

**Emotional Intelligence Compatibility
and Leader-Member Exchange**

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Abstract

Relatively less research has been conducted to understand the determinants than the outcomes of leader-member exchange (LMX). Intrigued by this void in the leadership literature and drawing upon role theory, social exchange theory, and the attraction paradigm, we hypothesized that the compatibility of emotional intelligence (EI) between leaders and members predicts the quality of LMX. We tested this hypothesis by means of data collected from 135 employees and their supervisors working in business organizations located in northern Malaysia. The analysis indicated that the EI reported by subordinates predicts LMX very strongly, but the EI reported by supervisors does not. The compatibility hypothesis too received substantial support in that the congruence between supervisor and subordinate on EI significantly predicts LMX. Implications of the findings for those in managerial roles are discussed and directions for future research are suggested.

Keywords: Leader-member exchange, leader-member compatibility, emotional intelligence

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Emotional Intelligence Compatibility and Leader-Member Exchange

Past research has established the organizationally advantageous nature of higher quality of leader-member exchanges (LMX) (Liden & Graen, 1980). Such levels of LMX have been shown to be positively related to a number of work outcomes, including performance ratings (Liden & Graen, 1980; Vecchio & Gobdel, 1984), job satisfaction (Graen, Novak, & Sommerkamp, 1982), retention (Graen, Liden, & Hoel, 1982), career outcomes (Wakabayashi & Graen, 1984), promotions (Ansari, Hung, & Aafaqi, 2007; Wakabayashi, Graen, Graen, & Graen, 1988), organizational commitment (Major, Fletcher, Davis, & Germano, 2008), and perceptions of organizational climate (Kozlowski & Doherty, 1989). Because leader-member interactions are a critical social system in organizations (Eisenberg & Goodall, 1993) and are central to organizational work (Tjosvold, 1985), there is a need for organizations to understand LMX and its role in the survival and fitness of business operations, which is to maximize organization success by establishing positive exchanges between leaders and their individual subordinates (Truckenbrodt, 2000). But even more so, perhaps, is the need for organizations to understand the factors necessary for developing high-quality LMX (Liden & Graen, 1980; Yukl, 2010). Stated differently, less emphasis has been given to examining the antecedents of LMX, and a majority of these studies were conducted in the West. Thus, we contribute to the current LMX literature by examining the impact of emotional intelligence compatibility between leaders and members on the quality of LMX in the Malaysian context.

Theoretical Bases and Development of Hypotheses

The LMX theory, formerly known as the vertical dyad linkage (VDL) theory (Dansereau, Graen, & Haga, 1975; Ihrke, 2004), focuses on the two-way, reciprocal exchange relationship between supervisors and subordinates (Graen & Scandura, 1987). The theory posits that

leaders have unique relationship with members within work groups due to varying quality of social exchanges between them (Allinson, Armstrong, & Hayes, 2001). The theoretical foundation of LMX has been built around role and social exchange theories (Bhal, Gulati, & Ansari, 2009). Role theory asserts that role development produces differentiated role exchanges between the leader and subordinates within an organization (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964). It has been suggested that leaders define what the subordinate's role expectations will be through a series of role episodes and negotiations (Case, 1998). Role expectations have been observed to develop rather quickly and remain stable throughout the duration of the relationship (Dansereau et al., 1975; Graen & Cashman, 1975; Graen & Scandura, 1987; Graen & Uhl-Bien, 1995; Liden, Wayne, & Stilwell, 1993). Differences among subordinates and various organizational constraints faced by leaders, such as time and energy (Dansereau et al., 1975), as well as the degree to which a subordinate is compatible, competent, and dependable (Graen & Cashman, 1975) are factors said to lead leaders to share their personal and positional resources selectively with a few of their key subordinates, resulting in a high LMX ("in-group") and low LMX ("out-group") dichotomy.

