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What is This?
Effective Leadership in Salient Groups: Revisiting Leader-Member Exchange Theory From the Perspective of the Social Identity Theory of Leadership

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Two studies compared leader-member exchange (LMX) theory and the social identity theory of leadership. Study 1 surveyed 439 employees of organizations in Wales, measuring work group salience, leader-member relations, and perceived leadership effectiveness. Study 2 surveyed 128 members of organizations in India, measuring identification not salience and also individualism-collectivism. Both studies provided good support for social identity predictions. Depersonalized leader-member relations were associated with greater leadership effectiveness among high- than low-salient groups (Study 1) and among high than low identifiers (Study 2). Personalized leadership effectiveness was less affected by salience (Study 1) and unaffected by identification (Study 2). Low-salience groups preferred personalized leadership more than did high-salience groups (Study 1). Low identifiers showed no preference but high identifiers preferred depersonalized leadership (Study 2). In Study 2, collectivists did not prefer depersonalized as opposed to personalized leadership, whereas individualists did, probably because collectivists focus more on the relational self.

Keywords: leadership; social identity; LMX; group processes; self

To be effective, should leaders, particularly of small or midsize groups such as work teams, relate to their subordinates as undifferentiated members of the group (i.e., in a depersonalized manner) or as unique individuals who differ from other group members (i.e., in a personalized manner)? Leader-member exchange (LMX) theory of leadership (e.g., Graen & Uhl-Bien, 1995) would recommend the latter. The social identity theory of leadership (e.g., Hogg, 2001a) would argue that the most effective leader-member relationship will depend on how self-conceptually salient the group is and on how strongly members identify with the group. In this article, we describe two studies that examine when processes described by these theories apply.

Leadership identifies a relationship in which some people are able to influence others to embrace, as their own, new values, attitudes, and goals and to exert effort on behalf of and in pursuit of those values, attitudes, and goals. The relationship is almost always played out within a group—a small group such as a team, a medium-sized group such as an organization, or a large group such as a nation. The values, attitudes, and goals that leaders inspire others to adopt and to follow are ones that serve the group as a collective and that define membership of the group. Thus, leaders are able to transform individual action into group action. Leadership is an essential fea-
Although leadership is very obviously a social psychological phenomenon that is firmly grounded in social relations, group life, and the psychology of group membership, the past 25 years have witnessed little leadership research in social psychology. Instead, leadership research, along with most research on interactive systems (e.g., groups) within which the individual is embedded (e.g., Hall & Lord, 1995; Lord, Brown, & Harvey, 2001; Pawar & Eastman, 1997; also see Chemers, 2001; Haslam & Platow, 2001a).

Another important organizational emphasis is on how leaders relate to their subordinates. LMX theory (e.g., Gerstner & Day, 1997; Graen & Uhl-Bien, 1995; Liden, Sparrowe, & Wayne, 1997; Scandura, 1999; Schriesheim, Castro, & Cogliser, 1999; Sparrowe & Liden, 1997) is a transactional theory of leadership. Similar to other transactional theories (e.g., Hollander's, 1958, theory of idiosyncrasy credit and leadership), it rests on the equity notion that relationships between people, including leaders and subordinates, are transactions in which social and material resources are exchanged to maintain equity.

LMX theory argues that leaders form different dyadic exchange relationships with different subordinates. These relationships range from ones that are based on mutual trust, respect, and obligation (high-quality LMX relationships) to ones that are simply based on the terms of the formal employment contract between leader and subordinate (low-quality LMX relationships). High-quality LMX relationships are ones where subordinates are favored by the leader and thus receive many valued resources, which can include both material benefits (e.g., money, privileges) as well as psychological benefits (e.g., trust, confidences). Leader-member exchanges go beyond the formal employment contract, with managers showing influence and support and giving the subordinate greater autonomy and responsibility. High-quality relationships should motivate subordinates to internalize the group's and the leader's goals. In contrast, low-quality LMX relationships are ones where subordinates are disfavored by the leader and thus receive fewer valued resources. Leader-member exchanges simply adhere to the terms of the employment contract, with little attempt by the leader to develop or motivate the subordinate. Subordinates will simply comply with the leader's goals, without necessarily internalizing them as their own.

LMX theory predicts that effective leadership requires leaders to develop high-quality LMX relationships with their subordinates because these relationships should enhance subordinates' well-being and work performance. Such relationships also might bind the subordinate to the group more tightly through loyalty, gratitude, and a sense of inclusion.

The main limitation of LMX theory is that it focuses on dyadic leader-member relationships and fails to consider the fact that these relationships occur in a wider social context of the group as a whole (Hogg & Martin, 2003; Hogg, Martin, & Weeden, 2003). Leader-member dyads are treated as though they develop, and have their effects, in isolation from other leader-member dyads, from other dyadic relations, or from the group as a whole. The majority of research on LMX is, quite explicitly, located at the dyadic level, with very little theorizing or empirical work examining LMX at the group or social-network level (for an exception, see Sparrowe & Liden, 1997). One consequence of this approach is that LMX theory assumes that people evaluate their own LMX relationship in an absolute sense.

