THE ROLE OF LEADER, MEMBER EXCHANGE (LMX) ON PSYCHOLOGICAL CAPITAL, MEDIATED BY PERSON-ORGANISATIONAL FIT

Abstract:

Background: Leadership and specifically Leader, member exchange has a definite impact on employee behaviour and attitudes, and specifically their state of Psychological capital. The interactionist construct of person-organisational fit (P-O fit), consisting of a combination of supplementary fit (indirect fit or value congruence) and complementary fit (direct or person-job fit, as well as needs-supply fit) may, however, impact on the relationship between LMX and psychological capital. The unique permutations of these relationships are important not only for conceptualisation purposes, but also for intervention design to enhance the employees’ psychological capital; this would contribute to positive employee behaviour and attitudes.

Aim: The purpose of this study was to determine whether a relationship exists between LMX and psychological capital, with possible mediation by P-O fit.

Setting: The research was conducted with ±60 employees from each of 43 private sectors and four public sector organisations in South Africa.

Method: This study utilised a positivist methodology based on an empirical approach, while using a cross-sectional design and quantitative analysis. The sample is relatively representative (in terms of race, gender and the South African work force), as it consisted of 60 employees from each of the 43 South African organisations that participated in the study, with 2 486 respondents in total.

Results: Significant, positive relationships were found between LMX, P-O fit and psychological capital. Additionally, it was found that P-O fit partially mediates the relationship between ethical leadership and supervisory trust, confirming the proposed model.

Conclusion: A strong, positive relationship exists between LMX (consisting of Affect, Loyalty, Contribution and Professional Respect) and psychological capital (consisting of Self-efficacy, Hope, Resilience and Optimism) which is partially mediated by P-O fit (consisting of supplementary fit and complementary fit).

Keywords:

Leader, member exchange; person-organisational (P-O) fit, psychological capital, positive psychology, interactionist approach