Concurrently, the social exchange theory asserts that relationships offering more rewards than costs will produce lasting mutual trust and attraction (Blau, 1964). Furthermore, these social dealings include both material benefits and psychological rewards including status, loyalty, and approval (Yukl, 2010). The LMX theory employs a transactional framework for leadership where leaders treat each of their individual subordinates differently (Duchon, Green, & Taber, 1986), and which results in the development of relatively stable dyads (Liden, Wayne, & Stilwell, 1993) that range on a scale from lower to higher quality exchanges (Bauer & Green, 1996; Dienesch & Liden, 1986; Graen & Cashman, 1975; Liden & Graen, 1980; Liden, Wayne, & Stilwell, 1993). High quality exchanges, also known as "in-group" exchanges, are friendly working relationships characterized by mutual trust,

respect, liking, high level of interaction, and interpersonal attraction (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975; Graen & Scandura, 1987). In-group members are committed, competent, and conscientious subordinates (Dansereau, Graen, & Haga, 1975; Liden & Graen, 1980) who not only perform their jobs in accordance with the employment contract but also can be counted on to perform unstructured tasks, to volunteer for extra work, and to take on additional responsibilities (Truckenbrodt, 2000). These subordinates, who might eventually serve as assistants or advisors to the leader (Dienesch & Liden, 1986), in return receive favorable performance appraisals, valued promotions, satisfying positions, and career development support (Dienesch & Liden, 1986; Graen, Wakabayashi, Graen, & Graen, 1990; Liden & Graen, 1980), greater access to information, influence, opportunities for professional growth, decision-making latitude, supervisory support, more freedom, better job assignments, and increased opportunities to work with their leaders (Ashkanasy & O'Connor, 1997) as compared to out-group members (Graen & Scandura, 1987).

Over the past 35 years, LMX has been conceptualized in several ways (Bhal & Ansari, 1996; Dansereu et al., 1975; Yukl, 2010). But perhaps the most widely used conceptualization is that by Liden and Maslyn (1998). This is the conceptualization that has been adopted in this study. Liden and Maslyn (1998) conceptualized LMX in terms of four dimensions: (a) Contribution—the perception of the amount, direction, and quality of work-oriented activity each member puts forth toward the mutual goals of the dyad; (b) Loyalty—the extent to which both the leader and the member express public support for each other's actions and character; (c) Affect—the mutual affection members of the dyad have for each other based primarily on interpersonal attraction, rather than work or professional values; and (d) Professional respect—the perception of the degree to which each member of the dyad has built a reputation, within and/or outside the organization, of excelling at his or her line of work.

The significance of factors predicting positive exchanges is increasingly acknowledged. The two most prevalent antecedents of LMX, perhaps, are individual characteristics, namely subordinate ability (Dockery & Steiner, 1990; Kim & Organ, 1982; Liden & Graen, 1980; Scandura, Graen, & Novak, 1986; Wayne & Ferris, 1990) and supervisor liking for the subordinate (Dockery & Steiner, 1990; Wayne & Ferris, 1990). According to Day and Crain (1992), however, these variables may not be completely independent because an individual who brings more knowledge, skills, and abilities to a job is probably better liked by his or her leader than someone of lower ability.

Leader and member demographic characteristics have also been reported to predict LMX (Duchon, Graen, & Taber, 1986; Green, Anderson, & Shivers, 1996), though Duchon, Graen, and Taber (1986) state that this may be explained by leader-member similarity. Besides leader-member similarity, as reported by Dienesch and Liden (1986) and Graen and Cashman (1975), other similarities between leader and member that are found to predict LMX quality include attitude similarity (Phillips & Bedeian, 2000; Turban, Jones, & Rozelle, 1990), value congruity (Ashkanasy & O'Connor, 1997), and interpersonal attraction (Graen & Cashman, 1975; Liden, Wayne, & Stilwell, 1993), where interpersonal attraction may be associated with personality trait similarity (Byrne, 1971). Other studies show that similarity between leaders and members' conscientiousness (Deluga, 1998) and cognitive ability (Engle & Lord, 1997) predict LMX quality. The work of Allinson, Armstrong, and Hayes (2001), however, indicates that the extent to which leaders' and members' cognitive styles differed might have an effect on the nature of the relationship. Although descriptions and models of LMX have identified the importance of individual characteristics, much of the theoretical attention has been on initial task performance. The current study, therefore, intends to expand the literature on LMX, specifically relating to individual characteristics as antecedents of LMX,

by proposing that the fit or compatibility between leader and member emotional intelligence (EI) predicts LMX quality.

Emotional Intelligence (EI)

Salovey and Mayer (1990) were one of the earliest to suggest the name “emotional intelligence” to represent the ability of people to manage their emotions. The current study employs Mayer and Salovey’s (1997) definition of EI, which describes EI as a set of interrelated skills concerning “the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth” (Mayer & Salovey, 1997, p. 10). Salovey and Mayer (1990) conceptualized EI as composed of the following four dimensions: (a) Appraisal and expression of emotion in the self (self-emotion appraisal), which concerns the individual’s ability to understand their strong emotions and their ability to easily express these emotions; (b) Appraisal and recognition of emotion in others (others’ emotion appraisal), which concerns people’s ability to recognize and understand the emotions of those people around them; (c) Regulation of emotion in the self (regulation of emotion), which concerns people’s ability to control their emotions, which in turn will enable a more rapid recovery from psychological distress; and (d) Use of emotion to facilitate performance (use of emotion), which concerns people’s ability to make use of their emotions by directing them towards constructive activities and personal performance.

