

**LEADER-MEMBER EXCHANGE THEORY AND EMPLOYEE
WORK OUTCOMES: ROLE OF PERCEPTIONS OF
ORGANIZATIONAL POLITICS, PERCEIVED LEADER
INTEGRITY AND PSYCHOLOGICAL CONTRACT TYPES**



Researcher:

Tasneem Fatima

25-FMS/PhD-MGT/F10

Supervisor: Prof. Dr. Muhammad Bashir Khan

Vice President (Academics)

Co-Supervisor: Dr. Tahir Khalili

Chairman, Department of Psychology

Faculty of Management Sciences

INTERNATIONAL ISLAMIC UNIVERSITY,

ISLAMABAD

Accession No JH-14831

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PhD

65B+4

TAL

- 1 - Leadership
- 2 - Executive ability.
- 3 - Training

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Tasneem Fatima

Reg. # 25-FMS/PhD-MGT/F10

A thesis submitted in partial fulfilment of the requirements for the Degree of Doctor of Philosophy/Science in Management Sciences with specialization in Management/ Human Resource Management at the Faculty of Management Sciences

International Islamic University, Islamabad.

Supervisor

Prof. Dr. M. Bashir Khan

Co-Supervisor

Dr. Tahir Khalily

August, 2015

“In The Name of ALLAH, The most Merciful and Beneficent”

Dedication

“I dedicate this thesis to my loving parents for their prayers, encouragement, support and guidance without which I would never been at this stage today”

(Acceptance by the Viva Voce Committee)

Title of Thesis: "Leader-Member Exchange Theory and Employee Work Outcomes: Role of Perceptions of Organizational Politics, Perceived Leader Integrity and Psychological Contract Types"

Name of Student: Ms. Tasneem Fatima

Registration No: 25-FMS/PHDMGT/F10

Accepted by the Faculty of Management Sciences INTERNATIONAL ISLAMIC UNIVERSITY, ISLAMABAD, in partial fulfillment of the requirements for the Master of Science/Philosophy Degree in management Sciences with Specialization in Management.

Viva Voce Committee

Prof. Dr. Muhammad Bashir Khan
(Supervisor)

Dr. Muhammad Tahir Khalily
Co-Supervisor

Dr. Sayyed M. Mehdi Raza Naqvi
(External Examiner)

Dr. Muhammad Majid Mahmood Bagram
(External Examiner)

Dr. Syed Zulifqar Ali Shah
(Internal Examiner)

Dean, FMS

Dated: 21st August, 2015

FORWARDING SHEET

The thesis entitled "**Leader-member Exchange Theory and Employee Work Outcomes: Role of Perceptions of Organizational Politics, Perceived Leader Integrity and Psychological Contract Types**" submitted by Ms. Tasneem Fatima (25-FMS/PHDMGT/F10) in partial fulfillment of Doctor of Philosophy in Management Sciences with specialization in Management has been completed under my guidance and supervision. After receiving two reports from foreign evaluators, required changes have been incorporated. The suggestions advised by the external and internal examiners have been incorporated. I am satisfied with the quality of student's research work and allow her to submit this thesis for further process as per IIU rules & regulations.

Date: 26 August,2015

Signature: 

Name : Dr. Muhammad Bashir Khan

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Tasneem Fatima

PhD Candidate (Management)

Faculty of Management Sciences

ACKNOWLEDGEMENT

All the praises are attributed to the Only Creator of the Universe “the Almighty Allah”, the Compassionate, the Merciful, and the Source of all knowledge and wisdom. Who blessed me with health, courage, thought; cooperative family and talented, sincere and knowledgeable teachers to complete my research thesis. First of all I would like to offer gratitude to my supervisor Prof. Dr. Muhammad Bashir Khan and Co-supervisor Dr. Tahir Khalily for their guidance and support. I also offer my profound appreciation and gratitude to my praiseworthy teachers for their kind contribution in my knowledge especially Dr. Usman Raja and Dr. Rehan Khan. I am also grateful to all members of PhD Committee for their kind guidance. I want to pay my gratitude to Mr. Awais Ejaz Khan, Deputy Dean FMS, Dr. Masoom Yaseen Zai, Acting Dean FMS/ Rector, IIUI and Dr. Muhammad Tahir Mansoori, Vice President (HS&R) for their continuous support and facilitation. I would like to appreciate and gratitude Mr. Zafar Malik (Ex-MS/PhD Program Manager and all staff members especially for their continuous support and guidance during the period of my PhD in this prestigious University.



Tasneem Fatima

ABSTRACT

This research study is based on an aim to extend Leader-member exchange theory by explaining the underlying process between LMX quality perceived by followers and their work attitudes and behaviours. A moderated parallel mediation model is proposed to explain this underlying process. It is proposed that perception of organizational politics and perceived leader integrity mediate the direct link between LMX quality and employee work outcomes (Affective commitment, turnover intentions, creativity and OCB). Psychological contract types (Transactional and Relational) are proposed as moderators between LMX quality and two mediators (POP and PLI). The conditional effect of PC types is also proposed on the indirect relationships between LMX quality and outcomes. The theoretical model is proposed from follower perspective in this study.

Theoretical framework integrates Leader-Member Exchange theory, Attribution Theory, Implicit Leadership Theory, and psychological contract theory under the umbrella of Social exchange theory.

The basic premise of the proposed framework is that the followers make their judgment in the form of perceptions on the basis of their exchange relationship quality with their leaders/supervisors. Employees who have high LMX quality (in-groups) enjoys trust, better roles, access to information and advancement opportunities, perceive low level of organizational politics and high level of leader's integrity and then leads to positive outcomes and vice versa.

The proposed model is tested in a longitudinal research design to address the temporal effects of variables at time 1 and time 2. A total of 310 paired responses are finalized after strict scrutiny and matching of responses along with peer reported response for creativity and OCB. Data is collected from service sector organizations in the twin cities Islamabad and Rawalpindi of Pakistan.

Data is collected through questionnaires, developed by adapting the measures. Scale validity and reliability is established through Confirmatory Factor Analyses, Factor Loadings, Average Variance Extracted and Cronbach's alpha. To test the proposed model PROCESS by Hayes, 2013 has been used. To test the direct, indirect,

moderation and conditional indirect hypotheses, suitable regression models are applied.

In the test of direct effects all were proved significant except two hypotheses i.e. the relationship between POP and OCB-O, and between PLI and turnover intentions were found insignificant. In the test of Mediation analyses, perceived leader integrity is proved as a better mediator between LMX quality and outcomes. Mediation was significant in case of PLI for all outcomes except turnover intentions. In case of POP, mediation proved significant for Affective commitment and turnover intentions but not for creativity and OCB.

The moderation results indicated that relational contract proved as a significant moderator between LMX quality and POP, whereas transactional contract moderated the link between LMX quality and PLI. The remaining two interactions were also significant, but directions were contrary to the proposed.

For bootstrapped conditional indirect effects a good support was indicated in the results. For Affective commitment, conditional indirect effects were significant in case of POP (for high and low conditions of relational contract) and PLI (for high and low condition of transactional contract). For Turnover intentions, conditional indirect effect was significant for POP (for high and low conditions of relational contract). For Creativity it was significant through PLI (for high and low levels of transactional contract). For OCB-I, it was significant through PLI at high and low conditions of transactional contract. For OCB-O, it was significant through PLI at high and low conditions of transactional contract.

Finally theoretical, managerial and contextual contributions of the study are given along with limitation and future research directions.

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LIST OF ACRONYMS

LMX	Leader-Member Exchange
POP	Perception of Organizational Politics
PLI	Perceived Leader Integrity
PC Types	Psychological Contract Types
RC	Relational Contract
TC	Transactional Contract
AC	Affective Commitment
TOI	Turnover Intentions
Cr	Creativity
OCB-I	Organizational Citizenship Behavior towards Individuals
OCB-O	Organizational Citizenship Behavior towards Organization
CFA	Confirmatory Factor Analysis
AVE	Average Variance Extracted

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Leader-member exchange theory (Dansereau, Graen, & Haga, 1975; Graen, 1976) conceptualizes leadership as a process and its central focus is the interactions between leader and follower. The theory posits that the leader develops a distinct relationship with each member of the work unit through a process known as LMX differentiation (Graen & Scandura, 1987; Liden, Erdogan, Wayne, & Sparrowe, 2006; Graen & Uhl-Bien, 1995). Leader member relationships or exchanges vary along a continuum from low to high-quality (Graen & Uhl-Bien, 1995). Low-quality exchanges are based on impersonal and contractual interactions. High-quality exchanges are distinguished by trust, respect, emotional support and obligation between leader and the follower (Graen, Hui, & Taylor, 2006; Graen & Uhl-Bien, 1995).

A key argument of LMX theory is that high-quality exchanges between leaders and employees have beneficial effects for leaders, employees, and organizations (Graen & Uhl-Bien, 1995; Liden, Wayne, & Stilwell, 1993). The theory explains that the beneficial effects of high quality exchanges occur through the development of social

exchange processes (Blau, 1964; Gouldner, 1960). These processes facilitate “mutual respect, trust, and obligation between the leader and the follower, and lead to reciprocal influence, support, and resource-sharing” (Graen et al., 2006; Graen & Uhl-Bien, 1995).

