

**GOAL ORIENTATIONS AND ORGANISATIONAL OUTCOMES:  
THE IMPACT OF LEADER-MEMBER EXCHANGE**

by

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## ABSTRAK

Penyelidikan ini mengkaji perhubungan antara orientasi matlamat dengan komitmen afektif terhadap organisasi dan penyelia, serta dengan pencapaian kerja dalam-peranan dan inovatif dalam organisasi. Dimensi-dimensi orientasi matlamat diteliti bagi memastikan pengaruh setiap dimensi terhadap hasil-hasil ini. Impak pertukaran pemimpin-ahli (LMX) atas perhubungan antara pembolehubah-pembolehubah juga diteliti berdasarkan teori-teori pencapaian matlamat dan LMX. Daripada borang soal-selidik yang lengkap, maklumbalas daripada 300 pasang dyadik yang bekerja dalam sektor pembuatan di Pulau Pinang menunjukkan sokongan separa bagi perhubungan positif antara orientasi matlamat dan komitmen afektif. Dengan cara yang sama, hipotesis-hipotesis yang menghubungkan orientasi matlamat kepada pencapaian kerja disokong separa, iaitu orientasi pengelakan penguasaan berhubung dengan pencapaian kerja inovatif secara signifikan. LMX yang dinilai oleh penyelia menunjukkan perhubungan yang positif dengan pencapaian kerja “dalam peranan” dan inovatif, sementara LMX yang dinilai oleh yang diselia berhubung secara positif dan signifikan dengan komitmen afektif dan pencapaian kerja. Mediasi oleh LMX daripada yang diselia adalah signifikan secara positif antara pendekatan penguasaan dan komitmen afektif; mediasi itu adalah separa bagi komitmen terhadap organisasi dan penuh terhadap penyelia.

## **ABSTRACT**

This research studied the relationship between goal orientations with affective commitment to the organisation and supervisor, as well as with in-role and innovative job performance in organisations. The various dimensions of goal orientations are examined to ascertain their individual influence on these outcomes. The impact of leader-member exchange (LMX) on the relationships between the variables was also examined based on achievement goal and LMX theories. From completed questionnaires, the responses from 300 dyadic pairs of respondents working in the manufacturing sector in Penang revealed partial support for a positive relationship between goal orientations on affective commitment. Similarly, the hypotheses linking goal orientations to job performance received partial support, in that mastery avoidance orientation was significantly related to innovative job performance. Supervisor-rated LMX showed a positive significant relationship with in-role and innovative job performance while subordinate-rated LMX was significantly and positively related affective commitment and job performance. Mediation by subordinate-rated LMX was positively significant between mastery approach and affective commitment; the mediation was partial for organisational commitment and full for supervisory commitment.

## Chapter 1

### INTRODUCTION

#### 1.1 Introduction

Organisational commitment and job performance are two organisational outcomes that have been studied extensively. Many studies have been conducted to identify the possible causes of these two outcomes. In one such study, Janssen and Van Yperen (2004) managed to relate job performance with employees' goal orientations. They demonstrated the effects of the mastery and performance approach dimensions of goal orientations on in-role and innovative job performance, as well as on job satisfaction. They also studied the mediating role of leader-member exchange (LMX) in these relationships. However, little is known about how the avoidance dimensions, based on the 2 x 2 achievement goal framework (Elliot & McGregor, 2001), relate to these outcomes. This study attempts to develop this framework and expand their ideas to encompass both the approach and avoidance dimensions of goal orientations.

Studies on goal orientations have predominantly focused on individual cognition, affect, and behaviour (e.g., Elliot, 1999; Brett & Vandewalle, 1999; Elliot & Harackiewicz, 1996). In contrast to these studies, Janssen and Van Yperen (2004) studied the interpersonal context of achievement situations by linking goal orientations to LMX. This present study further explores the relationship between goal orientations, LMX, and an attitudinal organisational outcome, namely affective commitment. Of interest in this study, the foci of commitment are the organisation and supervisor. The effects of goal orientations are also studied on a behavioural outcome, namely job performance. Two dimensions of job performance are examined, namely in-role and innovative job performance. Based on evidence that

LMX may be conceptualised as a multidimensional construct (Dienesch & Liden, 1986; Bhal & Ansari, 1996; Liden & Maslyn, 1998), this study explores the four dimensions of LMX, i.e., affect, loyalty, contribution, and professional respect, in relation to these variables.