Emotional intelligence has received a great deal of attention by researchers as it has been theorized to have positive and significant impact on behavioral outcomes such as employee performance, organizational citizenship, commitment, and organizational effectiveness (Sosik & Megerian, 1999). Organizations seem to have also developed a keen interest in EI because its measures have been able to predict theoretically relevant outcomes such as leadership

(Alon & Higgins, 2005; Buford, 2001; Caruso et al., 2002; Hoffman & Frost, 2006; Kobe et al., 2001; Prati et al. 2003; Wong & Law, 2002), work attitudes, and moral reasoning (Barbuto & Burbach, 2006; Newsome, Day, & Catano, 2000; Sivanathan & Fekken, 2002). Vrba (2007) found EI (conceptualized as skills) to correlate significantly to transformational and transactional leadership, hence supporting previous studies (Barling et al., 2000; Gardner & Stough, 2002; Palmer et al., 2001). Downey, Papageorgiou, and Stough (2006) found that those female managers who displayed transformational leadership behaviors were more likely to display higher levels of EI. More recently, Wang and Huang (2009) also found emotional intelligence to be positively associated with transformational leadership.

There have been few studies examining the effects of EI on LMX. In the Malaysian context, Yunus, Ishak, Mustapha, and Othman (2010) found subordinate LMX to moderate the relationship between EI dimension, extraversion, and organizational citizenship behavior dimension of civic virtue. More recently, Hsu, Chen, Wang, and Lin (2010) found LMX quality relevant to supervisory support, in which they argued that leader high in EI, rather than one rating low on EI, would provide supervisory support. Thus we offer the following hypothesis:

Hypothesis 1. Emotional intelligence (a) reported by subordinates and (b) reported by supervisors is positively related to leader-member exchange reported by subordinates.

Leader-member Compatibility on Emotional Intelligence

Dienesch and Liden's and Graen and Cashman's studies (as cited in Liden, Wayne, & Stilwell, 1993) suggest that the degree of compatibility, which refers to both perceived and actual similarity, between leader and member should contribute to the type of LMX that ultimately develops. The similarity-attraction paradigm states that personal attribute or characteristic similarity between individuals is positively related to interpersonal attraction (Byrne, 1971). In the context of LMX theory, Deluga (1998) argues that interpersonal

attraction promotes leader-member compatibility, which encourages accurate perceptions of leader performance expectations and consequently, improved subordinate performance, which when coupled with enhanced communication, results in higher LMX quality.

Although, as Deluga points out, a few studies have been conducted to examine the role of leader-member similarity, perceptions of similarity, both in general (Graen & Cashman, 1975; Wexley & Pulakos, 1983) and pertaining to particular attributes such as demographic characteristics (Epitropaki & Martin, 1999), personality traits (Bauer & Green, 1996), values (Ashkanasy & O'Connor, 1997), attitudes (Phillips & Bedeian, 2000; Turban, Jones, & Rozelle, 1990), and competence, linking LMX quality. It is for this reason that the current study aims at examining the role of leader and member EI compatibility as a predictor of LMX quality.

The congruency theory of LMX development has been generally well supported in empirical studies. For example, Deluga (1998) reported that similarity between leaders and members' conscientiousness promotes higher LMX quality. Steiner (1988), studying how initial leader-member interactions are affected by members' perceptions of similarity between their work values and those of their leaders, found that positive exchanges are characterized by value similarity. Several studies relating to attitude similarity has also been conducted. Phillips and Bedeian (2000), for instance, reported a positive correlation between leaders' perceptions of attitudinal similarity and followers' perception of exchange quality. Wexley, Alexander, Greenawalt, and Couch (1980), in a study of leader and member perceptions of attitude similarity, found that the more the leader knows about the member's work-related attitudes, the more positively the leader evaluates the member. In return, knowledgeable leaders receive more positive evaluations from their subordinates. As with Phillips and Bedeian (2000), Liden, Wayne, and Stilwell (1993) also found attitude similarity to correlate with LMX quality. Investigating a different variable, Weiss (1978) examined leaders' rating

of members' achievement outcomes from the point of view of social learning theory. He found that more favorable ratings were given when the members' values were perceived to be consistent with the leaders'.