In contrast, following Kelley and Thibaut's (1978) social exchange theory, we would argue that subordinates evaluate the quality of their LMX relationship not only in the absolute sense (low vs. high) but also with reference to their perception of other subordinates' LMX relationships with their manager (Martin, Hooper, Arend, Luong, & Sheehan, 2003). People make social comparisons, and in a group these comparisons are made with fellow group members' leader-member relationships—the group provides the parameters for valid social comparisons. More broadly, evaluation of LMX relationships will be influenced by concerns about what is considered to be fair within the context of the group. Notions of equity, prior LMX history, comparison with other LMX relationships, and procedural justice are all likely to play an important part in determining LMX quality (Martin et al., 2003).

Furthermore, the social organization of many groups is not structured around isolated individuals but around a number of distinct subgroups—these might, for example, be departments, divisions, or work teams in an organization. Social comparisons are therefore more likely to
be intergroup than interpersonal comparisons. How does the leader relate to my subgroup in comparison with other subgroups? Intergroup comparisons, us versus them, have a quite different logic to interpersonal comparisons. Specifically, they have the familiar characteristics of intergroup behavior—ingroup favoritism, ethnocentrism, outgroup denigration, and so forth. This will have far-reaching consequences for subordinates’ relations to their leader and reaction to their work—a possibility that has not been explored by LMX research.

Taken together, these critical points or limitations go to the same overarching issue—leadership, and the nature of leader-subordinate relationships, needs to be understood in the context of a deeper and more textured analysis of group processes, intergroup behavior, and the nature of group membership. Leaders lead groups that furnish people with a sense of identity and that exist in a wider intergroup comparative context. Furthermore, differentiated leader-subordinate cliques within the group may establish powerful intergroup relations within the group.

Some of these limitations may be addressed by the social identity theory of leadership (e.g., Hogg, 2001a, 2001b; Hogg & van Knippenberg, 2003). Based on the social identity perspective (e.g., Hogg & Abrams, 1988; Tajfel & Turner, 1986; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987; see recent overviews by Abrams & Hogg, 2001; Hogg, 2001c, 2003), the key idea is that the cognitive basis of leadership endorsement, and thus the ability of a leader to be effective, is transformed as a function of how strongly group members identify with the group as an important aspect of their self-concept. The more strongly one identifies with a group the more psychologically salient is one’s membership of the group—one’s social identity. Identification and psychological salience can be operationalized in different ways, for example, by self-reported salience of the group in one’s life (Study 1 below) or by self-reported identification with the group (Study 2 below).

Where a group is a relatively loose aggregate of individuals who do not derive a strong sense of social identity from the group, social perception is largely governed by idiosyncratic preferences and by personal relationships. Under these circumstances, people probably use relatively general or more task-specific leadership schemas to determine their perceptions of leadership effectiveness (e.g., Lord et al., 1984). People who are perceived to match the relevant schema are more likely to be endorsed and to be able to lead effectively.

The basis of perception is quite different in more compact, cohesive groups, which are self-conceptually important. People identify strongly with these groups, and thus, the basis of perception of self and others is firmly circumscribed by group prototypicality. Social categorization of self and fellow ingroup members depersonalizes perception, feelings, and behavior in terms of the contextually salient ingroup prototype. Prototypical members embody the essence of the ingroup relative to salient outgroups and are the target of consensual group membership–based positive regard or liking. Under these circumstances, people who are perceived to match the relevant ingroup prototype are more likely to be endorsed and to be able to lead effectively.

This analysis generates a straightforward hypothesis. As people identify more strongly with a group (one’s membership of the group is psychologically salient), leadership endorsement, perceptions of leadership effectiveness, and actual leadership effectiveness become increasing influenced by how group prototypical the leader is perceived to be. Correspondingly, leadership schema congruence will decline in relative importance. This is precisely what was found in a series of four direct tests of this hypothesis—three laboratory experiments (Hains, Hogg, & Duck, 1997; Hogg, Hains, & Mason, 1998) and a field study (Fielding & Hogg, 1997). In the three experiments, we provided participants with information about the group prototype, in the form of the group’s position on a single attitude dimension, and information about where a randomly appointed leader’s attitude fell on the same dimension. In this way, we were able to manipulate the group prototypicality of the leader and see how much influence it had on perceptions of leadership effectiveness as a function of a standard group salience manipulation. Further support for the role of prototypicality in leadership of high-salience groups comes from a variety of studies that test the hypothesis in less direct ways or in different contexts (e.g., Duck & Fielding, 1999; Haslam & Platow, 2001b; Platow, Reid, & Andrew, 1998; Platow & van Knippenberg, 2001; van Vugt & de Cremer, 1999). (For an overview of empirical support, see Hogg, 2001a; Hogg & van Knippenberg, 2003; van Knippenberg & Hogg, 2003.)

Let us now return to the comparison of LMX theory and the social identity theory of leadership, which is the focus of this article. From LMX theory we can make the clear prediction that irrespective of group salience, a good quality interpersonal dyadic leadership style that hinges on personalized leader-member relations is perceived to be more effective than a group-oriented leadership style that hinges on depersonalized leader-member relations. In contrast, the social identity theory of leadership predicts that although an interpersonal style (personalized relations) may be preferable in low-salience groups, this advantage is markedly diminished, and may be reversed, in high-salience groups. A group-oriented (depersonalized relations) style may be preferable in a high-salience group. This is because salience affects the
perceived leadership effectiveness of depersonalized leader-member relations. As group salience increases, a depersonalized style will become increasingly effective relative to a personalized style. The strong prediction is that the perceived leadership effectiveness of personalized leader-member relations will diminish as salience increases. The weak prediction is that it will remain largely unchanged.