## **1.2 Problem Statement**

Organisations, including those in Malaysia, have always been faced with the problem of high employee voluntary turnover. Although data on voluntary turnover is typically difficult to collect (Currivan, 1999), the turnover is often associated with high costs. As found by past researchers, a high voluntary turnover rate is predicted by low commitment in organisations (e.g., Mathieu & Zajac, 1990; Mowday, Porter, & Steers, 1982). It is, therefore, not surprising that there is a wealth of literature on commitment studying its antecedents and correlates, as shown in the meta-analyses by Mathieu and Zajac (1990) and Meyer, Stanley, Herscovitch, and Topolnytsky (2002). For example, Meyer et al. (2002) demonstrated that turnover was a consequence that was negatively related to affective, normative, and continuance commitment, in that order of correlation strength.

However, previous research on the antecedents to commitment did not study the potential effect of employees' goal orientations. Therefore, this present research is done in the context of the limited knowledge in this area. As the relationship between goal orientations and affective commitment has not been widely studied, little is known about whether people exhibit different levels of commitment to the organisation and supervisor if they have different goal orientations. Similarly, it is not clear how the various dimensions of goal orientations relate to in-role and innovative job performance, another outcome valued by organisations. Will a particular goal

orientation adopted by an employee in an organisation affect the extent of the employee's job performance? It is evident that employees in organisations exhibit varying levels of organisational and supervisory commitment, as well as a wide range of job performance. However, it is not immediately evident to what extent these organisational outcomes are affected by the goal orientations adopted by the employees. Moreover, the focus of literature in achievement goal has emphasised the approach dimension of goal orientations. On the contrary, the avoidance dimension is comparatively less studied and hence less understood. Thus, the influence of the avoidance dimension is uncertain.

The influence of an employee's goal orientation on these outcomes may be influenced by situational factors such as LMX. This influence has been shown by Janssen and Yperen (2004). They have conceptualised LMX as a unidimensional construct in their research that studied the combined effect of LMX and goal orientations in predicting organisational outcomes. However, some studies on LMX have proposed that LMX is a multidimensional construct (Dienesch & Liden, 1986; Bhal & Ansari, 1996; Liden & Maslyn, 1998). The effects of the various dimensions of LMX combined with the multiple dimensions of goal orientations on affective commitment and job performance are not known.

### **1.3 Research Objectives**

This research is designed to test whether affective organisational and supervisory commitment as well as in-role and innovative job performance are predicted by goal orientations and LMX. It is hoped that this study will shed more light on how varying degrees of LMX interplays with the different dimensions goal orientations adopted by employees to impact these outcomes.

The dimensions of goal orientations studied are mastery approach, mastery avoidance, performance approach, and performance avoidance. LMX in this study is conceptualised as a multidimensional construct that encompass affect, professional respect, loyalty, and contribution. The study aims to examine impact of the various dimensions of LMX on relationships between goal orientations and both affective commitment and performance, i.e., the study aims to study the direct and LMX-mediated relationships.

Specifically, the objectives of this research are to determine:

- (1) Whether employees' goal orientations are able to predict affective organisational and supervisory commitment.
- (2) Whether employees' goal orientations are able to predict in-role and innovative job performance.
- (3) Whether LMX significantly mediates the relationships between the above-mentioned predictors and outcomes.

#### **1.4 Research Questions**

This study attempts to answer the following research questions:

- (1) How are the two orientations of mastery and performance (i.e., approach and avoidance) related to the attitudinal outcomes of affective commitment to the organisation and to the supervisor in organisations?
- (2) How are these four goal orientations related to the behavioural outcomes of in-role and innovative job performance in organisations?
- (3) How are these four goal orientations related to the quality of LMX in its multidimensionality?

(4) How are the various dimensions of LMX related to affective commitment and job performance?

(5) To what extent does LMX mediate the relationships between goal orientations and the outcomes, i.e., affective commitment and job performance?

### **1.5 Significance of the Study**

To date, there is limited literature on empirical studies that explore the relationships among goal orientations, LMX, affective commitment, and job performance. Moreover, there is little information on manufacturing industries in Malaysia in this context. This study will add to the existing pool of knowledge in this area. Specifically, this study will provide evidence as to whether differing goal orientations possessed by employees significantly affect their level of commitment and job performance in the context of the Malaysian manufacturing sector. This study will also show whether social exchanges between employees and their supervisors are important in explaining the extent to which these outcomes are exhibited by the employees.

### **1.6 Definition of Key Terms**

(1) *Affective commitment*—the employee's emotional attachment to, identification with, and involvement in the organisation (Meyer & Allen, 1991).

(2) *In-role job performance*—the actions specified and required by an employee's job's description and thus, mandated, appraised, and rewarded by the employing organisation (Janssen & Van Yperen, 2004).