Other variables relevant to the exchange process have also been conducted in terms of their similarity between individuals interacting with each other. For example, congruent cognitive styles, which has been examined alongside a variety of variables, have been found to be related to mutual understanding and liking (Myers, 1980), positive attitudes (Cooper & Miller, 1991; DiStefano, 1970; Reninger & Snyder, 1983), satisfaction with the relationship (Cooper & Miller, 1991; Handley, 1982; Reninger & Snyder, 1983), similarity in perception of the relationship (Handley, 1982), effective interpersonal relations (DiStefano, 1970; Handley, 1982; Witkin, Moore, Goodenough, Cox, 1977), high performance (Packer & Bain, 1978; Sein & Robey, 1991), and effective communications (Packer & Bain, 1978; Witkin, Moore, Goodenough, Cox, 1977).

Based on the above discussion, we hypothesize:

Hypothesis 2. Compatibility between supervisors' self-reported emotional intelligence and subordinates' self-reported emotional intelligence is positively related to leader-member exchange (LMX) quality reported by subordinates, such that higher congruence leads to higher quality of LMX.

Method

Participants and Procedure

The sample consisted of 135 employees and their immediate supervisors. The dyads almost evenly represented manufacturing and service organizations located in northern Malaysia. In the employee sample, 62.2% of the participants were female, the average tenure with the organization was about 12 years, and the average tenure with the immediate supervisor was 2.51 year. Over 50% of the respondents had earned a bachelor's degree, and

a majority of them were at the middle level of management (68.1%). Employees ranged in age from 26 to 57 years, with an average of 37 years. A majority of the employees were Malay (57%), followed by Chinese (28.1%) and Indian (13.3%).

The immediate supervisor sample consisted of 62 women and 73 men. They had been with the organization for an average of 14 years. Their age ranged between 21 and 55 years, with an average of 38 years. The majority of them were Malay (63%), followed by Chinese (23%) and Indian (10.4%). The majority of the supervisors considered themselves to be at the upper and middle-level management (40.7% at each level), followed by lower-level (18.5%) of management. On average, the supervisors had between 1 and 26 subordinates reporting directly to them.

Measures

Leader-member exchange (LMX). We employed a 12-item LMX scale (Liden & Maslyn, 1998) to assess the quality of exchange between participating managers and their immediate supervisors. The scale was originally developed to assess four exchange dimensions (contribution, loyalty, affect, and professional respect), with three items for each dimension. Sample items include: “I am willing to apply extra efforts beyond those normally required, to meet my supervisor’s work goals” (contribution); “I am impressed with my supervisor’s knowledge of his/her job” (professional respect); “I like my supervisor very much as a person” (affect); “My supervisor would defend me to others in the organization if I make an honest mistake” (loyalty). Respondents rated their level of agreement with each item on a 7-point (1 = *strongly disagree*; 7 = *strongly agree*) scale. According to Liden and Maslyn (1998), these four dimensions fall under a second-order factor that makes the scale suitable to measure overall LMX and/or LMX dimensions (Erdogan, Kraimer, & Liden, 2004).

Emotional intelligence (EI). Emotional intelligence was measured with a 16-item scale (Wong & Law, 2002). The scale consisted of four dimensions: (a) Self-Emotion Appraisal; (b) Others Emotion Appraisal; (c) Use of Emotion; and (d) Regulation of Emotion. Each dimension was measured with four items. Sample items include, “I really understand what I feel.” and “I have a good understanding of my own emotions.” Subordinates and supervisors self-rated the extent of agreement with each item on a 7-point (1 = *strongly disagree*; 7 = *strongly agree*) scale. **(Include 1 item for each dimension)**

Demographic-control variables. Subordinates provided information about their age, gender, ethnicity, employment status, level of education, organizational level, organizational tenure, number of years with the supervisor, number of subordinates with the supervisor, and employer’s industry described in the questionnaire. Supervisors also provided demographic data similar to those collected from the subordinates.

Results

Evidence of Construct Validity and Distinctiveness of the Measures

Prior to testing the major congruence hypothesis, we performed a series of exploratory (EFA) and confirmatory factor analyses (CFA) to examine the psychometric properties (i.e., construct validity and distinctiveness) of the measures employed in the study and to gather empirical evidence against common method variance.