The rationale for this prediction is that in salient groups, leader and followers all appraise one another in terms of the group prototype. Information processing, perception, attitudes, feelings, and behavior are all governed by the ingroup prototype. Ingroup relationships are all based on group membership, and thus, leader-member relationships are based on group membership—they are characterized by depersonalization. A leader who violates this relationship, and instead isolates members from one another to treat them interpersonally as unique individuals involved in unique, personalized, leader-member relationships, is effectively not acting prototypically. Furthermore, members may react against being singled out from their fellow group members because this severs their depersonalized bond with others. In salient groups, members expect and engage in depersonalized group-membership-based relationships with one another and with the leader.

There is also a justice consideration—members of high-salience groups may consider the leader to be acting unfairly by adopting personalized leader-member relations. According to Tyler’s group value model, members feel more satisfied and more committed to the group if the leader is procedurally fair (Tyler, 1997; Tyler, DeGoei, & Smith, 1996; Tyler & Lind, 1992; see Platow et al., 1998). Leaders who appear to treat members unfairly, for example, by playing favorites, treating members differently from one another, or by establishing special relationships with some members but not with others, will marginalize and alienate some members, undermine group solidarity and entitativity, and reduce overall group identification. This will threaten the leader’s legitimacy in the eyes of group. In salient groups, effective leaders need to treat all members fairly and equally as common group members.

In this article, we report two studies. Both are questionnaire surveys of business employees—Study 1 was conducted in Wales and Study 2 was conducted in India. We felt it was important to initially test our hypotheses in rich natural settings that tie into the organizational contexts where most leadership research is now done. Both studies test the hypothesis, derived from the social identity model of leadership, that as group membership becomes increasingly salient and people identify more strongly with the group, depersonalized group-oriented, leader-member relations become an increasingly strong basis for perceived effective leadership relative to personalized interpersonal leader-member relations. Study 2 also investigates an additional question concerning the role of self-conceptual preference revolving around individualism and collectivism and independent and interdependent self-construal (e.g., Markus & Kitayama, 1991; Triandis, 1989).

STUDY 1

Study 1 was designed to test the hypothesis that as group membership becomes more salient, followers should increasingly favor depersonalized leader-member relations (leadership style). The favorability of personalized leader-member relations will either remain unaffected or will decline as a function of increasing salience. A corollary of this analysis is that in low-salience groups, personalized leader-member relations will be more effective than depersonalized relations, whereas the advantage will greatly diminish or be reversed in high-salience groups. The study invokes constructs from previous social identity studies of leadership (e.g., Hains et al., 1997; Hogg et al., 1998) but operationalizes them in different ways, appropriate to testing in the natural setting of leadership in real organizations. In addition, the constructs are, of course, measured rather than manipulated variables, and we were under some constraint to make the questionnaire brief to maximize the response rate. We measured, as predictor variables, group membership salience and whether the leader adopted a personalized or depersonalized leader-member relationship style and examined their relationship to measures of perceived leadership effectiveness.

Method

Participants and procedure. A mail-out questionnaire, introduced as a survey of perceptions of leaders, was administered to 1,296 employees of a variety of service and manufacturing industries in Wales. Participation was voluntary, no inducements or rewards were provided, and complete confidentiality of responses was assured. We received back 439 completed surveys, representing a good return rate of 33.9%.

The final sample represented employees of one service and six manufacturing companies—72% of respondents were in manufacturing and 46.5% were shop-floor employees. Participants were mostly men (67.4%), with a mean age of 39 years (SD = 10.69) and a mean organizational tenure of 14 years and 8 months (SD = 10 years, 6 months). Regarding job descriptions, 18.7% had managerial/supervisory jobs, 15.9% were professional staff, 21.2% technical staff, 24.0% clerical, and 12.3% were in sales (7.9% did not fall easily into these groups). The sample is thus quite diverse and a relatively good representation of the general pool of organizational
employees in the United Kingdom (see Epitropaki, 2000; Epitropaki & Martin, 2004).

The questionnaire. In addition to demographic and background variables (age, sex, amount of contact with the leader, position in the organization, and organizational tenure), the questionnaire focused on employees' work teams and was designed to measure three main constructs: leadership style, group salience, and leadership effectiveness. Style and salience can be considered predictor variables and leadership effectiveness as the outcome variable. Leadership style was measured by two items asking respondents how frequently the leader "treats me as an individual rather than just a member of a group" and "considers me to have different needs, abilities, and aspirations from others" (1 = not at all, 5 = frequently if not always; high scores reflect an interpersonal leadership style, indicative of more personalized leader-member relations). These items were combined to form a leadership style measure (α = .61).

Group salience was measured by five items asking whether "there is commitment to training people to work in teams in this company," "working in teams is considered very important in this company," "this company encourages people to work in teams," "management organizes work so that people work in teams," and "people here work individually rather than as members of teams" (reverse-coded) (1 = definitely false, 4 = definitely true; high scores reflect high group salience). These items were combined to form a measure of how salient group (in this case, work teams) membership was in the organization (α = .85).

