformational Leadership (TFL)

1 | INTRODUCTION

Followership explains the cognitive, relational, and behavioral aspect of followers (Khan, Abdullah, Busari, Mubushar & Khan, 2020). This concept highlighted importance of followers in the leadership equation. If followers are excluded from this equation, this implies that we are not analyzing leadership but it would just remain study of team work and collaboration (Shamir, 2007). Besides, increasing interest in followership and leadership literature since last five decades have got more attention of scholars (Judge & Piccolo, 2004). Recently new avenues have been opened due to focus given to significant role of followers in reshaping and conceptualizing the leadership from followers' perspective (Blair & Bligh, 2018; Benson, hardy & Eys, 2016). This study tries to address the important aspect of leadership process which was overlooked in the past studies on how followers reshape the leaders' behavior with mediating effect of leader-member exchange (LMX). Leadership is one of the most studied areas in the field of organizational behavior. It is believed that a leader predicts followers' behavior and attitude (Burns, 1978). There is another supposition that followers' actions are more influenced by leaders. According to Crossman (2018) engaging followers in important matter is another characteristic of leaders. Thus to have in depth



understanding of the followership there is need to investigate the impact of followership in shaping leaders' behavior with mediating effect of LMX (Ul-Bein, Riggio, Lowe & Carsten, 2014). Furthermore, among leadership styles transformational leadership is considered as the most effective and influential style to correct any deviations at the workplace (Judge & Piccolo, 2004). Therefore it is essential to critically study the transformational leadership. The reason to investigate all constructs of followership differently requires different theoretical justifications and each construct has the ability to affect individually (Khan *et al.* 2020). Therefore, this study aimed to investigate the followership dimensions i.e. active engagement and independent critical thinking on transformational leadership with mediating effect of leader member exchange through lens of social exchange theory.

2 | LITERATURE REVIEW

2.1 | Kelley Followership Model

How followers affect leaders' attitude and behavior is called role based followership and followers act as an active agent of leadership to influence behavior of leaders (Khan *et al.*, 2020; Shamir, 2007). The power of followership book written by (Kelley, 1992). In his book two dimensions active engagement and independent critical thinking of followership were introduced. Kelley categorized followers into non-critical and critical thinkers, and non-active and active followers. He further argued that critical thinkers challenge their leaders' decision, criticize them and do not blindly follow them. Likewise those followers who have quality of active engagement are found supportive and cooperative (Khan *et al.*, 2020). Kelley used the word exemplary followers for those who are high in criticizing and active in organizational matters, while other who are low in criticizing and not actively taking part in decision making are names as passive, sheep and dependent followers. Exemplary followers provide more than one solutions of the problem and also help to choose the cost effective one (Kelley, 2008).

2.2 | Leadership Styles

Leaders have certain qualities such as vision, listening power, consider needs of the individuals and help them to achieve individual and organizational goals. Among leadership styles transformational leadership is considered as one the most effective one to enhance individual, group and organizational effectiveness. Transformational leaders have the ability to influence the behavior of their followers through their charisma, followers set them as their role model, followed by another quality which is setting a vision and working with followers to motivate them (Antonakis & House, 2013); combination of charisma and inspiring followers is also called charismatic-inspirational leadership (Khan *et al.*, 2020). Likewise transformational leaders never criticize followers openly and motivate them for better performance. These kinds of leaders help their followers to participate in decision making, solving problems and are considered as supportive. Finally transformational leaders create a learning environment and culture at workplace so that followers furnish their skills and get more confidence (Avolio & Bass, 2002).

2.3 | Leader Member Exchange

Leader member exchange (LMX) is a dyadic relationship based theory. LMX firmly stand on the assumption that leaders can influence their followers (members) through working relationship build at workplace. LMX is characterized into found attributes loyalty, professional respect, affect and contribution (Erdogan & Bauer, 2015). Leaders with LMX style provide support, motivation, opportunities and other perks and benefits to their followers. Members reciprocate by showing high level of motivation, loyalty and voluntary behavior which is called organizational citizenship behavior.