An extensive empirical research reveals that high-quality LMX impacts positively on employee attitudes and behaviours e.g. organizational commitment, job satisfaction, OCB, and job performance, creativity and negatively impact on turnover intentions and stress (Gerstner & Day, 1997; Erdogan & Liden, 2002; Erdogan & Liden, 2006; Ilies, Nahrgang, & Morgenson, 2007; Avolio, Walumbwa, & Weber, 2009).

Although LMX theory has produced a flourishing and successful area of research, and can be extended the understanding of leader- member relationships from further theoretical refinements. However, with some exceptions (e.g., Liden, Wayne, & Sparrowe, 2000; Chen, Lam, & Zhong, 2007; Burers, Detert, & Chiaburu, 2008; Cheunga & Wub, 2012), there has been little examination of the underlying processes by which LMX quality effects work outcomes. A better understanding of these processes is needed to maximize leader effectiveness in terms of employee positive work outcomes. For example, It is widely accepted that LMX causes higher subordinate performance and more OCB, but it is not yet extensively understood the *how* and *why* of these relationships (Walumbwa, Cropanzano, & Goldman, 2011; Chen, et al., 2007). In other words, more research is required to fully understand and articulate the underlying processes that how and why a high quality LMX relationship affects effective subordinate work attitudes and behaviours and low quality LMX predict negative attitudes and behaviours.

1.2 Overview of the study

The major purpose of this work is to enhance understanding of the mechanisms by which LMX quality impacts followers' work outcomes. This research extends LMX theory by proposing a moderated mediation model to investigate the complex sense-making and judgement processes between leader member interactions and follower's attitudes and behaviours. A recent study on LMX (Walumbwa et al., 2011) proposed self efficacy, mean efficacy and commitment to supervisor as the intervening mechanism between LMX quality and outcomes and proposed that more comprehensive model of underlying process should be studied.

To understand the mechanism and process how and why employees evaluate their leader member exchange quality, two mediators are proposed in this study that encompasses simultaneous evaluations. First is perception of politics which is the evaluation of the organization context and second is follower's perception about leader's integrity. These two mediators provide a detailed mechanism encompassing dual aspects of employee's perception build on the basis of their exchange relationship with leader and help to describe the mediating role between LMX quality and employees' attitudes and behaviours particularly affective commitment, turnover intentions, creativity and OCB.

The proposed framework also incorporates employees exchange with organization as the moderating role of psychological contract type of employee (which is also explained through social exchange theory of Blau (1964) between LMX quality and suggested mediators.

Perception of organizational Politics is employee's perception about presence of political practices in the work context. A major part of previous research depicted

these self serving political practices detrimental and harmful for employees' attitudes and behaviours (Kacmar, Bozeman, Carlson, & Anthony, 1999; Mintzberg, 1983).

A recent meta-analysis on theoretical antecedents of Perception of organizational politics (Atinc, Darrat, Fuller, & Parker, 2010) indicated LMX as an antecedent of perception of politics among employees. The out-group members perceive leader's favouritism towards in-group members for allocation of resources and roles not based on merit but the political factors. But In-groups perceive nothing is unfair and political between leader and them (Miller & Nichols, 2008). It is also verified in a recent meta-analysis on LMX (Dulebohn, Bommer, Liden, Brouer & Ferris, 2011) that LMX quality leads to employees' perceptions of organizational politics. Out-group members hold a perception that in-group members are favoured by leaders in the form of high performance appraisal, rewards and interactions because of political factors (Davis & Gardner, 2004). Therefore out-group member perceive high levels of organizational politics but in-group members feel low level of perceptions of organizational politics due to their higher control on resources (Ferris, Perrewe, & Douglas, 2002). Previous research is evident of a negative impact of LMX quality on POP (e.g., Collins, 2008; Kacmar *et al.*, 2007; Poon, 2003, 2006; Atinc, *et al.*, 2010; Dulebohn, *et al.*, 2011). But mediating role of POP between LMX quality and outcomes would be more important to understand the unexplored underlying mechanism between employees LMX quality and work outcomes. POP and outcome relationship is also well established in previous research (Miller, *et al.*, 2008), therefore its mediating role is also important to be studied that how employees perceptions of politics develops due to LMX quality and then in turn leads to their work outcomes.

Leader's integrity is emerging as an important area of concern in leadership research (Palanski & Yammarino, 2009, 2011; Zhang, Bai, Caza, & Wang, 2014; Cheng, Jiang, Cheng, Riley, & Jen, 2014) and has been declared as patronizing place in leadership studies (Bass & Steidlmeier, 1999; Craig & Gustafson, 1998; Howell & Avolio, 1995; Peterson, 2004; Simons, 1999). But lack of research has been identified about the relationship between leadership and integrity (Palanski & Yammarino, 2009). It is well established that perceived leader's integrity impacts employees attitudes and behaviours e.g. job satisfaction, commitment, job performance and OCB etc. (e.g., Craig, & Gustafson, 1998; Zhang, et al., 2014, Chen, et al., 2014).

But research is lacking to examine the direct link between leader member exchange quality and perceived leaders' integrity and its mediating link between LMX quality and work outcomes. Few leadership styles like transformational (Simons, 1999), transactional and ethical leadership have been studied as antecedents of follower's perceived integrity of leader.

Attribution theory (Kelley, 1967) and Implicit leadership theory (Lord, Foti, & De Vader, 1984; Lord, 1985) help to understand how followers makes judgement about leader's integrity on the bases of attributes, traits, past experiences and interactions with leaders (Moorman, Darnold, Priesemuth, & Dunn, 2012; Jiang, Law, & Sun, 2014). It provides strong evidence that perceived leader's integrity is a subjective phenomenon and may also be perceived on the basis of interactions with leaders (Fields, 2007). The relationship between leader-member exchange and perceived leader integrity is still a gap and would be very helpful to understand how exchange relationship quality with leader build followers perceptions about integrity of their leader and in turn work outcomes.

Psychological contract theory (Rousseau, 1995) explains the exchange relationship between employee and employer other than explicitly written contracts. This theory is based on social exchange theory (Blau, 1964) and explains perceived mutual obligations which are not documented in formal contracts and fulfil the condition of reciprocity. LMX operates between leader and member whereas psychological contract exist between employer and employee particularly. This study aims to study moderating role of employees' psychological contract type (relational and transactional) is proposed to understand its impact on the relationship between LMX quality and intermediate mechanism of perception of politics and perceived leader's integrity and then outcomes (Affective commitment, turnover intentions, employee creativity, and Organizational citizenship behaviour).

1.3 Gap Analysis and Rationale of the study

This thesis is based on theoretical gaps in the current body of literature in Leader member exchange theory. Although LMX has produced a flourishing and successful area of research, but more theoretical refinement is still required. However, with some exceptions (e.g., Liden, et al., 2000; Chen et al., 2007; Burers et al., 2008; Cheunga & Wub, 2012), there has been little examination of the underlying processes by which LMX quality effects outcomes. Walumbwa, *et al.*, (2011) pointed out the importance of mediators between LMX quality and outcomes to realize the why and how of the underlying process.

More investigation and articulation of the underlying processes to link LMX quality with effective subordinate work behaviours is highly demanded in LMX theory research (Chen, et al., 2007; Liden et al, 1997; Walumbwa, *et al.*, 2011). Given the importance of these and related findings, it becomes worthwhile to better understand

the underlying processes by which a high quality LMX produces more effective work behaviours and low LMX quality proves to be detrimental for employee attitudes and behaviours. A conceptual model of this sort is vital for our scholarly understanding of the LMX process. Attention to mediators could bring clear understanding of the underlying process and can produce practical benefits (Walumbwa, *et al*, 2011).

A recent meta-analysis on theoretical antecedents of POP (Atinc, *et al.*, 2010) revealed that there are very few studies (e.g Davis, & Gardner, 2004) proposed the direct link of LMX and POP. But there is no evidence of the mediating role of POP between LMX and outcomes relationship.

Palanski & Yammarino (2009) presented a comprehensive model on leaders' integrity and argued that the leader's integrity can be analysed at different levels including intrapersonal level (Klein, Dansereau, & Hall, 1994), dyad level or at higher collective levels (Dansereau, Alutto, & Yammarino, 1984). The follower makes perceptions about leader's integrity on the bases of the extent he/she interprets observations and interactions with leader (Fields, 2007). Therefore in line with the Implicit Leadership theory (Lord, *et al*, 1984) how employees' evaluate leader's integrity on the basis of their dyadic exchange relationship quality aimed to be studied. There is no empirical evidence indicated mediating role of perceived leader's integrity between LMX and outcomes relationship particularly affective commitment, turnover intentions, creativity and OCB. This study would be helpful in leader's integrity domain of research in two ways. Firstly it will explain how employees make their perceptions about leader's integrity on the basis of evaluation of their LMX quality and how this perceived leader's integrity mediates the relationship between LMX quality and outcomes.