Leadership effectiveness was measured by eight items from Bass and Avolio's (1997) Multifactorial Leadership Questionnaire (MLQ) that measures "outcomes of leadership." These items (1 = not at all, 5 = frequently if not always) fall into three separate scales measuring different aspects of leadership. Leader satisfaction was measured by two items asking how frequently the leader "uses methods of leadership which are satisfying" and "works with me in a satisfactory way" (α = .86). Leader effectiveness was measured by three items asking whether the leader "is effective in representing me to higher authority," "is effective in meeting organization requirements," and "leads a group that is effective" (α = .80). Finally, motivation to exert extra effort was measured by three items asking to what extent the leader "gets me to do more than I expected to do," "heightens my desire to succeed," and "increases my willingness to try harder" (α = .78).

Results

Table 1 shows means and standard deviations for the five demographic and background measures (age, sex, amount of contact with the leader, position in the organization, and organizational tenure) and for the two predictor (leadership style, group salience) and three outcome (leader satisfaction, leader effectiveness, extra effort) measures and the intercorrelation of these measures (Pearson's r, two-tailed test). Focusing on the predictor and outcome measures only, it can be seen that they are all significantly (p < .001) intercorrelated, with the exception of the two predictor variables of leadership style and group salience. Finally, not surprisingly, the three leadership outcome measures were not only significantly intercorrelated (p < .001) but also quite highly intercorrelated (r > .88).

The main analysis was a stepwise multiple regression onto each of the three leadership outcome measures separately. In each case, the five background and demographic variables were entered as a block at Step 1 and centered values (Aiken & West, 1991) of the two predictor variables and their interaction entered as a block at Step 2. Table 2 shows the results of these analyses—step statistics for each step and standardized beta weights for each predictor variable and the interaction at Step 2.

### TABLE 1: Study 1: Means, Standard Deviations, and Intercorrelations (Pearson's r, two-tailed) of All Reported Demographic and Key Measures

| Variable                  | M   | SD  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|---------------------------|-----|-----|------|------|------|------|------|------|------|------|------|------|
| 1. Sex                    | 0.33| 0.47| −.25*** | .02  | .16** | −.11* | .16** | .09** | .14*** | .16** | .15** |
| 2. Age                    | 39.09| 10.69| −.04  | .05  | .64*** | −.02  | .00  | −.04  | −.05  | −.10* |
| 3. Amount of contact      | 2.59| 0.68| .15** | −.06 | .04  | .12*  | .29*** | .21*** | .19*** |
| 4. Organizational position| 1.54| 0.50| −.06  | .08  | .16*** | .12*  | .11* | .17** |
| 5. Tenure                 | 176.28| 126.07| −.02  | −.03 | −.08  | −.05  | −.08 |
| 6. Group salience         | 2.92| 0.66| .05  | .29*** | .35*** | .31*** | .31*** |
| 7. Leader style           | 3.20| 1.09| .44*** | .48*** | .37*** | .82*** | .68*** |
| 8. Leader satisfaction    | 3.37| 1.16| .80*** | .72*** | .72*** |
| 9. Leader effectiveness   | 3.42| 1.02| .72*** | .72*** | .72*** |
| 10. Extra effort          | 3.00| 1.06| .15*** | .15*** | .15*** | .15*** |

NOTE: N = 439. Demographic variables: sex (1 = male, 2 = female), age, organizational position (1 = shop floor, 2 = non-shop floor), organizational tenure, frequency of contact with manager (5-item scale).

*p < .05, **p < .01, ***p < .001.

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The results show that once demographic and background influences are removed (Step 1), the focal variables (Step 2) predicted a significant amount of additional variance in each of the leadership outcome variables (R² change > .18, p < .001). Furthermore, group salience alone, and leadership style alone, each predicted significant variance in leader satisfaction, leader effectiveness, and extra effort (β > .26, p < .001). Of most interest to us is the fact that the interaction of salience and leadership style predicted significant variance in two of the three leadership variables: leader satisfaction (β = –.08*, t(423) = 2.02, p = .044), and leader effectiveness (β = –.09*, t(423) = 2.19, p = .029). The interaction was not significant on the measure of motivation to exert extra effort.

Simple slopes analyses were conducted for the two significant Salience × Style interactions, following Aiken and West’s (1991) procedures. For the interaction on leader satisfaction, the effect of style was significant when salience was low (β = .44), t(423) = 8.29, p = .000, but less significant when it was high (β = .32), t(423) = 5.76, p = .000. Where the group was low salience (1 SD below the mean), personalized leadership was more satisfying than depersonalized leadership; this effect was significantly weaker in high-salience groups (1 SD above the mean; see Figure 1). Taking leadership style as the moderator, the effect of group salience on leader satisfaction was significant for a depersonalized leadership style (1 SD below the mean; (β = .32), t(423) = 6.05, p = .000, but less significant for a personalized leadership style (1 SD above the mean; β = .19), t(423) = 3.59, p = .000. Where the leader adopted a depersonalized style (1 SD below the mean), there was greater satisfaction in high- than low-salience groups; where the leader adopted a personalized style (1 SD above the mean) this effect was significantly weaker (see Figure 2).

An identical pattern of results emerged for the Salience × Leadership Style interaction on leader effectiveness. The effect of style was significant when salience was low (β = .50), t(423) = 9.75, p = .000, but weaker when it was high (β = .38), t(423) = 7.30, p = .000. Where the group was low salience (1 SD below the mean), personalized leadership was more effective than depersonalized leadership; this effect was significantly weaker in high-salience groups (1 SD above the mean; see Figure 3).
Taking leadership style as the moderator, the effect of group salience on leader effectiveness was significant for a depersonalized leadership style (1 SD below the mean; $\beta = .37$), $t(423) = 7.15$, $p = .000$, but weaker for a personalized leadership style (1 SD above the mean; $\beta = .25$), $t(423) = 4.81$, $p = .000$. Where the leader adopted a depersonalized style (1 SD below the mean), he or she was considered more effective in high- than low-salience groups; where the leader adopted a personalized style (1 SD above the mean), this preference was significantly weaker (see Figure 4).