2.4 | Hypotheses Development

The framework of this study is based on social exchange theory. This theory provides basis for manager-employee relationship at workplace. Further, this theory is based on two notions one is reciprocity and self-interest. Self-interest insists people to respond to other by analyzing cost and rewards such as cost benefit analysis. One thing must be kept in mind that one should not get benefits on cost of other but this exchange relationship should be based on respect, trust and fairness (Northouse, 2013). Social exchange theory explained that followers set their leaders as their role models on the basis of working and psychological relationship, support provided to followers by their leaders, not on the basis of personality traits (Carsten & Uhl-Bien, 2013). According to Shamir (2007) exemplary



followers cooperate with leaders to improve performance. Such exemplary followers consider it very important to criticize managers' decision and provide them with recent development and new information so that problem can be solved (Carsten, Uhl-Bien & Huang, 2018). On the other hand Howell and Shamir (2005) claimed that it is not possible for a leader to maintain his/her charisma without support of followers. On endorsement and willingness of followers, leaders get power and role. Therefore it is important to have followers' willingness to shape leaders behavior. Thus on the basis of above discussion following hypotheses are proposed:

H₁: Active engagement and independent critical thinking followers positively related with transformational leaders

H₂: Active engagement and independent critical thinking followers positively related with leader member exchange

H₃: Leader member exchange positively related transformational leadership

H₄: LMX mediates between active engagement and transformational leadership

H₅: LMX mediates between independent critical thinking and transformational leadership

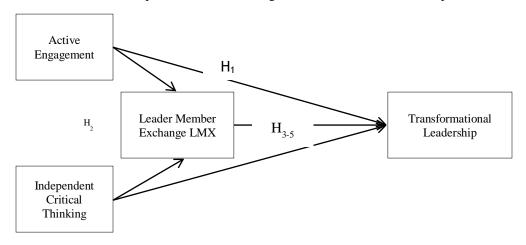


Figure 1: Theoretical Framework

3 | RESEARCH METHODS

3.1 | Population and Sampling

One can test a theory using quantitative methods (Creswell & Creswell, 2013). In order to investigate the relationships and answer research hypotheses quantitative method is the best choice. In Pakistan banking and telecommunication sector is rapidly growing. That is why the existing study has chosen banking and telecommunication sector for study. Customer support centers and head offices of both services sectors were target locations. Total 300 questionnaires were distributed and 215 completed questionnaires were received and used in the analyses in SPSS. The response rate is 71.66%.

3.2 | Measures

Followership dimensions (active engagement and independent critical thinking) scale was adopted from Kelley (1992) and validated recently by Khan *et al.* (2020). It has twenty items. Five pint scale was used 5 almost always and 1 rarely. Questionnaire of transformational leadership was adopted from Khan *et al.*, (2020) developed by Avolio and Bass MLQ 5X. Five point scale 5 frequently if not always and 1 not at all. For LMX seven item scales was adopted form Graen and Uhl-Bien (1995) measured at five point scale 1 for extremely ineffective and 5 extremely effective.

3.3 | Data Analysis Techniques

SPSS was used for data analysis. Frequency percentage, mean, standard deviation, correlation and hierarchical multiple regression were used to test hypotheses. Respondents were asked for consent and aim of the study was explained to them. Three to four days were given to all respondents so that they completely understand the items and respond accordingly.

4 | RESULTS

Table 1 presented findings of demographic information of the respondents. Findings revealed that majority of the respondents were male 204 (94.88%), and only 11 female participated in the survey 5.11%. respondents were also asked about sector it was evident from findings that majority of the respondents belong to banking sector 160 (74.41%) while 55 participants belong to different telecom companies which is 25.58%. Regarding experience majority of the respondents had 10 years of experience 69 (32.1%) followed by those having less than 5 years of experience 66 (30.7%), 54 (25.1%) had experience of 20 years. Only 14 (6.5%) had 30 years of experience and 12 (5.6%) have more than 40 years of experience respectively.

Table 1Demographic Information

Demographics	Characteristics	n	%
Gender	Male	204	94.88
	Female	11	5.11
Sector	Bank	160	74.41
	Telecom	55	25.58
Experience	Less than 5 Years	66	30.7
	10 Years	69	32.1
	20 Years	54	25.1
	30 Years	14	6.5
	40 and Above	12	5.6

Table 2
Reliability and Validity Analysis

Variables	Items	Loadings	Alpha	
Active engagement	10	0.933-0.948	0.932	
Independent Critical Think	10	0.922-0.962	0.959	
Leader Member Exchange	07	0.866-0.919	0.892	
Transformational Leadership	20	0.819-0.25	0.760	

Threshold for reliability analysis is \geq 0.70, and factor loadings is >0.40 (Field, 2013) Table 2 revealed that all the constructs and variables met threshold; therefore it is assumed that questionnaire used in the study are reliable and valid.