We assessed the dimensionality and distinctiveness of the measures (i.e., construct validity) by means of the application of CFA. We used three indices to assess the fit of the measurement models: the incremental fit index (IFI), comparative fit index (CFI) (Bentler, 1990), and root mean square error of approximation (RMSEA) (Browne & Cudeck, 1993). First, the four-factor LMX model was compared to the one-factor LMX model. The analysis showed the four-factor model to have the better fit ($\chi^2 = 126.7$, $df = 48$, $p < .01$; $IFI = .94$; $CFI = .94$; $RMSEA = .11$) than the one-factor model ($\chi^2 = 325.09$, $df = 54$, $p < .01$; $IFI = .78$;

$CFI = .78$; $RMSEA = .19$).

Second, we compared the four-factor EI model (reported by subordinates) to the one-factor EI model. The analysis showed the one-factor model to have the better fit ($\chi^2 = 126.7$, $df = 104$, $p < .01$; $IFI = .92$; $CFI = .91$; $RMSEA = .10$) than the four-factor model ($\chi^2 = 246.33$, $df = 98$, $p < .01$; $IFI = .86$; $CFI = .86$; $RMSEA = .11$). Third, we compared the four-factor EI model (reported by supervisors) to the one-factor EI model. The analysis again showed the one-factor model to have the better fit ($\chi^2 = 126.7$, $df = 104$, $p < .01$; $IFI = .91$; $CFI = .90$; $RMSEA = .11$) than the four-factor model ($\chi^2 = 442.87$, $df = 98$, $p < .01$; $IFI = .60$; $CFI = .59$; $RMSEA = .16$). Hence, we used an overall EI than the four-dimensional EI in the present research.

Fourth, the CFA analysis indicated that the subordinate-rated two-factor model—one factor of EI reported by subordinates and four subscales of LMX reported by subordinates--had much superior fit indices ($\chi^2 = 300.05$, $df = 169$, $p < .01$; $IFI = .88$; $CFI = .89$; $RMSEA = .12$) to the one-factor model ($\chi^2 = 945.11$, $df = 170$, $p < .01$; $IFI = .45$; $CFI = .44$; $RMSEA = .18$).

Finally, we conducted Harman's 1-factor test and examined the unrotated factor solution involving all 28 items rated by subordinates (16 EI items and 12 LMX items) in an exploratory factor analysis (EFA). The analysis indicated that no single factor accounted for the majority of the variance in the data. In other words, a single factor did not emerge from an unrotated principal components analysis, and the first factor accounted for just 29% of the variance in the matrix, suggesting that common method variance was not a serious issue in this data set (Podsakoff et al., 2003).

Means, standard deviations, intercorrelations, and coefficients alpha are presented in Table 1. As can be seen in Table 1, measures employed in the study had well over the recommended level of reliability coefficients that ranged between .68 and .90 (Hair, Black,

Babin, & Anderson, 2010). It can also be seen in Table 1 that the constructs were as correlated as one would expect on theoretical grounds. It is interesting to note that the correlation between EI reported by the subordinates and EI reported by the supervisors was found to be non-significant ($r = .05, p > .05$). In conclusion, results of the EFA, CFA, reliability analysis, and measurement model analysis indicate that the measures have sound psychometric properties in terms of reliability and construct validity and that there is no serious threat of common method bias in this research.

Tests of Hypotheses

We performed a three-step hierarchical regression analysis to test our direct and interaction (compatibility) hypotheses for each LMX dimension. For each interaction pair, scores on EI reported by subordinates and EI reported by supervisors were first converted to z scores and then a product term was formed. If the moderator hypothesis was to be confirmed, the beta weight of the product term (i.e., interaction) had to be significant. Following significant interactions, simple slopes analysis was conducted to show any interaction effects (Aiken & West, 1991). The hierarchical regression analysis results are summarized in Table 2. As can be seen, Hypothesis 1 received partial support in that EI reported by subordinates significantly predicted each of the LMX dimensions. Controlling for LMX tenure, EI explained additional variance of about 30% in LMX. On the contrary, EI reported by supervisors did not contribute significantly to LMX.

Of interest was the compatibility hypothesis of EI rated by subordinates and supervisors predicting LMX. Interestingly, Hypothesis 2 received substantial support in the case of the two LMX dimensions—LMX-Contribution and LMX-Respect--explaining additional variances of 4% and 2%, respectively (see Table 2). There can be seen quite similar a trend in both interaction figures (Figures 1 and 2). For high subordinates EI, supervisors EI did

matter, but for low subordinates EI, it did not. Clearly, high compatibility between supervisors' EI and subordinates' EI led to higher LMX.