(3) *Innovative job performance*—the intentional generation, promotion, and realisation of new ideas within a work role, work group, or organisation in order to benefit role performance, a group, or an organisation (Janssen & Van Yperen, 2004).

(4) *Goal orientation*—a relatively stable dispositional trait that co-varies with the individual's theory of ability (Button, Mathieu, & Zajac, 1996).

(5) *Leader-member exchange*—the quality of the working relationship between leaders and their direct subordinates, given the unique characteristics of each, within the context of a complex organisation (Scandura & Lankau, 1996).

## **1.7 Organisation of Chapters**

This report is organised into five chapters. Chapter 1 introduces the subject matter. It provides an overview of the study and states the research problem, objectives and questions that this study attempts to answer. It also puts into perspective the potential contribution of the study in the fields of goal orientations, LMX, commitment, and job performance. Chapter 2 reviews related works by other researchers and develops the theoretical framework and hypotheses for this study based on existing ideas. The methodology of the study is described in Chapter 3. In this section, the plan for selecting the research site, samples, and procedures is outlined. Measures for the various constructs and statistical analytical methods are described. Chapter 4 presents the results of descriptive statistics, statistical analyses of the measures used, and hypotheses testing. Chapter 5 discusses in detail the findings and implications of the study. It also identifies limitations to the study and suggests areas for future research, before providing a conclusion.

## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section reviews the literature on goal orientations, commitment, job performance, and leader-member exchange (LMX) to provide a background for this study. Based on the review, the theoretical framework and hypotheses are generated.

#### **2.2 Commitment**

##### **2.2.1 Dimensionality and Measurement**

Mowday et al. (1982) defined commitment as the “relative strength of an individual’s identification with and involvement in the organisation” in the context of goals and values. The organisational commitment construct has been the focus of many researchers in the past few decades (Chen & Francesco, 2003). It has traditionally been studied as a unidimensional construct. However, in more recent years, this construct has been further classified into different components, as suggested by Meyer and Allen (1991). They are affective, continuance, and normative organisational commitments. Definitions of commitment have ranged from it being a unidimensional construct, or a common element that links the different forms of commitment within multidimensional models, to a core essence distinguishing itself from other constructs (Meyer & Herscovitch, 2001).

Meyer and Allen (1991) proposed three components to conceptualise organisational commitment, namely affective commitment (AC), continuance commitment (CC), and normative commitment (NC). The AC component refers to the “employee’s emotional attachment to, identification with, and involvement in the

organisation” (p. 67). The CC component refers to “an awareness of the costs associated with leaving the organisation” (p. 67). The final component, NC, “reflects a feeling of obligation to continue employment” (p. 67). These feelings may primarily be the result from early socialisation processes that could be family or culturally based, but they may also be influenced by the organisation (Allen & Meyer, 1996).

Commitment is accompanied by mind-sets that are important to be distinguished. Meyer and Herscovitch (2001) suggested that AC is characterised by desire—“individuals with strong affective (value, moral) commitment want to pursue a course of action of relevance to a target” (p. 316). The character of CC is that the perceived cost of discontinuing a course of action is high. NC is characterised by a sense of obligation to act in relevance to a target.

Drawing from works of previous researchers, Meyer, Allen, and Smith (1993) concluded that the scales for AC, CC, and NC measure relatively distinct constructs; AC, CC, and NC can be considered as three different constructs. This finding was supported by Chen and Francesco (2003) in a study in China, and Daisy, Ansari, and Aafaqi (2004) in Malaysia. At the same time, the three components of commitment share a common view that commitment is a psychological state that characterises the organisation-employee relationship and has implications for the decision to continue or discontinue being a member in the organisation (Meyer & Allen, 1991).

Most of the research on organisational commitment has focused on AC. Mathieu and Zajac (1990) commented that the Organisational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979) measured only the AC component. The focus on the other two components increased after the proposition of the three-component model of commitment by Meyer and Allen (1991). The three-component model of organisational commitment has been the

dominant framework because it stems from a more comprehensive understanding of the field (Cheng & Stockdale, 2003).

Powell and Meyer (2004) showed that CC correlated significantly with the five categories of Becker's (1960) side-bet theory, which are generalised cultural expectations, self-presentation concerns, impersonal bureaucratic arrangements, individual adjustments to social positions and non-work concerns (Becker, 1960). In addition, Powell and Meyer (2004) have also found a strong correlation between the side bets carrying social costs (i.e., expectations and self-presentation concerns) with NC, even stronger than the correlation with CC.