These results are exactly as predicted. The greater effectiveness in low-salience groups of personalized as opposed to depersonalized leadership became significantly weaker as the group became more salient, and depersonalized leadership was more effective in high- than low-salience groups.

Discussion

Study 1 measured perceptions of leadership style and group salience and perceptions of leader satisfaction, leader effectiveness, and exertion of extra effort among a diverse group of 439 organizational employees. As predicted, we found that an interaction between group salience and perceived leadership style predicted leader satisfaction and leader effectiveness (the interaction was not significant on the extra effort measure). Although a personalized leadership style was more effective and satisfying in low-salience groups, this preference was significantly weaker in high-salience groups. In addition, although the leader was considered more satisfying and effective in high- than low-salience groups, this effect was significantly more pronounced when leadership was depersonalized.

These findings suggest that the leadership effectiveness of different leader-member relations is not fixed—it varies as a function of group salience. This is consistent with the social identity analysis of leadership (e.g., Hogg, 2001a). Broadly speaking, as people identify more strongly with a group their perceptions, feelings, attitudes, and behaviors are increasingly affected by group prototypicality considerations. Thus, they endorse more strongly leaders who appear to be more group prototypical in terms of specific prototypical qualities, but also in terms of more general group prototypical properties such as treating followers equitably as group members. Depersonalized group-membership-based, leader-member relations are increasingly more favorably appraised.

This study has a number of important strengths—it measures leadership and group membership perceptions among a large number of people in a wide range of naturally occurring organizational settings. However, it is important to note that the measure of group salience is an approximation to group identification, not a direct measure of identification—it measures perceptions of how group-oriented life is in the organization rather than people’s reported identification with such groups. Nevertheless, Study 1 provides good preliminary evidence that the leadership effectiveness of different leader-member relations is influenced by the psychological salience of group membership and, by implication, by how strongly followers identify with the group.

STUDY 2

Study 2 replicates Study 1 with a more extensive set of measures, in particular, ones that directly monitor how strongly people identify with the group rather than indirectly through how group-oriented members reported group life to be. The key hypothesis remains as before: Identification (psychological salience of group member-
ship) increases the leadership effectiveness of a deper-
sonalized, not personalized, leadership style; and, 
among high identifiers, relative to low identifiers, the 
relationship between personalized leadership and lead-
ership effectiveness will become less positive or more 
negative.

Study 2 has an additional dimension. The data were 
collected in organizations in Mumbai, India, a large and 
dynamic commercial city where the entire spectrum of 
Eastern and Western value systems coexist. We felt our 
respondents would vary significantly in terms of 
donorsement of individualism and collectivism (e.g., 
Triandis, 1989) and the extent to which they had an in-
dependent or interdependent self-concept (e.g., Markus & 
Kitayama, 1991; also see Brewer & Gardner, 1996). Fur-
thermore, cross-cultural research on leadership has 
shown that cultural differences in self-conception affect 
leadership effectiveness, for example, individu-
alists prefer leaders to be frank and outspoken, whereas 
collectivists prefer them to be more subtle and indirect 
(Smith, Misumi, Tayeb, Peterson, & Bond, 1989).

We therefore predicted that respondents scoring 
higher on collectivism/interdependence (labeled collec-
tivists) would show greater preference for deper-
sonalized leadership than those who scored lower on 
collectivism/interdependence (labeled individualists).

Because individualists should be less group oriented, we 
also expected that the predicted interaction between 
identification and leadership style would be weaker for 
individualists.

**Method**

**Participants.** Participants were 128 nonmanagers 
recruited from 24 work groups within a variety of admin-
istrative offices of medium- to large-sized industrial and 
freight companies located in downtown Mumbai, India. 
Twenty-three work groups had between 3 and 8 members, 
with one larger 18-person group. Due to a clerical error 
during data collection, respondent sex was not recorded; 
however, informal observation of the sex-composition of 
the work groups indicated that approximately 80% of 
participants were men. Their ages ranged from 22 to 59 
years (M = 37.54 years, SD = 9.80, Mdn = 36 years) and 
their average organizational tenure was 9.43 years (SD = 
8.81, Mdn = 6 years). All participants identified them-

**Procedure.** Various organizations/companies located 
in downtown Mumbai granted access to their offices to 
distribute the questionnaire. The researcher met with 
the managing director of each company and explained 
that the purpose of the research was to assess leadership 
styles in an Indian context. They also were told that only 
work groups consisting of a manager and at least four 
members were eligible to participate.

Questionnaires were in English (respondents were 
sufficiently fluent in English) and were distributed dur-
ing a 4-week period in 2002. Respondents completed the 
questionnaires immediately or returned them after a few 
days. In all cases, complete confidentiality was assured— 
responses were anonymous and completed question-
naires were returned in sealed envelopes. It was made 
quite explicit that only the researchers would see the 
questionnaires and that management would have no 
access to them.