Discussion

This study investigated the relationship between supervisor and subordinate EI and leader-member exchange in Malaysian organizations, with a prime focus on the compatibility of supervisor and subordinate EI as an antecedent of LMX. We had EI scale self-rated separately by the supervisor and the subordinate in order to minimize common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

This study contributes to the existing literature as less emphasis was given to examining the antecedents of LMX, and a majority of those studies were conducted in the West. Our findings reveal that self-reported subordinate EI predicts member rating of LMX more strongly than self-reported supervisor EI. In other words, subordinates who reported higher levels of EI also perceived higher quality exchanges between them and their supervisors.

Perhaps the more salient contribution of this study is that the compatibility of subordinate and supervisor on EI predicts higher quality of LMX. This finding suggests that the quality of exchanges between supervisors and subordinates is dependent upon the congruence of their EI levels—a finding quite consistent with that of previous studies (e.g., Sears & Holmvall, 2009) that EI of subordinates and supervisors jointly contribute to the development of high-quality LMX relationships. In line with Byrne's (1971) similarity-attraction paradigm, we found that greater congruence in self-reports of supervisor and subordinate EI predict higher member-reported LMX quality. In particular, our findings indicate that the interaction between supervisor and subordinate emotional intelligence significantly predicts the two dimensions of LMX--LMX-Contribution and LMX-Respect. The finding about the EI-leadership link has been consistently found in previous research (Alon & Higgins, 2005; Barling et al., 2000; Buford, 2001; Caruso et al., 2002; Gardner & Stough, 2002; Hoffman &

Frost, 2006; Kobe et al., 2001; Palmer et al., 2001; Prati et al. 2003; Vrba, 2007; Wang & Huang, 2009; Wong & Law, 2002), as well as in previous research on LMX (Gordon, 2008, cited in Hindes, Thorne, Schwean, & McKeough, 2008).

The LMX theory employs a transactional framework for leadership where leaders treat their individual subordinates differently (Duchon, Green, & Taber, 1986) due to various organizational constraints faced by leaders, such as time and energy (Dansereau et al., 1975), as well as the degree to which a subordinate is compatible, competent, and dependable (Graen & Cashman, 1975), resulting in a low LMX or high LMX dichotomy. In other words, the congruence between supervisor EI and subordinate EI is a result of compatibility or similarity between the supervisor and the subordinate, which then results in a positive LMX relationship. LMX has in the past been associated with a number of variables on leader-member similarity (Dienesch & Liden, 1986; Graen & Cashman, 1975) such as demographic characteristics (Duchon, Graen, & Taber, 1986; Green, Anderson, & Shivers, 1996), attitude similarity (Phillips & Bedeian, 2000; Turban, Jones, & Rozelle, 1990), value congruity (Ashkanasy & O'Connor, 1997), interpersonal attraction (Graen & Cashman, 1975; Liden, Wayne, & Stilwell, 1993), and personality trait, Byrne, 1971). Some other studies have also shown that similarity between leaders and members' conscientiousness (Deluga, 1998) and cognitive ability (Engle & Lord, 1997) predict LMX quality.

Managerial Implications

Our study has some obvious theoretical and practical implications. In general, supervisors and subordinates need to acquire emotional intelligence skills in order to achieve positive LMX. Additionally, supervisors and their subordinates need to be at the same level or similar (in other words, congruence) in their emotional intelligence abilities in order to achieve higher quality LMX. Past studies have shown the critical role played by similarity in supervisor-subordinate dyads. The similarity has not just been evident in leadership, but also

in their other relationships. Matching, activated through identity congruence (Wollan, Sully de Luque, & Grunhagen, 2009), for example, is one of the fastest and easiest ways to mirror a subordinate or a supervisor in order to experience positive outcomes of similarity, where matching is employed most naturally on a daily basis as part of our impression management. Intelligent appraisal, control, or displays of emotion can therefore be expected to have similar effects on the supervisor-subordinate relationship.

Subordinates who have similar emotional intelligence abilities as their supervisors may indicate to them that they are competent or dependable of fulfilling the supervisor's role expectations. By demonstrating these abilities (i.e., self-emotion appraisal, others' emotion appraisal, regulation of emotion, and use of emotion) back and forth between supervisor and subordinate, a subordinate's role is developed and a supervisor establishes whether the subordinate belongs to the higher or lower quality of exchange.