Restubog, Bordia, Tang and Krebs (2010) studied moderating role of LMX quality between psychological contract breach and performance outcomes and proposed a future research direction to study the psychological contract types to better understand the nature of psychological contract in perspective of LMX theory. Avolio, et al., (2009) proposed future research on LMX theory that it should be studied in presence of other relationships at work place as well. It is also pointed out that potential moderators may help us to understand the conditional effects on underlying process between LMX quality and employee behavior (Walumbwa, et al; 2011). Psychological contract types play moderating role between LMX quality and employee's perception because these are based on the exchange between employee and organization and also fulfil the condition of reciprocity of Social exchange theory (Blau, 1964). Relational and Transactional contract types may make a significant impact in the relationship between LMX quality and intermediate employee perceptions particularly POP, and Perceived integrity.

Other than the affective commitment, turnover intentions and OCB, this research undertakes creativity of employee which is in the focus of current and future research. Current body of literature demands to understand and explain how leader-member and member-member exchange relationships effect employee's creativity (Liao, Liu, & Loi, 2010).

Other than affective commitment, turnover intentions, and OCB, creativity has also been proposed as better measure of performance. Moreover, It has been emphasized to study LMX and creativity through mediators other than self efficacy (Liao, et al., 2010).

1.4 Problem Statement

It is understood in research and practice that leaders play an effective role towards followers' job outcomes. Leader-follower relationship has been in discussion to understand employee's response. If employees maintain good exchange relationships with their supervisors, they may have positive work outcomes and if relationships are not better, negative work outcomes become obvious. Organizations suffer a lot due to negative work attitudes and behaviours of employees that ultimately prove to be detrimental of organization's success. Every supervisor may have an in-group and an out-group among the subordinates. When employee is in the in-group of the leader, he/she would be availing many benefits due to mutual trust, allocation of better roles, and access to important information. Therefore the out-groups feel high level of politics and low integrity of the leader/supervisor. It creates a political environment which is stressor and taken in negative connotation. Negative environment and negative perceptions lead to negative outcomes. If out-groups are more in number it may become a devastating problem for the supervisors and the organization ultimately. Employees also hold an idiosyncratic psychological contract with the organization. It is also important to understand how employee's psychological contract makes any difference while judgement about the leader's behaviour. If leaders are well aware of the out-groups negative attitudes, they may try to reduce the extreme negative perceptions about them and the work context. It is important for managers and researchers to understand employees' evaluation mechanism due to relationship quality with the leader and its impact on their work outcomes.

1.5 Research Questions

This research is based on following major research questions:

- 1) Does leader-member exchange quality impact employee work outcomes including affective commitment, turnover intentions, creativity and OCB?
- 2) Does leader-member exchange quality impact POP and perceived leader integrity?
- 3) Does POP impact employee work outcomes including affective commitment, turnover intentions, creativity and OCB?
- 4) Does Perceived leader integrity impact employee work outcomes including affective commitment, turnover intentions, creativity and OCB?
- 5) Do employees' perceptions of organizational politics and leader's integrity mediate the relationship between LMX quality and their work outcomes (affective commitment, turnover intentions, creativity and OCB)?
- 6) Do employees' psychological contract types (relational and transactional) moderate the relationship between LMX quality and Perception of Organizational Politics?
- 7) Do employees' psychological contract types (relational and transactional) moderate the relationship between LMX quality and perceived leader integrity?
- 8) What is the conditional impact of psychological contract types in the indirect (mediation) relationship between LMX quality and employees work outcomes?

1.6 Research Objectives

This research aims to refine LMX theory by proposing a comprehensive framework that explains the underlying process of sense-making between LMX quality and employee's attitudes and behaviours. Follower perspective has been taken to understand the effectiveness of LMX quality. This proposed framework suggests how employees make their perceptions on the basis of their exchange quality with leader, and how their psychological contract type moderates this link and whole underlying mediation process.

The objectives of this research are following:

- To examine relationship between LMX quality and employee work outcomes including affective commitment, turnover intentions, creativity and OCB.
- To analyse the impact of LMX quality on POP and perceived leader integrity.
- To investigate the relationship between POP and employee work outcomes including affective commitment, turnover intentions, creativity and OCB.
- To investigate the relationship between perceived leader integrity and employee work outcomes including affective commitment, turnover intentions, creativity and OCB.
- To analyze the mediating role of POP and leader's integrity between LMX quality and employee work outcomes (affective commitment, turnover intentions, creativity and OCB).
- To investigate moderating role of employees' psychological contract types (relational and transactional) between LMX quality and POP relationship.

- To investigate moderating role of employees' psychological contract types (relational and transactional) between LMX quality and perceived leader integrity.
- To examine conditional impact of psychological contract types in the indirect (mediation) relationship between LMX quality and employees' work outcomes.

1.7 Significance of the study

1.7.1 Theoretical Significance

LMX Theory (Graen, 1976) has taken the interest of researchers for last three decades due to its significance in organizational behavior and leadership research (Liden, Sparrowe, & Wayne, 1997; Nahrgang, Morgeson, & Ilies, 2009; Schriesheim, Castro, & Cogliscer, 1999). Previous research has emphasized to find its antecedents and consequences and also shed light on its moderating and mediating role but current literature still lacks the psychological process between LMX quality and the outcomes. A comprehensive moderated mediation model is proposed in this thesis to explain the underlying process how and why high quality LMX produces positive attitudes and behaviours and low quality LMX is detrimental for attitudes and behaviours. This research will contribute current body of literature in three ways:

It integrates five important theories: leader member exchange theory (Graen & Scandura, 1987); attribution theory (Kelley, 1967), Implicit leadership theory (Lord, Foti, & De Vader, 1984); and psychological contract theory (Rousseau, 1995) under the umbrella of social exchange theory (Blau, 1964), in one theoretical framework.

It proposes the comprehensive model that describes the underlying sense-making process takes place between LMX quality and the outcomes relationship. It will help

to fill the gap in the literature that the underlying process that explains the how and why of the relationship between LMX quality and outcomes .

The underlying process would explain employee's perception due to the quality of his/her leader member exchange at two aspects, firstly about the work context in the form of perceived organizational politics, and secondly about leader's integrity. The mediating role of these perceptions between LMX quality and outcomes will clarify how and why high and low quality LMX make a difference in employee's attitudes and behaviours. Therefore by investigating these mediation processes would add in the current body of literature.

The role of another social exchange based relationship the psychological contract types have been studied between LMX quality and employee's perceptions build on the basis of this relationship quality. It will be very significant to study this moderating role to understand the intermediate underlying mechanism between LMX quality and outcomes because employees' perceptions are influenced by the exchanges between immediate supervisor/leader and subordinate and organization and subordinate (Avolio, et al., 2009).

Leader-member exchange quality has been studied extensively with few outcomes like commitment, stress, task performance, job involvement and OCB(Gerstner & Day, 1997; Erdogan & Liden, 2002; Erdogan & Liden, 2006; Ilies, Nahrgang, & Morgenson, 2007; Avolio, Walumbwa, & Weber, 2009). Employee's task performance is not enough to study as outcome but employee's creativity is also very important indicator of their performance and highly required by organizations (Liao, Liu, & Loi, 2010). Therefore this research will signify the current research by undertaking these important outcome variables in the context of LMX theory.

1.7.2 Managerial Significance

This study would benefit the managers, leaders and supervisors at all levels by articulating how employees perceive the relationship with them. In-groups are part of the controlling and power group but make an imbalance of gain taking among employees. It is not only important to have competence and skills in the job but it is also important to have good relationship with the supervisors. Another important implication for managers is that the employees differentiate their relationship with the immediate boss and the organization. It also clarifies the reason of political environment in the organization. And also identifies how employees make subjective evaluation of their leader's integrity. This study would be helpful for supervisors to understand the mechanism how and why in-groups are better in their positive perceptions and behaviours and why out-groups evaluate them in lower integrity level and do not perform better. If supervisors allocate maximum roles to accommodate most of the employees, the size of out-groups can be reduced.