**Measures.** The six-page questionnaire was designed to 
measure four constructs: (a) leadership effectiveness, 
(b) leadership style, (c) work-group identification, and 
(d) collectivism. The questionnaire was accompanied by 
an instructional cover sheet that served three purposes: 
(a) it informed participants about the study’s purpose 
and their individual ethical rights as participants, (b) it 
defined a work group as those individuals who worked 
together closely and reported to the same supervisor, 
and (c) it explained the correct way of responding to the 
items using a 9-point scale.

The first set of questions related to demographic and 
background variables (age, ethnicity, organizational ten-
ure, departmental tenure, group size) and also func-
tioned to focus participants on their working environ-
ment (they were asked the name of their department, 
how often they reported to their supervisor, and the 
number of people that reported to the same supervisor).

**Leadership effectiveness.** Leadership effectiveness was 
measured by five sets of questions. The first was a set of 
nine items, adapted and modified from a scale originally 
developed by Chelladurai and Saleh (1980), to measure 
leadership effectiveness in team sports contexts. These 
questions addressed the extent to which the leader 
ensured that employees understood their role within the 
work group and worked to their full capacity; the ques-
tions also coordinated and focused the group and its 
members on the group’s goals and activities (1 = almost 
ever, 9 = almost always). The nine items formed a reliable 
scale (α = .92).

The second set of questions was adapted from Bass 
and Avolio’s (1997) MLQ. Three items measured how 
much the leader motivated employees, such as getting 
them to do more than expected, heightening their 
desire to succeed, and increasing their willingness to try 
harder (1 = not very much, 9 = very much): α = .73.

The third set of questions measured employee satis-
faction. There were five items adapted from a scale 
developed by Chelladurai, Imamura, Yamaguchi, 
Oinuma, and Miyachi (1988) and modified for the 
organizational context. Participants indicated their satis-

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(1 = not very satisfied, 9 = very satisfied): \( \alpha = .92 \). The fourth set of questions was taken from Bhal and Ansari’s (1996) leadership study, which included LMX items designed specifically for use in an Indian context. The two items assessed employees’ liking for the leader and how much his or her leadership was supported by other group members (1 = not very much, 9 = very much): \( \alpha = .92 \). The final set of leadership effectiveness questions were two items asking respondents to indicate how good the supervisor was overall and how effective the supervisor was overall (1 = not very good/effective, 9 = very good/effective): \( \alpha = .96 \).

These five leadership effectiveness subscales intercorrelated significantly (\( p < .001 \)) and highly (values of \( r \) ranged from .51 to .89 around a mean \( r \text{ of .71} \)), and a factor analysis of all 21 items revealed a single factor (eigenvalue = 12.25) that accounted for 61.27% of variance. For these reasons, the five subscales were combined into a single 21-item leadership effectiveness scale: \( \alpha = .96 \).

Leadership style. The leader’s leadership style was measured by two items developed from general LMX research (e.g., Gerstner & Day, 1997; Graen & Uhl-Bien, 1995). These items directly measured the extent to which the leader had a personalized or depersonalized leader-member relationship with the subordinate. Participants rated the extent to which their leader treated them and their work group as individuals or group members (1 = individual, 9 = member): \( \alpha = .81 \).

Collectivism. Collectivism was measured with 10 items adapted from Yamaguchi (1994). This particular collectivism scale was chosen because it measured the behavioral choices of individuals when group goals came into conflict with personal goals. The rationale for the scale is that collectivists value group goals more than personal goals, thus producing a higher collectivism score. Participants responded (1 = does not describe me well, 9 = describes me very well) to 10 statements concerning their behavior. For example, “I sacrifice self-interest for my group,” “I maintain harmony in my group,” “I respect the majority’s wish,” “I support my group, whether they are right or wrong,” and “I act as fellow employees would prefer”: \( \alpha = .82 \).

Results

This study examines the relationship between three continuous predictor variables (group identification, leadership style, and collectivism) and perceived leadership effectiveness. Table 3 shows descriptive statistics for these four multi-item scales and their intercorrelation. There were also five demographic and background variables (age, group size, ethnicity, organizational tenure, and departmental tenure).

A four-step hierarchical multiple regression analysis was conducted (see Table 4 for results). Following Aiken and West (1991), each of the continuous predictor variables was converted to centered deviation scores and interaction terms were computed on the basis of these centered variables. The five demographic variables (group size, age, ethnicity, organizational tenure, and departmental tenure) were entered at Step 1. These variables were marginally significant in accounting for variance in perceived leadership effectiveness, \( R^2 = .09, R_{adj}^2 = .05, F(5, 112) = 2.32, p = .048 \). Group size was the only significant demographic variable, \( \beta = -.22, t(117) = -2.69, p = .008 \).

At Step 2, the three centered predictor variables (identification, leadership style, and collectivism) were entered. Together, these variables accounted for significant additional variance, \( R^2 = .38, R_{adj}^2 = .33, R_{ch}^2 = .28, F(3, 109) = 16.44, p = .001 \). Of the three predictor variables, leadership style was the most influential in accounting for variance, \( \beta = .35, t(117) = 4.16, p = .001, \)

<table>
<thead>
<tr>
<th>Variable</th>
<th>( \alpha )</th>
<th>( M )</th>
<th>( SD )</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leadership effectiveness (21 items)</td>
<td>.96</td>
<td>6.75</td>
<td>1.42</td>
<td>.41**</td>
<td>.35**</td>
<td>.45**</td>
</tr>
<tr>
<td>2. Group identification (9 items)</td>
<td>.88</td>
<td>7.33</td>
<td>1.12</td>
<td>.50**</td>
<td>.34**</td>
<td></td>
</tr>
<tr>
<td>3. Collectivism (10 items)</td>
<td>.82</td>
<td>6.83</td>
<td>1.12</td>
<td>.50**</td>
<td>.34**</td>
<td></td>
</tr>
<tr>
<td>4. Leadership style (2 items)</td>
<td>.81</td>
<td>6.38</td>
<td>1.92</td>
<td>.50**</td>
<td>.34**</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Means can take values between 1 and 9, with 9 indicating more of the property described in variables 1-3. For leadership style, a value of 1 indicates a more personalized style and a value of 9 indicates a more depersonalized style.