Meyer and Herscovitch (2001) concluded that the different forms of commitment in organisations contributed to the complexities in the commitment-behaviour relationship. In a review of the organisational commitment literature, they found that when compared to CC and NC, AC "(a) correlates significantly with a wider range of 'outcome' measures and (b) correlates more strongly with any given outcome measure" (p. 312). Stanley, Meyer, Topolnytsky, and Herscovitch (1999) found stronger correlations between turnover intentions, actual turnover, absenteeism, job performance, and organisational citizenship behaviour (OCB) with AC, as compared with CC and NC. Meyer et al. (2002), in a meta-analysis of organisational commitment found that the strongest positive relation with desirable work behaviour was AC, followed by NC. However, they found CC to be unrelated or negatively related to these behaviours.

Chen and Francesco (2003) found that unlike AC and CC, NC had no main effect on performance. However, NC significantly tempered the relationship between AC and performance; the AC-performance relationship was stronger when NC was weaker. AC was also found to be related to in-role performance and the two

dimensions of OCB—altruism and conscientiousness. Conversely, CC was negatively related to both altruism and conscientiousness. Cheng and Stockdale (2003) found that AC and NC significantly predicted job satisfaction, and of these AC was the stronger predictor.

### **2.2.2 Antecedents of Commitment**

As many favourable outcomes are related to a higher level of organisational commitment in the organisation, many studies on commitment antecedents have emerged. Mathieu and Zajac (1990) have attempted to summarise potential antecedents and their correlation strength to organisational commitment. The antecedents are classified into personal characteristics, job characteristics, group-leader relations, organisational characteristics, and role states. In his meta-analysis of 48 variables from 174 independent samples that were presented in 124 published studies, a short description of his findings is given in the next four paragraphs.

Under the category of personal characteristics, age was found to have a medium positive correlation with commitment. Women were found to be more committed than men, although the difference in the magnitude of commitment was small. Education and commitment were negatively correlated, but the magnitude was small. There was only a small positive correlation between being married with commitment. In terms of tenure, commitment was more strongly correlated to organisational tenure than position tenure, although both effects were small. However, there was a large positive correlation between perceived competence and AC. Conversely, the relationship between employees' ability and commitment was unclear due to lack of studies in this area. Salary, Protestant work ethic, and job level were also found to correlate positively to organisational commitment.

The second antecedent of commitment described by Mathieu and Zajac (1990) in relation with organisational commitment is job characteristics. Under job characteristics, skill variety, task autonomy, challenge, and job scope are the sub-components. All these sub-components correlate positively to organisational commitment, the strongest correlation involving job scope.

Thirdly, group-leader relations were studied under the categories of group cohesiveness, task interdependence, leader initiating structure, leader consideration, leader communication, and participatory leadership. No conclusion could be drawn from how group cohesiveness relates to organisational commitment, whereas there was some evidence of positive correlation between task interdependence and organisational commitment. Leader initiating structure and leader consideration showed medium positive correlations for each behaviour with organisational commitment. The relationship between leader communication and organisational commitment were strongly positive, while participatory leadership shared a moderate relationship with organisational commitment.

The fourth category studied was organisational characteristics. Mathieu and Zajac (1990) noted that the few studies that have examined the influence of organisational characteristics have found rather weak correlations in general. Finally, it was concluded that there was little theoretical work devoted to how role states relate to commitment.

More than a decade later, based on the development of the three-component conceptualisation of organisational commitment, Meyer et al. (2002) divided antecedent variables of commitment into four groups: demographic variables, individual differences, work experiences, and alternatives/investments. They found demographic variables to correlate only weakly with all three components of

commitment. From the group of variables on individual difference, only external locus of control and task self-efficacy correlated with affective commitment—negative and weak positive correlations, respectively. Work experience variables had stronger correlations than personal characteristics, the strongest correlation being with affective commitment. Lastly, the correlations between the availability of alternatives and investment variables produced mixed results, in that availability of alternatives, transferability of skills, and education correlated more strongly with continuance commitment compared to the other two components. However, general measures of investments correlated more weakly with continuance commitment.

Other works have identified additional potential antecedents of organisational commitment. One antecedent is perceived organisational support (POS), which is strongly related to organisational commitment (Whitener, 2001). In a research to demonstrate links between organisational human resource management (HRM) practices and employees' commitment, Meyer and Smith (2001) suggested that employees' perceptions and evaluations of the HRM policies and practices of organisations are related to the employees' affective commitment to the organisation, with the possibility that the perception of organisational support is an important mediator. This finding is supported in a study on antecedents and outcomes of affective commitment to the organisational, supervisor and work group, where Vandenberghe, Bentein, and Stinglhamber (2004) found that POS related uniquely and positively to affective organisational commitment. In addition to affective commitment, Daisy et al. (2004) found that perceived fairness in HRM practices such as employee relations and compensation, procedures, and training were positively related to normative commitment as well.