On a more practical note, in order to function well in a society, individuals should have the ability to understand their strong emotions and to easily express these emotions, the ability to recognize and understand the emotions of the people around them, the ability to control their emotions, and the ability to make use of their emotions by directing them towards constructive activities and personal performance. Naturally, having a supervisor or a subordinate with similar values (Ashkanasy & O'Connor, 1997), attitude (Phillips & Bedeian, 2000), or in this case skills, can lead to the development of positive leader-member interactions (see attraction paradigm, Byrne, 1971).

Limitations and Future Research Directions

Despite various theoretical contributions and practical implications, the study has a few potential limitations. First, our study findings are limited by small sample size. Had there been a large sample size, a few of the regression results that were close to the significance may have reached their significance level. Second, though we had two sources of data in our

analysis, data were collected at one point in time from supervisors and subordinates. The cross-sectional design of the study limits the ability to make a tall claim of causality: Emotional intelligence may have impacted the quality of LMX, but reverse causality cannot be discounted. Thus we would encourage future researchers to further explore the phenomena uncovered in the present research through experimental and/or longitudinal designs. Third, future research should focus on other kinds of compatibility, such as compatibility on psychological attributes, affective components, and cognitive ability to predict LMX.

Conclusion

All data limitations aside, this research has added to the existing literature the support for supervisor EI and subordinate EI as antecedents of positive LMX. This study has also contributed to EI and LMX research by discovering that the compatibility between supervisor EI and subordinate EI predicts higher quality LMX. Grounded in role theory, social exchange theory, and the attraction paradigm, the hypotheses of this study were strongly supported for self-ratings of leader and member EI, as well as member ratings of LMX. The findings further add to the existing interest in and value placed on EI and presents the implications for leaders and their subordinates in the Malaysian context.

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Table 1

Descriptive Statistics, Reliability Coefficients, and Intercorrelations of Study Variables

<i>Variable</i>	<i>M</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1. LMX Tenure	2.51	1.79	SIM						
2. EI-Member	5.60	0.60	.13	.88					
3. EI-Leader	5.67	0.43	.22*	.05	.80				
4. LMX-Contribution	5.62	0.95	.36**	.36**	.12	.68			
5. LMX-Respect	5.87	0.86	.15	.18*	.18*	.59**	.87		
6. LMX-Affect	5.28	1.16	.25**	.22*	.32**	.74**	.60**	.90	
7. LMX-Loyalty	4.99	1.16	.10	.13	.33**	.61**	.50**	.75**	.89

Note. $N = 135$; SIM = Single-item measure; EI = Emotional Intelligence; LMX = Leader-Member Exchange; Diagonal entries in bold indicate coefficients alpha.

* $p < .05$; ** $p < .01$.

Table 2

Summary of Hierarchical Multiple Regression Results: Emotional Intelligence Compatibility and Leader-Member Exchange

Dependent Variables→	LMX-Contribution			LMX-Affect			LMX-Loyalty			LMX-Respect		
Variables Entered Step → ↓	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>
	β	β	β	β	β	β	β	β	β	β	β	β
<i>Control Variable</i>												
LMX Tenure	.36			.25**			.10			.15		
<i>Predictors</i>												
EI-Member (A)		.48**			.63**			.56**			.63**	
EI-Leader (B)		.03			.13*			.07			-.05	
<i>Interaction</i>												
A x B			.20**			.01			.05			.15*
R^2	.13**	.36**	.40**	.06**	.51**	.51	.01	.33**	.34	.02	.39**	.41*

Note. $N = 135$; EI = Emotional Intelligence; LMX = Leader-Member Exchange.

* $p < .05$; ** $p < .01$.