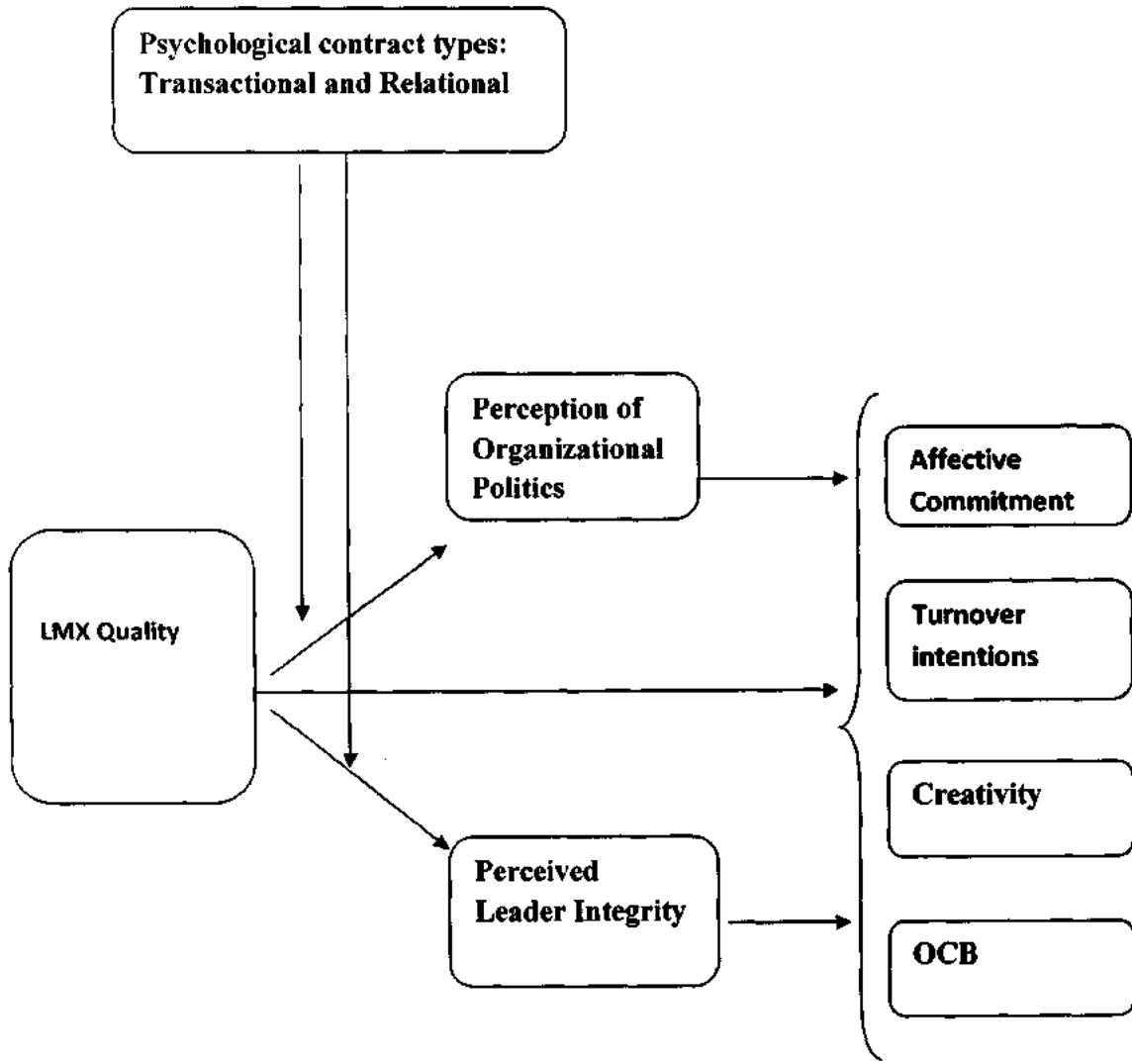
1.7.3 Contextual Significance

Most of the studies on LMX theory have been done in western cultures and it is desired to study in eastern cultures to understand employees job outcomes on the bases of exchange relationship with the leader (Dulebohn, et al., 2011). As Pakistan is a high power distance and collectivist society (Hofstede, 1984), it may be common trend to make visible groups in the organizations and employee will try more to be part of in-group to get a closer interaction with the leader to get access to the control and power.

This study is also helpful to validate the measures in the south-Asian context, which were developed in western cultures.

1.8 Proposed Research Model

Fig 1:



Independent variable: Leader member exchange quality (LMX Quality)

Mediators: Perception of organizational Politics (POP), and

Perceived Leader Integrity

Moderators: Psychological Contract Types (Transactional and Relational)

Outcome/Dependent variables: Affective Commitment, Turnover Intentions,

Creativity, OCB

The detailed literature on above variables and links in the model are explained in the next chapter.

1.9 Organization of the Study

This dissertation is documented in a sequence of five chapters. Chapter one provides an overview, justification, gap analysis and objectives of the study along with theoretical, managerial and contextual significance. It also depicts a theoretical framework/proposed model of this study.

Second chapter describes a detailed literature review. The first section explains leader-member exchange theory in detail. This section also reviews the literature on outcomes along with the direct relationship between LMX quality and outcomes (affective commitment, turnover intentions, creativity and OCB). The second section explains the first mediator, perception of organizational politics. It also contains the sense-making process by theorizing for the relationship between LMX quality and POP along with supporting theory of attribution. This section also contains the direct impact of POP on outcomes and the mediating role of POP between LMX quality and outcomes with support of Social exchange theory.

The third section explains the second mediator, perceived leader's integrity in detail; along with its conceptual clarity and dimensions. It also explains the sense-making and judgement process by theorizing for the relationship between LMX quality and perceived leader's integrity along with supporting theory of attribution and Implicit leadership theory. This section also contains the direct impact of perceived leader integrity on outcomes and the mediating role of perceived leader integrity between LMX quality and outcomes with support of Social exchange theory.

The fourth section explains the moderating role of psychological contract types (transactional and relational) between LMX quality and two mediators (POP and perceived leader integrity) first and then their conditional indirect effect on mediation process along with hypotheses.

The third chapter explains the methodology of the study in detail. At start research design, population, sample detail followed by data collection tool and all measures used in the study. Discriminant and Convergent validities are also mentioned by giving detail about Confirmatory factor analyses. At final section of this chapter, control variables are given for each variable.

The fourth chapter explains all the analyses results including descriptive statistics and correlation analysis. Mediation analyses, moderation analyses and conditional indirect analyses are reported using Hayes (2013) Process models along with testing of hypotheses.

The fifth chapter summarizes the whole results and gives a detailed discussion on each result. Then contribution and limitation of the study are given ending up on future research directions and conclusion.

Next sections contain references and appendices of tables, diagrams and questionnaires.

CHAPTER 2

LITERATURE REVIEW

Leadership has always been in the main stream of organizational research. It is may be due to very strong motive for such alluring interest in leadership research that leaders impact employees performance (Mehra, Dixon, Brass, & Robertson, 2006). The journey of leadership research went through a range of theories encompassing early trait theories followed by behavioural and situational theories. This research stream has gone through many developments and expanded up to charismatic, attribution, transformational and ethical leadership. The density of research has been higher on leader's personal attributes including personality and behavior. With advancement in research it was also realized that leadership is not all about description of characteristics but also dyadic, shared, relational, global and a complex social dynamic as illustrated in recent models (Avolio, 2007, Yukl, 2006, Avolio, Walumbwa & Weber, 2009).

Avolio, et al., (2009) also elaborated evolution in leadership research and described its recent areas in leadership research. They pointed out that relationship based leadership which is commonly regarded as Leader member exchange theory other than authentic, new genre and e-leadership as potential avenues for current and future research.

Current research still lacks the investigation of leadership in social relationship context of organization (Yukl, 2002). Mintzberg (1973) also referred leadership as a social affair which is embedded in continuing system of relationships including interpersonal, peers, followers and superiors. Although research on social network approach to leadership is still less explored but three important lines of investigations are focused in existing research: First stream was reported in 1940s and 1950s about experimental studies on group dynamics that revealed centrality in communication networks were related to leadership emergence and group performance (Leavitt 1951). Second stream was based on leader member exchange (LMX) (Dansereau et al., 1975, Graen, & Cashman 1975), and emerged more than three decades ago produced strong theoretical and empirical support that dyadic relationship of leader with follower impact the follower's work attitudes and behaviours. Third stream was about the central place of leader in informal social networks related to leadership effectiveness based on constructs like individual influence (Brass 1984, Brass & Burkhardt 1992) and individual performance (Sparrowe et al., 2001).

In this study Leader-member exchange theory has been focused from follower perspective and aimed to investigate the underlying mechanism between LMX quality and outcomes through moderation and mediating process.

2.1 Leader Member Exchange Theory

Leader-member exchange theory (Dansereau, Graen, & Haga, 1975; Graen, 1976; Graen & Scandura, 1987) is originally based on role theory (Kahn, Wolfe, Quinn, Snock, & Rosenthal, 1964). Social exchange theory (Blau, 1964; Homans, 1958) explains social exchanges with condition of reciprocity which has been used to explain leader member exchange theory extensively (Erdogan, & Liden, 2002; Liao,

Liu, & Loi, 2010). Social exchange theory explains that leader member exchange put forth its benefits by creating social exchange relationships between leader and followers (Masterson, Lewis, Goldman, & Taylor, 2000; Wilson, Sin, & Conlon, 2010).

LMX theory (Graen, 1976) has emerged as the dyadic approach in leadership to explain the relationship between leader and follower. A supervisor/leader and a subordinate/member of organization make a dyad (Graen & Scandura, 1987). Dyadic relationships and work roles are evolved through process of exchange between supervisor and subordinate. Leader and member both invest resources in terms of increased job latitude, control and opportunity from leader side and commitment and better performance from follower side in reciprocation (Dienesch & Liden, 1986; Liden & Graen, 1980; Scandura & Graen, 1984). This theory also explains that leaders do not have same level of exchanges with each subordinate but this exchange is different with individual subordinate. The exchange quality is regarded as high where close and informal relationship exists between leader and member but it is called as low quality when leader has a formal relationship with other members. It means that leader-member exchange quality differs member to member.