### **2.2.3 Consequences of Commitment**

Organisational commitment, as a unidimensional construct, is shown to be negatively related to turnover intentions (Mathieu & Zajac, 1990; Bishop, Scott, & Burroughs, 2000) and actual turnover (Mathieu & Zajac, 1990). It was also positively related to job performance in a longitudinal study on salespersons' job performances (Jaramillo, Mulki, & Marshall, 2005). Bishop et al. (2000) also found OCB to be related to both organisational and team commitment. Hochwarter, Perrewé, Ferris, and Guercio (1999) managed to demonstrate that high organisational commitment decreased the dysfunctional consequences of perceived politics.

As organisational commitment is related to many positive work-related outcomes, many studies have tried to show some forms of association between the components of commitment and outcomes. For example, Allen and Grissafe (2001) have proposed hypotheses linking the various components of commitment with different employees' customer-relevant behaviours. Studies on commitment in relation to work-related outcomes have shown interesting findings. Meyer et al. (2002) demonstrated that AC, CC, and NC were negatively correlated with withdrawal cognition, turnover intention, and turnover. However, other work behaviours, i.e. job performance and OCB, correlated with the three components to different extents.

Another example is a study by Vandenberghe et al. (2004), who reported that affective organisational commitment directly affected turnover intentions, and that turnover intentions were directly and indirectly affected by affective commitment to the supervisor. They also found that turnover intentions were indirectly exerted by affective commitment to the work group. Vandenberghe et al. (2004) also showed that organisational commitment and work group commitment were significantly related to

commitment to the supervisor. Consequently, commitment to the supervisor is significantly associated with performance.

### **2.3 Job Performance**

Katz (1964) categorised job performance into in-role and innovative job performance. In-role job performance is defined as “actions specified and required by an employee’s job description and thus mandated, appraised, and rewarded by the employing organisation” (Janssen & Van Yperen, 2004, pp. 369-370). Innovative job performance is defined as “the intentional generation, promotion, and realisation of new ideas within a work role, work group, or organisation in order to benefit role performance, a group, or an organisation” (Janssen & Van Yperen, 2004, p. 370).

#### **2.3.1 Antecedents of Job Performance**

Many studies on the antecedents of job performances have been undertaken. The variables studied include procedural justice (e.g., Aryee, Chen, & Budhwar, 2004), one or more of the five personalities, e.g., conscientiousness and affectivity, in the Big Five personality types (e.g., Chatman, Caldwell, & O’Reilly, 1999; Byrne, Stoner, Thompson, & Hochwarter, 2005; Fritzsche, McIntire, & Yost, 2002, Van Yperen 2003b), job satisfaction (Hochwarter et al, 1999), and organisational commitment (Jaramillo et al., 2005). Kwong and Chueng (2003) have mentioned that the construct of performance has been increasingly conceptualised based on specific performance domains (e.g., Borman, Hanson, & Hedge, 1997; Motowidlo, Borman, & Schmit, 1997) rather than a single criterion.

The relationship between goal orientations and performance has been studied by Brett and VandeWalle (1999). The study showed that mastery orientation was

positively related to selecting a goal that developed and refined one's skill. These goals, in turn, were significantly related to performance. In another study, Janssen and Van Yperen (2004) found that mastery orientation was positively related to in-role job performance, innovative job performance, and job satisfaction; these relationships were mediated by LMX. Conversely, exchanges with their supervisors were of lower quality for those with performance goal orientation, resulting in lower levels of in-role and innovative job performance, as well as lower job satisfaction. In this case, LMX mediated only the path to job satisfaction.

## **2.4 Goal Orientations**

### **2.4.1 Dimensionality and Measurement**

The basis of the goal orientations is the theory of achievement goal, where achievement goals are defined as “cognitive representations that guide behaviour in a particular direction” (Elliot & Thrash, 2001, p. 144). For the past two decades, a majority of the achievement motivation works, theoretical and empirical, were based on the achievement goal perspective (Elliot & McGregor, 2001) to study behaviour in context of school, sport, and work (Cury, Elliot, Sarrazin, Da Fonseca, & Rufo, 2002). In a literature review, Button, et al. (1996) quoted Dweck's motivational theory that suggested that goal orientation was “a relatively stable dispositional trait that co-varies with the individual's implicit theory of ability” (p. 26).