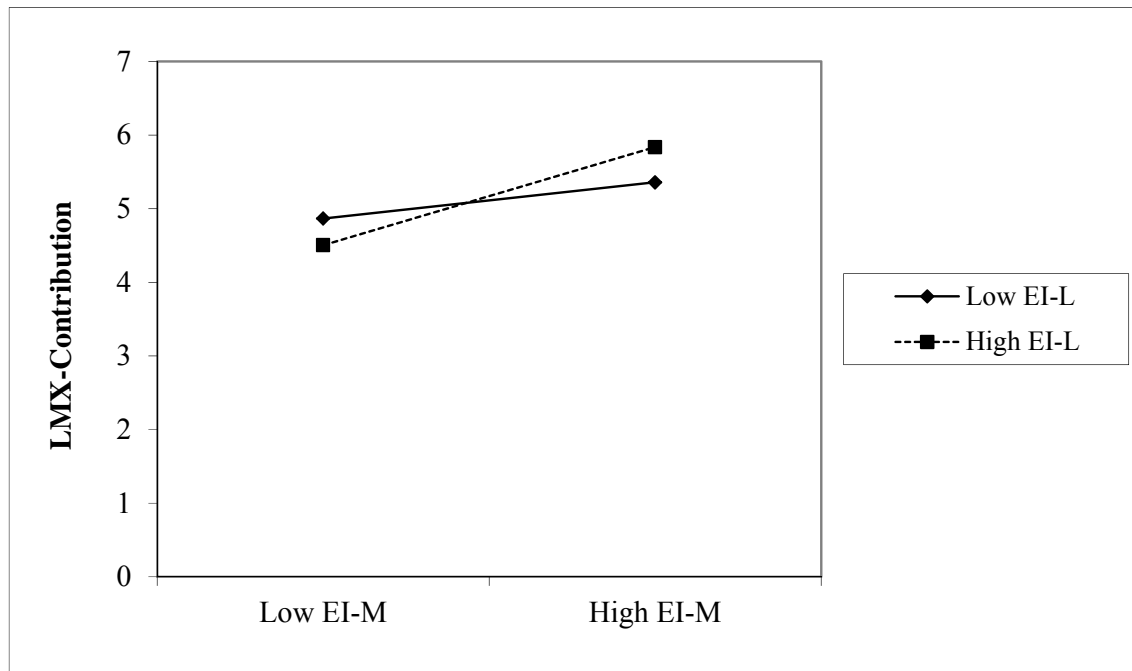


Figure 1. Emotional intelligence-member x emotional intelligence-leader interaction on leader-member exchange-contribution.

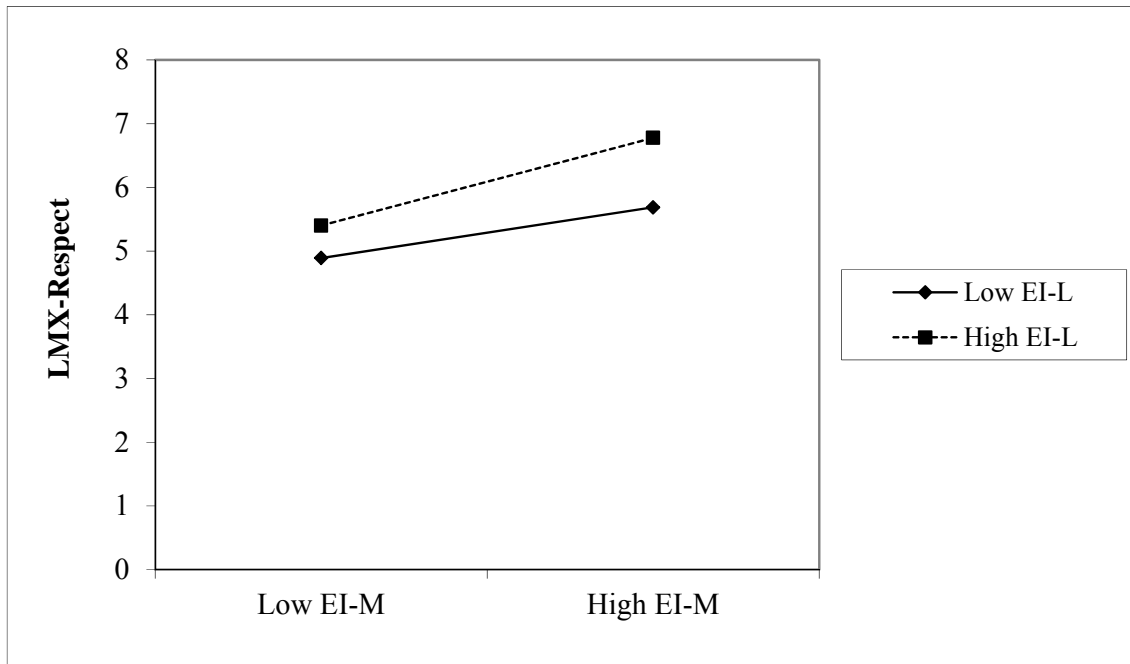


Figure 2. Emotional intelligence-member x emotional intelligence-leader interaction on leader-member exchange-respect.