LMX theory (Graen, 1976) can be explained on the bases of role theory (Kahn et al., 1964) in such a way, while allocations of roles to subordinates, leader assign more important roles to the members leader like more and perceive that they can perform better than other members. On the other hand, less important tasks are usually assigned to members who are less liked by leader and perceived as less capable. Members who enjoy better or important work roles are called “in-groups” or “cadre” and have high quality leader member exchange relationships distinguished by trust, loyalty, open communication, information sharing and emotional support (Dienesch

& Liden, 1986). Members who are less trusted and given less important roles are referred as “out-groups” and have low quality exchange relationship with leader and have obligations in their formal contracts only (Liden and Maslyn, 1998). Research is evident that high LMX quality is very effective for positive work attitudes and behaviours and low quality is detrimental for attitudes and behaviours (Liden & Graen, 1980; Graen, et al., 1982a) and these reciprocation of high and low quality leader member exchanges are explained by social exchange theory (Blau, 1964; Homans, 1958). There is extensive research in the domain of Leader-Member Exchange theory (for a meta-analysis, see Gerstner and Day 1997; for conceptual reviews, see Graen and Uhl-Bien 1995, Liden et al. 1997).

A large body of research also discussed the construct of leader member exchange quality. Few researchers defined and measured it as a uni dimension (Scandura and Graen, 1984; Graen and Uhl-Bien, 1995) and few explained it a multi-dimension construct (Liden and Maslyn, 1998). The multi-dimension model comprises of four dimensions including affect, loyalty, contribution and professional respect. They also suggested that inclusion of all these dimensions is not mandatory to measure LMX quality which justifies the use of uni-dimension construct of LMX. There is extensive research on LMX theory and number of studies and meta-analyses have been done on its different aspects e.g., development of LMX relationship (Epitropaki, and Martin, 2005; Van Breukelen, Schyns, and Le Blanc, 2006), its outcomes (Gerstner and Day 1997; Ilies, Nahrgang, and Morgeson, 2007); and its mediating role between antecedents and outcomes (Dulebohn, et al., 2011).

Early research focused on the development models of leader member exchange relationship (Dienesch & Liden, 1986; Graen & Scandura, 1987) and empirically supported by explaining different factors that play important role in development of

LMX based on trust (Bauer, Green, 1996). After extensive research on the development of leader member exchange relationship, it was focused on the outcomes of exchange quality. A variety of subordinate's attitudes and behaviours were studied empirically (e.g., Graen, Liden, & Hoel, 1982; Graen, Novak, & Sommerkamp, 1982; Scandura & Graen, 1984).

2.2 LMX Quality and Outcomes

An extensive research explained that high quality of leader member exchange relationship leads to positive attitudes and behaviours for example commitment, job satisfaction, OCB, and job performance (e.g., Scandura & Graen, 1984; Erdogan & Linden, 2002; Gerstner & Day, 1997; Ilies, Nahrgang, & Morgenson, 2007; Wayne, Shore, & Liden, 1997; Wayne & Green, 1993) and low quality LMX impact negatively in terms of turnover intentions, stress and (e.g., Graen, Liden, & Hoel, 1982). Social exchange theory (Blau, 1964) explains that if employees are trusted and delegated important roles, they reciprocate positively in terms of outcomes.

In this research two job attitudes particularly affective commitment, and turnover intentions and two behaviours particularly creativity and OCB have been taken as outcomes due to their increasing importance in today's organizations.

2.2.1 Affective Commitment

Meyer & Allen, (1984) explained organizational commitment as the tendency of one's affection, attachment and recognition with an organization. They further presented three- component model including affective, normative and continuous commitment (Meyer and Allen, 1991). Affective commitment also known as "attitudinal commitment" carries more emotional factor in terms of attachment and

involvement than other components of commitment (Meyer and Allen, 1991; Iverson & Buttigieg, 1999). Affective commitment is an affect based attitude refers to employee's emotional attachment with an organization and he/she wants to be identified with the organization (Mowday, Porter, & Steers, 1982).

2.2.2 LMX and Affective Commitment

Research is evident that employee's affective relation with the organization is also due to his/her affect or attachment with his/her boss because boss may have a more role and impact an employee's job experience (Gerstner and Day, 1997). Employees with high exchange relationship with the supervisor enjoys better extrinsic rewards, performance appraisal (Graen, Novak, & Sommerkamp, 1982), career promotion (Scandura & Schriesheim, 1994) and in exchange show more attachment and affective commitment with the organization as well (Steiner, 1997). Moreover it is expected from the in-groups to show commitment to the organization because they have attachment and loyalty with the supervisors as leaders represent the organizations (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Therefore this attachment with the leader develops feeling of loyalty or affective commitment with the organization (Dulebohn, et al., 2011).

H1a: LMX quality is positively related to affective commitment.

2.2.3 Turnover intentions

Turnover intentions have been studied more extensively in organizational behavior research due to its vital importance (Griffeth, Hom, & Gaertner, 2000). Turnover intentions are most undesirable attitudes for any organizations because these are not only dysfunctional for employees having these but also transmit to those employees

who interact with them (Griffeth, et al., 2000; Hom & Griffeth, 1995). To avoid actual turnover, it is highly important to understand its reasons. Researcher tried to review and understand the potential causes of turnover intentions and figured out eight motivational forces (i.e., affective, calculative, contractual, behavioural, alternative, normative, moral/ethical, and constituent) behind this phenomenon (Maertz, & Griffeth, 2004).

2.2.4 LMX and Turnover intentions

The impact of LMX quality on turnover intentions has been examined empirically in many studies and reported as inverse relationship (e.g., Ferris, 1985; Gerstner & Day, 1997; Graen, et al., 1982). Researchers documented the reasons for this negative relationship that in high-quality exchange relationship with leader, members enjoy more mutual trust, emotional support and extra ordinary rewards than the members in low-quality exchange relationship (Dienesch & Liden, 1986). That is why a negative linear relationship was shown in these studies. Harris, Kacmar, & Witt (2005) proposed a curvilinear relationship between LMX quality and turnover intentions. They made their argument by utilizing the alternative motivational force out of eight forces proposed by Maertz and Griffeth's (2004). They suggested that when LMX quality is low, turnover intentions would be high, but at high quality LMX the turnover intentions would also be high because the in-groups may get more benefits even the access to supervisor's social networks (Sparrowe & Liden, 1997). In this manner presence of alternatives for better positions in other organizations, they can have leaving intentions (Harris, Kacmar, & Witt, 2005). But this argument may be true for a job market where many alternatives are available and in-groups are highly talented. But in this study the argument is made for a linear negative relationship as

reported in most of the studies. Most of the motivational forces i.e., calculative, affective, and behavioural justify that in case of low quality LMX, the out-group members use calculative and affective forces to opt for a better job in any other organization and want to get rid of a discomfort due to lack of affect towards supervisor. In the same manner in case of high quality LMX, employee wants to enjoy the extra benefits (Calculative forces), trust and emotional support (affective forces) and will not opt to leave the organization.

H1b: LMX quality is negatively related to turnover intentions.

2.2.5 Creativity

Creativity or creative work performance has been regarded as an indicator of employees' performance which is required by the organizations now a day than conventional performance. It is an employee's ability to produce "new and valuable" work (Amabile, 1998). The term "new" refers to original, out of the box and differentiated from the current way of practice. "Valuable" means effective, efficient, contribution, and useful. Few researchers still have this view that creativity is quite subjective in nature because there is nothing new but the modifications in the older ideas, therefore difficult to measure as well (Razeghi, 2008; Sutton, 2001). But researchers have tried to measure creativity on the bases of its functional definitions as given above because it is highly demanded from employees to increase its impact at organizational level as well. It is also argued that creativity is required and produced in any job and at any organizational level initiated by the employees (Amabile, 1996; Zhou & Shalley, 2008; Liao, Liu, & Loi, 2010).

2.2.6 LMX and Creativity

Researchers showed their immense interest to find out the factors which promote creativity among employees. According to them openness, trust and appreciation of newness are important factors which flourish the creativity among employees (Rice, 2006; McAllister, 1995). Research is evident about the role of leadership in creative performance of employees encompassing different aspects e.g. supervisor and subordinate's traits (Tierney, Farmer, & Graen, 1999; Zhou & George, 2003), transformational leadership (e.g., Jaussi & Dionne, 2003; Sosik, Kahai, & Avolio, 1998), benevolent leadership (Wang & Cheng, 2010), and empowering leadership (Zhang & Bartol, 2010).

Current body of literature demands to understand and explain how leader-member and member-member exchange relationships effect employee's creativity (Liao, Liu, & Loi, 2010). Avolio, et al., (2009) pointed out that there has been a lack of investigation of more objective facets of employee performance in LMX research as suggested by Erdogan & Liden (2002). Moreover the performance has been measured through supervisors but it should be measured through other sources as well in context of exchange quality between leader and follower (Avolio, et al., 2009). Employee creativity has been proposed as a desired performance indicator in today's organizations and would be investigated in this research.

LMX research is also evident that high quality exchanges are related to higher motivational levels and energy towards creative problem solving in the organization (Atwater & Carmeli, 2009; Scott & Bruce, 1994; Tierney et al., 1999).

There can be many theoretical logics for a positive impact of LMX quality on employee creativity (Volmer, Spurk, Niessen, 2011). In-groups have been proved as more creative in their performance due to appreciation, encouragement, support and

allocation of challenging and key roles than the out-groups (Liden et al., 1997; Erdogan & Liden, 2002; Tierney, 2008; Volmer, et al., 2012). Members in High quality exchange relationship with leaders have a feeling of obligation to reciprocate the trust and delegation in terms of better performance including creativity. Most of empirical investigation supported the positive relationship between LMX quality and creativity (Atwater & Carmeli, 2009; Van Dyne, Jehn, & Cummings, 2002). On the basis of theoretical and empirical support a positive relationship is hypothesized.