Table 3 *Correlation Matrix*

Variables	Mean	S.D	1	2	3	4	
AE	4.02	1.88	1				
ICT	4.01	1.89	.372**	1			
LMX	4.02	1.82	.429**	.602**	1		
TFL	3.59	1.64	.512**	.398**	.471**	1	
** * Correlation	** * Correlation is significant at the 0.01 & 0.05 level (2-tailed).						

Relationship between active engagement, LMX and transformational leadership is found positive and significant $(0.429^{**}, p<0.01)$; $(0.512^{**}, p<0.01)$; ICT, LMX and transformational leader is also positive and significant $(0.602^{**}, p<0.01)$; $(0.398^{**}, p<0.01)$; LMX and transformational leadership is $(0.471^{**}, p<0.01)$. Furthermore, the highest mean value is scored by AE and LMX M= 4.02 followed by ICT M=4.01, lowest mean value is scored by transformational leadership M= 3.59 respectively. Table 3 shows that first three hypotheses are accepted.



 Table 4

 Regression Results (Indirect Effects Testing)

Criterion	Predictor	R	\mathbb{R}^2	F	β	р
LMX	Constant	0.428	0.183	47.73		0.000
	AE				0.428	0.000
TFL	Constant	0.580	0.337	53.63		0.000
	AE				0.375	0.000
	LMX				0.309	0.000
TFL	Constant	0.508	0.258	73.98		0.000
	AE				0.508	0.000

Table 4 show mediating effects of LMX on the relationship between active engagement and transformational leadership. From the table it is evident that all the relationships are positive and significant i.e. AE and LMX $(0.428^{**}, p<0.01)$; AE, LMX and TFL $(0.375^{**}, p<0.01)$; $(0.309^{**}, p<0.01)$; AE and TFL $(0.508^{**}, p<0.01)$ this implies that leader member exchange partially mediates the relationship between predictor AE and criterion TFL. Thus, H4 is accepted.

 Table 5

 Regression Results (Indirect Effects Testing)

Criterion	Predictor	R	\mathbb{R}^2	F	β	р
LMX	Constant	0.602	0.362	119.97		0.000
	ICT				0.602	0.000
TFL	Constant	0.490	0.240	33.32		0.000
	ICT				0.173	0.000
	LMX				0.366	0.000
TFL	Constant	0.394	0.155	38.78		0.000
	ICT				0.394	0.000

Table 5 show mediating effects of LMX on the relationship between independent critical thinking and transformational leadership. From the table 5 it is evident that all the relationships are positive and significant i.e. ICT and LMX (0.602**, p<0.01); ICT, LMX and TFL (0.173**, p<0.01); (0.366**, p<0.01); ICT and TFL (0.394**, p<0.01) this implies that leader member exchange partially mediates the relationship between predictor ICT and criterion TFL. Thus, H5 is accepted.

5 | DISCUSSION

The current study aims to ascertain the impact of followership dimensions in shaping transformational leadership behavior with mediating role of leader member exchange. Findings revealed that active and critical followers have significant impact on transformational leadership likewise LMX partially mediates the relationship between AE, ICT and TFL. The findings of the current study are in line with findings of Khan *et al.* (2020); Khan *et al.* (2018), reported the significant relationship between leadership, followership with mediating effects of trust. Moreover LMX was also recommended by the Khan *et al.* (2020) the findings of the current study confirm the recommendations of Stafford et al., (2014); Khan *et al.* (2020). Leaders have to build better working relationship with their subordinates and these relationships must be based on trust, respect, loyalty and professional respect (Shamir, Arthur & House, 2018).

6 | CONCLUSION

It is concluded that followers have to endorse and willingness to give power and authority to their leaders and leaders without followers' endorsement cannot maintain their power, exemplary followers help leadership to obtain objectives. Exemplary followers are considered as supportive, cooperative and able to work in a team.

7 | PARACTICAL IMPLICATIONS

Managers and chief executive officers in the communication sector practically give importance to followers so that they may be able to provide positive feedback and positive critique is healthy for organizations' performance. They may help the management to modify their management style. It enhances followers' motivation, satisfaction, performance, involvement and commitment.

8 | LIMITATIONS AND FUTURE RESEACRH DIRECTIONS

This study is conducted in services sector therefore one must be careful while generalizing the findings to other sectors especially manufacturing. Second this study has added only one mediator therefore, it is suggested that future studies may add multiple mediators in the model. Third the small sample size has been used, it is recommended that future studies may use big sample size.

Conflict of Interest: There is no competing interest

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