Initially, the construct of goal orientations was distinguished by pioneers in this field into two types, i.e., mastery and performance goal orientations (e.g., Dweck, 1986; Maehr, 1984; Nicholls, 1984). Mastery goals focus on the development of competence or task mastery, whereas performance goals focus on the demonstration of competence relative to others (Ames & Archer, 1987). According to achievement

goal theorists, the two goals could be associated with a contrasting set of competence-relevant affect, cognition, and behaviour (Elliot, 1999). "...achievement goal constructs such as mastery and performance goals are assumed to reflect an organised system, theory, or schema for approaching, engaging, and evaluating one's performance in an achievement context" (Pintrich, 2000, p. 94). Pintrich (2000) further stated that the term "goal orientation" was often used to represent "the idea that achievement goals are not just simple target goals or more general goals, but represent a general orientation to the task that includes a number of related beliefs about purposes, competence, success, ability, effort, errors, and standards" (p. 94).

The mastery goal orientation is hypothesised to produce a "mastery" motivational pattern characterised by a preference for moderately challenging tasks, persistence in the face of failure, a positive affective stance toward learning, and enhanced task enjoyment; the performance goal orientation is hypothesised to result in a "helpless" pattern of motivational responses, e.g., preference for easy or difficult tasks, effort withdrawal in the face of failure, attribution of failure to lack of ability, and decreased task enjoyment (Butler, 1987; Elliott & Dweck, 1988). At the onset of an activity, the type of orientation adopted determines how achievement-relevant information and experience achievement settings are interpreted, evaluated, and acted on (Ames & Archer, 1987; Dweck, 1986).

The dichotomous framework of achievement goal was further researched and theorised into a trichotomous one. Elliot and Harackiewicz (1996) proposed the performance goals to be subdivided into performance-approach and performance-avoidance goals, i.e., demonstration of competence and avoiding the demonstration of incompetence, respectively. The validity of this framework has been demonstrated in later studies (e.g., Elliot & Church, 1997). Cury et al. (2002) added that

“performance-avoidance goals undermined intrinsic motivation relative to performance-approach and mastery goals, whereas performance-approach and mastery goals displayed the same level of intrinsic motivation” (pp. 478-479).

Elliot and Harackiewicz (1996) made a distinction between approach and avoidance orientations. The approach orientation stems from self-regulation according to potential positive outcomes; this regulation contributes to optimal engagement in tasks. Conversely, the avoidance orientation stems from self-regulation according to potential negative outcomes; this regulation prevents optimal engagement in tasks.

Elliot and McGregor (2001) further developed this framework based on Elliot's (1999) and Pintrich's (2000) proposal to produce a 2 x 2 framework for achievement goal by additionally bifurcating mastery goals to create mastery-approach and mastery-avoidance goals. Elliot and McGregor (2001) explained that competence, the conceptual core of the achievement goal construct, was differentiated on two fundamental dimensions, i.e., the definition and valence of competence. Competence can be defined in terms of the standards or referents used in performance evaluation, which are absolute, intrapersonal, and normative. As the distinction between absolute and intrapersonal is difficult, because they share many conceptual and empirical similarities, absolute/intrapersonal and normative was represented by the mastery-performance dichotomy. The valence dimension allows competence to be termed positive, desirable possibility (i.e., success) or a negative, undesirable possibility (i.e., failure). The 2 x 2 framework incorporates definitions from these 2 fundamental dimensions, resulting in four constructs, i.e., mastery- and performance-approach goals, and mastery- and performance-avoidance goals.

### **2.4.2 Antecedents of Goal Orientations**

There are fewer empirical studies on the antecedents of mastery and performance-approach and avoidance goal orientations than that for their consequences (Bråten & Strømsø, 2004). Using the trichotomous framework to study antecedents, Elliot and Church (1997) found mastery goals to be grounded in achievement motivation and high competence expectancies; performance-avoidance goals in fear of failure and low competence expectancies; and performance-approach goals in achievement motivation, fear of failure, and high competence expectancies.

Bråten and Strømsø (2004) suggested that achievement goals may have epistemological beliefs as antecedents, and that such beliefs may play more important roles than implicit theories of intelligence in goal adoption. They found that “students who believed that learning occurs quickly or not at all were less likely to adopt mastery goals and more likely to adopt performance-approach and performance-avoidance goals. In addition, students who believed in stable and given knowledge were less likely to adopt mastery goals” (p. 371). They also noted that females were more likely to have mastery goals and males performance-approach and performance-avoidance goals.