H1c: LMX quality is positively related to Creativity.

2.2.7 Organizational Citizenship Behaviour (OCB)

Organizational citizenship behaviours are the discretionary behaviours which are not covered in formal tasks and compensation contract. These are voluntary acts performed by employees for the betterment of the organization (Organ, 1988). These discretionary behaviours are categorized by target i.e., employees and organization called OCB-I and OCB-O (William & Anderson, 1991). Researchers have tried to find out the potential causes, situations and conditions when employees show citizenship behaviours (Bhal, 2006). OCB towards individuals and towards organization are very much distinct from other performance measures like in role performance (William & Anderson, 1991).

2.2.8 LMX and OCB

Leadership research has shown that leaders represent the organization and motivate employees towards showing citizenship behaviours (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). In a meta-analysis on citizenship behaviours, it was revealed that leader support is an important antecedent (Lepine, Erez, & Johnson, 2002). LMX theory is based on Social exchange theory (Blau, 1964) that explains the process of

exchange of high quality exchange relationship with supervisor reciprocated in terms of more extended behaviours than just job performance (Gouldner, 1960). Another view of equity perceptions was given by Dansereau et al. (1984) who explained reciprocation by investments and returns between leader and follower. Subordinates having high quality exchange relationship with the supervisor take the trust and emotional support of the supervisor as investments and they try to return in terms of their extended behaviours than the contract required behaviours in terms of organizational citizenship behaviours (Liden et al., 1997; Settoon, Bennett, Liden, 1996; Wayne et al., 1997).

In a meta-analysis on LMX-OCB relationship, it was pointed out theoretically and empirically that there are differential impact of LMX quality on OCB towards employees and organization (Ilies, et al., 2007). They also suggested to investigate citizenship behaviours in these categories in future in understand the each process.

According to Lavelle et al., a quality social exchange relationship is desirable to many workers. Thus, when employees are offered the opportunity to enter in such a high quality relationship, they reciprocate by feeling commitment directed toward their supervisors (Lavelle, Rupp, & Brockner, 2007).

H1d: LMX quality is positively related to OCB-I.

H1e: LMX quality is positively related to OCB-O.

2.3 Mediation

Leader-member exchange theory has been emerged as a mature theoretical basis to explain vertical dyadic linkage or the relationship between leader and the follower, and its outcomes (Liden, Sparrowe, & Wayne, 1997; Nahrgang, et al, 2009). A number of studies and meta-analyses have been done on LMX e.g., development of

LMX relationship (Epitropaki, & Martin, 2005; Van Breukelen, Schyns, and Le Blanc, 2006), its outcomes (Gerstner and Day 1997; Ilies, et al., 2007); and its mediating role between antecedents and outcomes (Dulebohn, et al., 2011).

Although LMX has produced a flourishing and successful area of research, LMX research could benefit from further theoretical refinements. It is widely accepted that high LMX causes higher subordinate performance in the form of task performance, creativity, and OCB and low LMX causes negative attitudes and behaviours e.g. low commitment, turnover intentions etc., but we do not yet understand the *how* and *why* of these relationships. In other words, extensive research is required to explain the underlying processes and mechanism that how a high quality LMX impacts effective subordinate work behaviours and vice versa. As Chen, et al., (2007) and Liden et al. (1997) have observed, scholars have not yet articulated the intervening processes by which a high quality LMXs relates to workplace outcomes. Given the importance of these and related findings, it becomes worthwhile to better understand the underlying processes by which a high quality LMX produces more effective work behaviours. A conceptual model of this sort is vital for our scholarly understanding of the LMX process. Perhaps even more than that, attention to mediators could bring important practical benefits (Walumbwa et al., 2011). Unfortunately, neither these scholarly nor these practical benefits can be realized until we have a strong theory that specifies the link between LMX and effective work behaviours. With this conceptual need in mind, the goal of this research is to further refine LMX theory.

Most of the recent research has tended to treat LMX as an intervening variable between a set of causal antecedents and a set of resulting consequences (for examples, see Harris, Wheeler, & Kacmar, 2009; Schriesheim et al., 1999; Dulebohn, et al.,

2011). To illustrate, important precursors of high quality LMX include such things as personality (Murphy & Ensher, 1999; Nahrgang et al., 2009), transformational leadership (Wang, Law, Hackett, Wang, & Chen, 2005), and organizational justice (Cropanzano, Prehar, & Chen, 2002; Walumbwa, Cropanzano, & Hartnell, 2009). On the criterion side, LMX seems to motivate workers toward high job performance (e.g., Erdogan & Enders, 2007; Gerstner & Day, 1997), as well as making employees more willing to engage in OCBs (Ilies et al., 2007) and voluntary learning behaviours (Schyns, 2004; Walumbwa et al., 2009).

Previous studies have already revealed the existence of few mediators between LMX quality and employee work outcomes. For example, perceived organizational support (POS) has been studied as mediator between LMX and organizational identification (Sluss et al. 2008). Chen et al. (2007) investigated the mediating role of negative feedback seeking behaviour on the part of subordinates between LMX quality and in-role performance. Psychological detachment has also been studied as mediator between LMX and voice (Burres et al. 2008). Cheunga & Wub, (2012) found job satisfaction as mediator between LMX and work outcomes. These mediators justify the importance and the growing need to understand the underlying process between LMX quality and outcomes.

In this research POP and Perceived leader's integrity have been proposed as parallel mediators between LMX quality and Outcomes which have not been explored earlier up to best of knowledge of the researcher.

The overarching theory suggested for proposed parallel mediation model is social exchange theory (Blau, 1964) and that explains how employees reciprocate on the basis of their positive and negative perceptions build due to their LMX quality. Members with hi quality LMX reciprocate in positive attitudes and behaviours

whereas members with low quality LMX reciprocate in terms of negative attitudes and low performance.

It also explains how low LMX quality leads to employee attitudes and behaviours negatively through their perception of politics, and how high LMX quality could be more effective in terms of attitudes and behaviours through perceived leader's integrity. Highly detrimental effects of perception of politics, and strong positive effects of leader's integrity on employees' attitudes and behaviours support this idea as well. This type of parallel mediation model would be more comprehensive to understand the underlying processes between LMX quality and outcomes. The mediation path through POP and perceived leader's integrity is explained by attribution theory (Kelley, 1967) as suggested by (Davis and Gardner, 2004; Moorman, et al., 2012). The mediation path through perceived leader integrity is also explained through another theory the implicit leadership theory (Lord et al, 1984) in the coming sections.

Walumbwa et al., (2011) proposed a multi mediation model between LMX quality and outcomes and proposed self efficacy, mean efficacy and commitment to supervisor as mediators and suggested to develop more mediation models to understand underlying process between LMX and outcomes.

The goal of this work is to enhance the theoretical understanding of the underlying process how employee makes perceptions on the basis of the exchange quality with leader and respond to that in terms of few attitudes and behaviours.

Meta-analysis findings of non consistent results and the theoretical support for underlying process between LMX quality and attitudes (affective commitment and turnover intentions) and behaviours(Creativity and OCB) mediation of potential

employee's perception on the basis of his/her exchange quality with leader particularly POP, Perceived Leader's Integrity .

For example a meta-analysis on LMX-turnover intentions revealed a curvilinear relationship (Harris, Kacmar and Witt, 2005) and other LMX studies indicated negative relationship. Similarly, studies on LMX-creativity relationship produced heterogeneous results (Eder & Sawyer, 2007; Hammond, Neff, Farr, Schwall, & Zhao, 2011 for meta-analytical findings), creates a demand of investigating other variables in between LMX and creativity (Volmer, Spurk, Niessen, 2011).

Therefore, a major purpose of the present study is to extend existing research on LMX by focusing on the mediators particularly two perceptions of followers: Perception of Organizational Politics and Perceived leader's integrity between LMX and two attitudes (affective commitment, turnover intentions) and two behaviours (creativity and OCB).

2.3.1 Perception of Organizational Politics (POP)

Organizational politics has become one of most interesting area in OB research. Scholars and managers have a strong concern about the political behaviours prevailing in the organizations.

No one can deny about its presence in the organization but mostly taken as subjective reality of the organizational context (Ferris & Kacmar, 1992) because employee acts on perceptions of reality even more than the objective reality (Ferris *et al.*, 2002).

Political tactics and behaviours have been used for positive and negative outcomes. But most of the research reports politics as a negative perception (Ferris and King, 1991) and produces detrimental outcomes. Organizational politics is characterized as self-serving behaviours based on self interest to acquire control on resources by

practices of favouritism. These practices are illegitimate and not sanctioned by the organization but observed commonly (Allen, Madison, Porter, Renwick, & Mayes, 1979; Ferris, Russ, & Fandt, 1989; Kacmar & Baron, 1999). Most of the previous researchers defined and measured POP as an overall perception of politics in the organization but three sub dimensions were also proposed (Kacmar & Ferris, 1991) including General political behaviour, Go along to get ahead, and Pay and promotion. Previous studies indicated no significant difference between results of overall POP or three dimensions of POP. Atinc et al., (2010) reported in a meta-analysis on POP that most of previous studies measured over all POP using definition and measurement proposed by Kacmar & Ferris (1991).