*p < .05, **p < .01.
followed by collectivism, $\beta = .25$, $t(117) = 2.73$, $p = .007$, and finally identification, $\beta = .24$, $t(117) = 2.44$, $p = .016$. Leadership was considered more effective if it was depersonalized, or when participants had a more collectivist orientation, or when they identified more strongly.

At Step 3, the three two-way interactions were entered. Together, these interactions accounted for significant additional variance, $R^2 = .43$, $R^2_{adj} = .37$, $R^2_{ch} = .05$, $F(3, 106) = 16.44^{***}$, $p = .000$. The interaction between identification and leadership style accounted for significant variance in perceived leadership effectiveness, $\beta = .26$, $t(117) = 2.26$, $p = .026$, as did the interaction between collectivism and leadership style, $\beta = -.23$, $t(117) = -2.46$, $p = .016$. The three-way interaction was entered as a fourth step but did not account for any additional variance.

**Identification by leadership style.** Simple slopes analyses were conducted for each significant two-way interaction, following Aiken and West’s (1991) procedures. For the Identification $\times$ Leadership Style interaction, the effect of style on perceived effectiveness was significant when identification was high, $\beta = .57$, $t(123) = 4.91$, $p = .000$, but not when it was low, $\beta = .12$, $t(123) = 0.87$, ns. Among high identifiers (1 SD above the mean), increased depersonalization of leadership style was associated with increased perceived leadership effectiveness (see Figure 5). Taking leadership style as the moderator, the effect of identification on perceived effectiveness was significant for a depersonalized leadership style (1 SD above the mean), $\beta = .46$, $t(123) = 3.16$, $p = .002$, but not a personalized style (1 SD below the mean), $\beta = .02$, $t(123) = 0.13$, ns.

**Collectivism by leadership style.** For the Collectivism $\times$ Leadership Style interaction, the effect of style on perceived leadership effectiveness was significant for low levels of collectivism (1 SD below the mean), $\beta = .59$, $t(123) = 4.47$, $p = .000$, but not high levels of collectivism (1 SD above the mean), $\beta = .10$, $t(123) = 0.77$, ns. For individualists (strictly less collectivist, given the grand mean of 6.83), effectiveness increased with an increasingly depersonalized leadership style (see Figure 7). Taking leadership style as the moderator, the effect of collectivism on perceived leadership effectiveness was not significant when leadership style was depersonalized (1 SD above the mean), $\beta = .02$, $t(123) = 0.12$, ns; however, when leadership style was personalized (1 SD below the mean), collectivists found the leader more effective than did individualists, $\beta = .49$, $t(123) = 3.67$, $p = .000$ (see Figure 8).

Contrary to prediction, it was individualists, not collectivists, who found a depersonalized style more effective than a personalized style, and a personalized style was preferred more by individualists than collectivists. We had expected entirely the opposite—that individualists would find a personalized style to be more effective than a depersonalized style and a person-
alized style would be more effective among individualists than collectivists.

Discussion

Study 2 measured participants’ levels of group identification and collectivism and their perceptions of their work-group leader’s leadership effectiveness and leadership style. As predicted, depersonalized leadership was more effective for high than low identifiers, and there was no effect of identification on effectiveness for personalized leadership. Consistent with the general hypothesis that the relationship between personalized leadership and leadership effectiveness will become less positive or more negative with increasing identification, we found that high identifiers found depersonalized leadership to be more effective than personalized leadership, whereas low identifiers showed no preference. We had predicted this interaction between identification and style would be weaker among low collectivists (individualists), but this effect did not emerge.

We also had predicted that collectivists would report depersonalized leadership to be more effective than personalized leadership, and individualists the reverse. We found instead that individualists felt depersonalized leadership was more effective. Furthermore, personalized leadership was preferred by collectivists over individualists, and the groups did not differ regarding the effectiveness of depersonalized leadership.

One reason for the collectivism results is that, strictly speaking, our sample varied from high to low collectivism rather than from collectivism to individualism—the mean collectivism score was 6.83, with a SD of 1.12, on a
9-point scale. Perhaps the predicted three-way interaction requires true individualists rather than low collectivists. The unexpected two-way interaction also may be attributable to the absence of true individualists.

However, another possibility, particularly for the finding that personalized leadership was more effective among collectivists than individualists, is that collectivists are not only more group oriented but they also have a preference for a relational self-concept—one that emphasizes interpersonal relationships among people in a group (e.g., Brewer & Gardner, 1996; Yuki, 2003; also see Oyserman, Coon, & Kemmelmeier, 2002). Indeed, many of the items in the collectivism questionnaire by Yamaguchi (1994) that we used focus on maintaining interpersonal harmony and avoiding disagreement and conflict. In this case, then, our findings make sense. In our study, a personalized leadership style is a relationship in which the leader treats each follower in a personalized manner, that is, develops a personal relationship rather than a more impersonal relationship. It is now clear why this style is more effective among collectivists than individualists—collectivists construe themselves in terms of relationships and their relationship to the group in terms of interconnected personal relationships within the group.