### **2.4.3 Consequences of Goal Orientations**

In a study on the consequences of achievement goal adaptation, Elliot and Church (1997) found that mastery goals facilitated intrinsic motivation but not graded performance. Performance-avoidance goals had negative effects on both intrinsic motivation and graded performance, whereas performance-approach goals was not related to intrinsic motivation but showed a positive relationship with graded performance. In addition, the antecedents used in the study were tested for moderating

effects. It was found that intrinsic motivation and graded performance was not directly affected by motive dispositions (achievement motivation and fear of failure) and competence expectancies; this finding validates that motive dispositions and competence expectancies are distal and achievement goals as proximal determinants of these achievement-relevant outcomes.

The findings on achievement goal have been predominantly based on studies in academia setting (Button et al., 1996), although studies have now encompassed organisations (e.g., VandeWalle, Brown, Cron, & Slocum, 1999; VandeWalle, 2003; Van Yperen, 2003a; Janssen & Van Yperen, 2004).

## **2.5 Leader-member Exchange (LMX)**

LMX refers to the quality of the working relationship between leaders and their direct subordinates, given the unique characteristics of each, within the context of a complex organisation (Scandura & Lankau, 1996). According to Dansereau, Graen, and Haga (1975), in LMX theory, leaders use different styles in their dealings with all subordinates and develop a different type of relationship or exchange with each subordinate. They suggest that these relationships range from those that are based strictly on employment contracts (i.e., low LMX, or “out-group”) to those that are characterised by mutual trust, respect, liking, and reciprocal influence (i.e., high LMX, or “in-group”). Since its inception, the LMX concept has undergone many refinements, (Graen & Uhl-Bien, 1995) based on an increasing number of studies.

### **2.5.1 Evolution of LMX**

A relationship-based approach to leadership research was developed by Graen and colleagues (Dansereau et al., 1975; Graen & Cashman, 1975). This approach was then

named the “Vertical Dyad Linkage” (VDL) model of leadership (e.g., Dansereau et al., 1975). Schriesheim, Castro, and Cogliser (1999), in their comprehensive review of the LMX literature, observed that VDL subsequently evolved into two branches of development. The two branches are the Leader-Member Exchange (LMX) model (e.g., Graen, Novak, & Sommerkamp, 1982), which is also known by other labels (e.g., the “Leadership-Making” model: cf., Graen & Uhl-Bien, 1991), and the Individualised Leadership (IL) model (Dansereau et al., 1995).

The development of LMX that is grounded in role theory (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964) has been explained by Dienesch and Liden (1986) using a process-oriented model. They have integrated literature in attribution theory, role theory, leadership, social exchange, and upward influence to produce a reciprocal causation framework. The portions outlined in their model are initial leader-member interaction, the leader’s delegation of trial assignment or initial set of duties, the member’s behaviour and attributions, and the leader’s attributions for the member’s behaviour. Dienesch and Liden (1986) proceeded to identify contextual influences on LMX development, namely work group (unit) composition, a leader’s power, and organisational policies and culture. Graen and Scandura (1987) also contributed in clarifying the LMX developmental process with a model named as the role-making model. The model consists of three phases: role taking, role making, and role routinisation.

Graen and Uhl-Bien (1995) suggested that the LMX theory has passed through four stages. Each stage clarifies the theory of the LMX process of the preceding stages. In stage one, they found that leaders developed differentiated relationships with their subordinates; this caused many managerial processes in organisations to occur on a dyadic basis. In stage two, studies evaluated the characteristics of the LMX

relationship and analysed the relationship between LMX and organisational outcomes. This stage of research found that the characteristics and behaviours of leaders and members influence the development of LMX relationships, and this occurs through a role-making process. At this stage it was also found that higher-quality LMX relationships have very positive outcomes for leaders, followers, work units, and the organisation. Stage three focuses on the development of effective leadership relations (Leadership-Making). This approach emphasises how managers may work and develop a partnership with each person, instead of focusing on discriminating among subordinates. A life cycle of leadership relationship maturity can be used to describe the Leadership Making process, whereby individuals may pass through the phases of “stranger”, “acquaintance”, and “mature partnership”. The final stage broadens the scope from the dyad to larger collectives, exploring how dyadic relationships are organised within and beyond the organisational system.