These political tactics have been found detrimental for work context, not only impact efficiency and effectiveness but also leave negative effects on employees (Kacmar et al., 1999; Mintzberg, 1983). Perception of organizational politics has been treated as “hindrance stressors” because it effects employees’ perception about their abilities to perform higher (Chang et al., 2009; Lepine, Podsakoff, & Lepine, 2005).

2.3.2 LMX and POP

A large body of research revealed the negative impact of POP on employees’ attitudes, behaviours and wellbeing (Chang, Rosen and Levy, 2009; Miller, Rutherford, & Kolodinsky, 2008). But it is also highly important to figure out how these perceptions develop (Chang et al., 2009). Ferris et al. (2002) provided a detailed review of predictors of POP and revealed that majority of these predictors are validated in research.

Atinc, Darrat, Fuller, and Parker, (2010) proposed an extensive model of predictors of POP in a meta-analysis study and categorized the antecedents into three groups:

organizational influences, job/work environment influences, and personal influences and provided new insights towards the development of perception of politics in the organization.

Kacmar, Bozeman, Carlson, and Anthony, (1999) investigated Ferris et al. (1989) framework and suggested that feedback, advancement opportunity, and interactions with others, negatively impact perception of politics. These three factors constitute leader member exchange quality.

If the feedback is not sufficient to develop better guidelines for required behaviours, employees decide to develop their own set of rules which are mostly to favour themselves. These acts are called political acts. When these political acts increase in the work context, perception of politics increases (Ferris and Kacmar, 1992).

When employees get less promotion/advancement opportunities, they attribute it with the self serving and favouritism like practices of the supervisors and co-workers; therefore perceive greater perceptions of politics which is also validated in studies (Ferris & Buckley, 1990; Ferris et al., 1996; Ferris & Kacmar, 1992; Gandz & Murray, 1980).

Finally, interactions with others have been suggested to impact POP negatively. An employee, who could not develop and maintain good interactions with peers and leader, may have higher perceptions of politics (Kacmar, et al., 1999; Ferris & Kacmar, 1992).

It was further explained in a meta-analysis on predictors and outcomes of LMX (Dulebohn, Bommer, Liden, Brouer and Ferris, 2011) that there are many reasons why leader member exchange quality impacts POP. For example, out-group (low

LMX quality) members assume that in-group (high LMX quality) members are being favoured in their performance appraisals, rewards, allocation of key roles and close interaction with the leader is all based on political factors (Davis & Gardner, 2004) like common interest of self serving. This feeling of undue favours to in-group members give rise to higher perception of politics among out-group members. Conversely, the in-group members enjoy more control and access to resources and opportunities will have lower perception of politics in the organization (Ferris et al., 2002).

Davis and Gardner (2004) suggested attribution theory (Kelley, 1967) to explain LMX quality-POP relationship. According to Attribution theory (Kelley, 1967) people interpret the events and draw inferences out of that on the bases of consistency, consensus and distinctiveness. They quoted their previous explanation (Martinko and Gardner, 1987) and explained the mismatched permutation of leader-member attributions and behaviour lead to low quality LMX and high levels of perceived politics in employees. Followers attribute leader's decision about delegation decision (Dienesch & Liden, 1986), giving advancement opportunities and access to information for self-serving and unjust acts and perceive that this all is due to political factors and holds hi level of perception of politics (Davis and Gardner, 2004).

Previous research has suggested and validated that employees having high LMX quality show low levels of political perceptions (e.g., Collins, 2008; Innes, 2004; Kacmar et al., 2007; Poon, 2003; Atinc, et al., 2010; Dulebohn et al., 2012).

H2. LMX quality is negatively related to POP.

2.3.3 POP and Outcomes

Two recent meta-analyses on POP and outcomes indicate its importance in organizational behaviour research (Miller, et al., 2008; Chang *et al.*, 2009). The former presented empirical review of previous research on POP and few attitudes and behaviours. The later provided the review of relationship between POP and employee attitudes, strain and behaviour. It covered outcome variables like strain, turnover intentions, job satisfaction, affective commitment, task performance, OCB towards individuals and organizations and proved POP as hindrance stressor (Chang *et al.*, 2009). Theorists have provided many reasons for negative outcomes of POP (Chang, et al., 2009) as well.

Organizational politics has been found as a stressor that develops strain among workers (Ferris et al., 1989). The negative relationship between POP and organizational commitment as a collective construct (Mowday et al., 1979) and same results were found for three dimensions of organizational commitment (Meyer and Allen, 1984; Cropanzano, Howes, Grandey, & Toth, 1997; Hochwarter, Perrewe, Ferris, & Guercio, 1999). Many studies have measured organizational commitment with the scales consisting items based on affect (Miller et al., 2008). Affective commitment is based on affect and emotion that better explains how good exchange relationship with supervisor enhances affection to the organization. Therefore, Affective commitment has been taken as one of the attitudinal outcome in this study. A recent meta-analysis revealed heterogeneous results between POP and commitment (Miller et al., 2008). Most of the studies indicated a negative relationship (Maslyn and Fedor 1998; Nye and Witt 1993; Witt, 1998), few found positive relationship (Cropanzano et al. 1997, Study 1) and very few found no impact (Cropanzano et al. 1997, Study 2).

Political environment creates ambiguities regarding the performance and rewards because employees involve in the political games acquire success on their interest (Hall, Hochwarter, Ferris, & Bowen, 2004)

It becomes highly unpredictable for employees that their efforts will lead to expected rewards (Aryee et al., 2004; Cropanzano et al., 1997). Moreover, Organizational politics not only impact the performance of employees but their morale as well (Rosen, Chang, & Johnson, 2006). The stress and social exchange perspectives are useful to understand employees' response in political context. Ferris et al.'s (2002) model proposed and found that POP directly influence on job anxiety, job satisfaction, affective commitment, performance, and turnover intentions. In keeping with previous research it is argued that politics hinder workers' ability to achieve personal and professional goals, which makes feeling of stress and increases turnover intentions, and decrease affective commitment, creativity and OCB.

POP has been taken as work stressors and all those factors which cause stress particularly hindrance stressors, are detrimental for employee performance. Creativity is a particular type of performance which is highly required in current competing organization, but could be possible when employees perceive fairness in the system. POP generates cues of unfairness and employee's morale and strain increases (Chang, et al., 2009) that may hinder creativity.

H3a: POP is negatively related to affective commitment.

H3b: POP is positively related to turnover intentions.

H3c: POP is negatively related to Creativity.

H3d: POP is negatively related to OCB-I.

H3e: POP is negatively related to OCB-O.

2.3.4 Mediating Role of POP between LMX quality and Outcomes

Relationship between POP and outcomes are justified and supported by above arguments. Whereas LMX quality and POP relationship is justified through previous research and hypothesized in above section. Mediating role of POP between LMX quality and outcomes can be explained through Attribution theory.

Attribution theory (Kelley, 1967) explains how individuals interpret the events and make inferences. These attributions are made on the bases of three factors: consensus, consistency and distinctiveness. Davis and Gardner (2004) explained attribution theory in context of LMX theory and explained the process how employees make attributions on the bases of their interactions with the leader and draw inferences to respond. When leader delegate the control to few members, employees interpret this event (Dienesch & Liden, 1986). They draw the attributions and cognitive judgement on the reasons for leader's decision of delegation. They also make judgement on the equity of delegation and exchange of information, resources, trust and support through the delegation (Davis and Gardner, 2004).

Social exchange theory (Blau, 1964) provides a theoretical support as overarching theory of the proposed mediation process. Leaders show more trust, access to information and advancement opportunities to in-groups, in response these members reciprocate leaders trust and favours in terms of low levels of POP and ultimately positive outcomes (affective commitment, creativity and OCB) and low level of turnover intentions.

Employee with low LMX quality indicate low exchanges of resources (tangible and intangible) with leader and feel unfair behaviour of the leader. Employee with low

LMX quality perceive unfairness and biasness of leader and his perceptions of politics become high that act as hindrance stressor (Chang, et al., 2009) and in reciprocation show high turnover intentions and low affective commitment, creativity and OCB (due to reciprocation of low exchanges with leader). It is posited that POP explains the reason and process between low LMX quality and negative outcomes.

H4a: POP mediates the relationship between LMX quality and affective commitment.

H4b: POP mediates the relationship between LMX quality and turnover intentions.

H4c: POP mediates the relationship between LMX quality and Creativity.

H4d: POP mediates the relationship between LMX quality and OCB-I.

H4e: POP mediates the relationship between LMX quality and OCB-O.

2.3.4 Perceived Leader Integrity

Integrity has been emerging as an important phenomenon in management literature and corporate settings from the start of twenty first century. Its growing popularity among corporate leaders was observed after few corporate scandals and inspired management scholars to pay attention. An array of studies undertook this concept and explained it in management and leadership perspectives (Burns, 1978; Brenkert, 2004; Kaptein, 1999; Kaptein, & Wempe, 2002; Maak and Pless, 2006; Simons, 1999; Wearing, 2005). They tried to justify the importance of integrity in a leader's characteristics. Burns (1978) suggested integrity as a chore dimension in transformational leadership which was validated by positive outcomes of transformational leadership (Bass, 1985). It was also found that integrity is an important trait of an effective corporate leader (Locke, 1991; Becker, 1998) and vital

element in leader's trustworthiness (Mayer, Davis, & Schoorman, 1995; Six, Bakker, Huberts, 2007) by the stakeholders.