GENERAL DISCUSSION

After more than two decades during which little systematic research in leadership has been conducted in social psychology, the past few years have witnessed a rebirth. This rebirth originates in increased knowledge and interest in social cognition, the self-concept, social identity, and group and intergroup processes and from developing synergies between social identity research and both social cognition and organizational psychology (e.g., Abrams & Hogg, 1999; Haslam, 2004). Regarding leadership, the social identity approach provides a new perspective that treats leadership as a group process that pivots on psychological group membership—people in psychologically salient groups categorize and thus depersonalize themselves and others in terms of the relevant group prototype. Group members attend carefully (both automatically and deliberatively) to prototypicality, such that more prototypical members are perceived to be and are endorsed as more effective leaders. We noted that there is reasonably good evidence from direct tests that is consistent with this analysis.

In this article, we compared this social identity analysis with another current and popular theory of leadership—LMX theory. LMX theory argues that the key to successful leadership is the establishment of high-quality dyadic relationships between the leader and specific followers. Our aim was not to discredit LMX theory but rather to show how the social identity analysis of leadership identifies the conditions under which LMX processes do and do not occur and to show that where LMX processes do not occur or are weakened, namely, in salient groups with which people identify strongly, then social identity processes do occur or are stronger.

We predicted that depersonalized leader-member relations would be associated with more favorable leadership evaluations by members who identified more strongly with their group than by those who identified less strongly. Personalized leadership evaluations would remain largely unchanged by salience. Overall, any preference for personalized as opposed to depersonalized leadership would diminish, disappear, or be reversed as the salience of the group increased and people identified more strongly with the group. This is what we found in two surveys of people in organizations and in workgroups in organizations—the studies measured members’ identification (or perceived salience of the group in Study 1) and their perception of leadership style and leadership effectiveness.

Regarding the relationship between identification/salience and leadership effectiveness, both studies found that the leadership effectiveness of depersonalized leader-member relations was significantly stronger among high than low identifiers. Where leader-member relations were personalized this effect for identification was significantly weakened (Study 1) or disappeared (Study 2).

Regarding the relationship between leadership style and leadership effectiveness, in Study 1, members of low-salience groups found a personalized style to be more effective than a depersonalized style, whereas low identifiers in Study 2 showed no preference. In Study 1, members of high-salience groups showed a significantly weakened preference for personalized leadership (because depersonalized leadership had increased significantly in effectiveness from low to high salience), whereas high identifiers in Study 2 showed a marked preference for depersonalized as opposed to personalized leadership. Although the main effect of leadership style on effectiveness differs between the two studies, such that there is a general preference for personalized leadership in Study 1 and for depersonalized leadership in Study 2, the pattern of the salience/identification by leadership style interaction is as predicted in both studies (although in Study 1 it did not emerge on one of the three leadership measures—extra effort). The relationship between personalized leadership and leadership effectiveness became less positive (Study 1) or more negative (Study 2) with increasing salience or identification.

Together, these studies show that the perceived leadership effectiveness of different leader-member relations is associated with how psychologically salient is the group membership and that the effect is consistent with
the operation of social identity processes. The difference between studies described above is most likely due to the very different populations (Wales and India) and organizational contexts, and also to differences in measurement of the psychological salience of group membership (self-reported group salience vs. self-reported identification). For example, perhaps the Indian work groups (Study 2) were more “groupy” overall than the Welsh work groups (Study 1)—the former were located in a more collectivist culture than the latter. If this were true (the Indians did score high, M=6.83, on the 9-point collectivism scale administered in Study 2 only), then the low-salience Welsh groups are the least “groupy” (they showed a preference for personalized leadership) and the Indian high identifiers the most “groupy” (they showed a preference for depersonalized leadership).

High-salience Welsh groups and low-identifying Indians are in the middle (they showed no leadership style preference).

Study 2 investigated also the role of individual differences in self-construal—individualism versus collectivism or independent versus interdependent self-construal. The initial prediction that a depersonalized style would be more effective than a personalized style among collectivists and vice versa among individualists was not upheld. Instead, a depersonalized style was preferred by individualists.

One reason for this is collectivists prefer a relational self and therefore respond better to personalized than depersonalized leadership. In this way, cultural differences in self-construal may affect the leadership effectiveness of different leader-member relations. Identification did not interact with collectivism to influence leader effectiveness perceptions—this aspect remains to be examined. The absence of the three-way interaction and the unpredicted two-way effect also may be attributable to the fact that the sample varied in the degree of collectivism rather than from collectivism to individualism.

Taken together, these two studies provide evidence from very different populations that supports the idea that the perceived leadership effectiveness of different leader-member relations is influenced by the degree to which the group is a psychologically salient self-defining entity with which followers identify. The effect is consistent with the social identity analysis of leadership (e.g., Hogg, 2001a). Depersonalized leader-member relations become increasingly favorably evaluated as group salience increases. Although the studies focus on real leadership situations in real groups, they are correlational—they can only comment on the relationship among identification, leadership style, and leadership effectiveness. Further research is planned to test these hypotheses in an experimental context in which identification/salience and leadership relations can be manipulated.

REFERENCES