### **2.5.2 Dimensionality and Measurement**

The first three of the four LMX dimensions that was proposed by Liden and Maslyn (1998) (i.e., contribution, loyalty, affect, and professional respect) originated from Dienesch and Liden (1986). Dienesch and Liden (1986) defined the dimensions of contribution, loyalty and affect to be “task-related behaviours”, “loyalty to each other”, and “simply liking each other”, respectively. The dimensions can co-exist in varying amounts. They further described perceived contribution as the “perception of the amount, direction, and quality of work-oriented activity each member puts forth toward the mutual goals (explicit or implicit) of the dyad” (p. 624). Loyalty was defined as “the expression of public support for the goals and the personal character of the other member of the LMX dyad” (p. 625). Affect was defined as “the mutual

affection members of the dyad have for each other based primarily on interpersonal attraction rather than work or professional values” (p. 625). Liden and Maslyn (1998) have proposed a fourth dimension, professional respect, and have defined it as the “perception of the degree to which each member of the dyad has built a reputation, within and/or outside the organisation, of excelling at his or her line of work” (p. 50).

### **2.5.3 Antecedents of LMX**

Based on the models presented by Dienesch and Liden (1986) and Graen and Scandura (1987), Liden, Sparrowe, and Wayne (1997), in a literature review, have collated possible antecedents that may influence the development of LMX. The antecedents have been grouped into 4 categories, i.e., member characteristics, leader characteristics, interactional variables, and contextual variables. They further classified each category into subcategories. Under member characteristics were member performance, personality, and upward influence behaviour. Leader characteristics that have been studied were leader ability and leader affectivity. Interactional variables, i.e., compatibility between leader and member, were also studied in terms of actual similarity, liking, perceived similarity, and leader and member’s expectations of each other. Finally, the contextual variables that potentially influence LMX development were work group (unit) composition, a leader’s power, and organisational policies and culture.

### **2.5.4 Consequences of LMX**

Most of the initial empirical research on LMX focused on the consequences or outcomes of LMX. Liden et al. (1997), in their review, found a fairly comprehensive set of individual and organisational outcomes being examined in relation to LMX.

The outcomes include attitudes, perceptions, behaviours, and outcomes provided by the organisation. They concluded that although there were some inconsistencies in results, in general, LMX is positively related to favourable attitudes and behaviours. In their opinion, the generalisability of these studies was good because the studies were conducted in both the academia as well as private sector organisations.

Effective development of LMX in diverse leader-member dyads may influence the workforce experience of both members of the dyad to develop respect, trust and mutual obligation (Graen & Uhl-Bien, 1995). Hui, Law, and Chen (1999) found LMX to positively predict OCB and in-role job performance. They also found that LMX was a mediator of the effect of negative affectivity on these two variables. LMX, as a unidimensional construct, was found to be positively related to organisational commitment (Truckenbrodt, 2000). As multidimensional constructs, two dimensions of LMX—contribution and professional respect—were found to negatively predict turnover intentions (Ansari, Daisy, & Aafaqi, 2000). Daisy et al (2004) found that the contribution dimension of LMX was related to both normative and continuance commitment while the professional respect dimension of LMX was a positive predictor of affective and continuance commitment. Vanderberghe et al. (2004) also found that affective commitment to the supervisor was significantly associated with the quality of LMX, whilst affective commitment to the work group was uniquely predicted by work group cohesiveness.

Although previous works (e.g., Duchon, Green, & Taber, 1986; Kinicki & Vecchio, 1994) found a positive correlation between LMX with organisational commitment, Green, Anderson, and Shivers (1996) showed that the relationship was indirect, in that the variables were mediated by job satisfaction. One explanation of the inconsistency of results was that both LMX and organisational commitment were

multidimensional constructs, which require measurement scales that could differentiate the dimensions and components, and hence identify the more specific relationships amongst them.

## **2.6 Theoretical Framework**

### **2.6.1 Gap in Literature**

The literature review has described the variables in this study in terms of their dimensionality of construct. The variables were also described as to how they relate to other variables in organisational behaviour literature. Although some studies draw findings from one another, as well as other sources, they are mostly conducted separately under varying conditions and limitations, hence the need to integrate the findings in one study. In addition, there was no study that showed the relationship between goal orientations and affective commitment. The study by Janssen and Van Yperen (2004) managed to demonstrate the relationship between mastery and performance approach orientations and in-role and innovative job performance, but did not proceed to examine the relationships with mastery and performance avoidance orientation. In that study, although LMX was shown to mediate some of the relationships, further research needed to be performed to identify the impact of individual dimensions of LMX on the relationships, based on the dimensions of LMX proposed by Liden and Maslyn (1998). This study attempts to bridge these gaps in literature to provide a fuller understanding of the relationships between the constructs.

Based on existing literature, and based on LMX and achievement goal theories, this study proposes a theoretical framework that is shown in Figure 2.1. The two criterion variables are affective commitment and job performance. The constructs of normative and continuance commitments were excluded from this study based on