After a decade of unstructured empirical research on leader's integrity it was revealed that there are multiple reasons for scarcity of research on this important factor. In first meta-analysis on leader's behavioural integrity and outcomes, only 12 studies were available (Davis and Rothstein, 2006). The lack of empirical work may be due to three basic reasons: lack of clarity in the definition, a valid measuring tool, and theoretical support how employees make judgements about leader's integrity (Palanski & Yammarino, 2009; Moorman et al., 2012). These three issues are tried to address in this study. Palanski & Yammarino (2007) classify various definitions for leader integrity, based on an extensive review of articles containing at least one definition of integrity. They identified five general categories of integrity: "wholeness, consistency of words and actions, consistency in adversity, being true to oneself, and moral/ethical behaviour" (Palanski & Yammarino, 2007, p. 173) but there could not be a consensus on a better definition.

From the review of available studies it was found that definitions and measurement of leader's integrity concept is based on two approaches (Moorman et al., 2012). The first approach is "consistency" which defines integrity as the values are applied consistently but overlooks the values. Few researchers defined leader's integrity on the basis of only consistency e.g. "practice what they preach" and "do what they say" (Kouzes & Posner, 2002).

The second approach for defining leader's integrity is "moral behaviour or morality". It refers to the judgement of integrity by the moral values of the leader.

Few researcher defined Integrity on the first approach only i.e. "Integrity by consistency and referred it as the consistency or alignment in leader's words and actions (Palanski and Yammarino, 2007; Simon, 2002; Furrow, 2005; Kalshoven, Den Hartog, & De Hoogh, 2011). But using "consistency" while defining integrity reduces the scope and allows it to be attributed to the leaders who may act consistently, but immorally (Moorman, et al., 2012).

Few followed second approach i.e. " Integrity by moral behaviour" and defined integrity as Followers' perceptions of the degree to which leaders perform behaviours they deem as ethical (Craig and Gustafson, 1998; Becker, 1998; Mayer et al., 1995). Craig and Gustafson (1998) developed a scale PLIS (Perceived leader integrity scale) on the basis of ethicality of leader, which was used in many studies to measure overall integrity.

Finally few scholars defined leader integrity based on both approaches of consistency and moral behaviour (Harcourt, 1998; Dunn, 2009) and also adapted in this study. Dunn (2009) presented a better definition and defined integrity as a holistic construct which describes coherence among a set of moral values that are consistent with a set of social values. The agent's behaviour is also consistent with these values over time and across social context(s). Moorman et al. (2012) also developed a two-dimension measure of perceived leader integrity on the basis of Dunn's definition encompassing consistency and moral behaviour dimensions.

The second important issue in leader's integrity is how to make judgement about integrity of the leader. Very few studies undertook this concern by considering few factors like responsibility, accountability, authenticity, decision-making or ethical climate (Brenkert, 2006; Wimbush & Shepard, 1994; Six, et al., 2007; Field, 2007). It provides strong evidence that perceived leader's integrity is a subjective phenomenon

and may also be perceived on the basis of interactions with leaders (Fields, 2007). Each individual have his/her own perception or judgement about leader's integrity, therefore it has been taken as perceived leader's integrity. Followers perceive and interpret leader's actions differently and may not make equal judgements about consistency of words and actions of the leader (Fields, 2007).

In recent studies Implicit leadership theory (Lord et al, 1984) has been suggested to develop judgements about leader by using past experiences and current interactions with leader traits and attributes (Moorman et al., 2012; Shondrick et al., 2010).

2.3.5 LMX and Perceived Leader Integrity

It has been in scholarly debate how employees make their judgement and perception about leader's integrity. Field (2007) argued that leader's integrity is a subjective phenomenon and may be perceived on the basis of interactions with the leader. Interaction with the leader can be better explained through LMX theory.

Research on leader-member exchange relationships and perceived leader integrity has not been studied earlier and would be very helpful to understand how exchange relationship quality with leader builds followers perceptions about integrity of their leader.

The in-groups perceive more integrity of their leader because the cooperation and exchanges received from leader and they observe consistency of words and actions of their leader, which is also categorized as one aspect of leader's integrity (Palanski & Yammarino, 2011).

The diversity in leader's integrity definitions pointed out a fact that follower does not use simple procedure in judgement of integrity. Attribution theory (Kelley, 1967) explains attributions do not emerge only from evaluation of consistency (does a

person's behaviour is consistent in a situation) but also make complex evaluation of consensus and distinctiveness. It means individuals evaluate whether people exhibit same behaviour when exposure to same situation (consensus) and whether people behave differently in other situations, implying that actions regarding this situation are unique (distinctiveness). Kelley's model suggests that in order to make an attribution, additional information is used to put consistency information into context (Moorman et al., 2012). Followers may observe leaders behaviour in different situations and interpret these behaviours and make inferences about leaders attributes.

In the context of leader-member exchange relationship, follower observes leaders behaviour towards follower in same and different situations and interpret the exchange relationship through leader's behaviour and make inferences about the integrity of the leader. In-groups observe that leader offers trust, access to opportunities and information and feedback towards them and repeat this behaviour over time (consistency and consensus). This behaviour can be differentiated from the leader's behaviour towards out-group members (distinctiveness). This interpretations and judgement process includes three factors of attribution process suggested in Kelley's model (1967) i.e. consistency, consensus and distinctiveness.

Implicit leadership theory (Lord et al., 1984; Lord and Maher, 1991) also explains how employees make their judgement about leader's attributes of integrity, when followers may not use narrow and basic definitions while evaluating leader's attributes (Moorman et al., 2012). Theory explains that followers go through a cognitive process in assessing leader and his/her effectiveness. Followers make their judgments on the basis of their own experiences and interactions with leaders. They also expect few admirable attributes and traits from the leader (Shondrick et al.,

2010). Moreover followers go through a process of categorization and sense-making to evaluate leader's traits and attributes and then match the exhibited characteristics to cognitive schemas or prototypes which follower learnt from their past experiences. Employees hold a series of memories and cognitive schemas which are recalled during sense-making process in which past information is processed and matched with displayed attributes and traits (Hall & Lord, 1995; Epitropaki & Martin, 2004). The sense-making process does not follow any standard procedure (Shondrick et al., 2010) and followers hold multiple assumptions and ideas about traits and attributes about leader which are used while making judgements. Hence, these stored memories and cognitive schemas provide the underlying framework of meaning and sense-making while interactions with the leaders.

When implicit theory of leadership (Lord et al., 1984; Lord & Maher, 1991) is explained in context of leader member exchange theory, in-group member perceives supportive behaviour of leader and match these observed and experienced behaviour with their cognitive schemas about a supportive leader and go through process of sense making and judgement about traits and attributes of the leader in terms of consistency in leader's word and actions and moral behaviour towards him/her. That actually means the higher integrity of the leader.

This suggests that high LMX employee perceive high leader's integrity and employee with low LMX quality has low trust on leader and perceives unfair and non supportive behaviour of the leader due to limited exchanges of resources with him/her, therefore perceives low leader's integrity. These arguments justify the positive link between LMX quality and perceive leader's integrity.

H5: LMX Quality is positively related to perceived leader's integrity.

2.3.6 Perceived Leader Integrity and Outcomes

It has been realized that leader's integrity is one of the most important attributes of a leader and highly essential for leader's effectiveness, but there is scarcity in empirical research to examine impact of leader's integrity on follower's job outcomes (Palanski & Yammarino, 2011; Zhang et al., 2014; Cheng, et al., 2014). Few efforts have been made in this regard. For example, Leader's integrity was found as predictor of subordinates' moral intention (Peterson, 2004).

Positive relationship was found between Behavioural integrity of supervisor and OCB and negative relationship was found with deviant behaviours (Dineen et al., 2006)

Palanski and Yammarino (2011) examined impact of leader's behavioural integrity on follower's job performance. Zhang et al, (2014) found a positive effect of perceived leader integrity on OCB and explained this causal link through implicit leadership theory (Lord et al., 1984; Lord and Maher, 1991).

Baccili (2001) investigated in a qualitative study that subordinates' anticipate a high integrity form their leaders even when organizations do not have integrity promoting environment.

Few researchers found that integrity, trustworthiness, and honesty are related with leader's effectiveness (Den Hartog et al., 1999; Kirkpatrick & Locke, 1991; Kouzes & Posner, 1993). Few reported transformational leadership effects perceptions about leader's integrity among followers. Leadership styles have been studied (Parry & Proctor-Thomson, 2002; Tracey & Hinkin, 1994). These empirical evidences show that perceived leader's integrity is positively related to positive attitudes and behaviours and vice versa.

On the bases of above research evidence it can be claimed that affective commitment, creativity and OCB are positively related and turnover intentions is negatively related to leader's integrity.

H6a: Perceived Leader's integrity is positively related to affective commitment

H6b: Perceived Leader's integrity is negatively related to turnover intentions.

H6c: Perceived Leader's integrity is positively related to Creativity.

H6d: Perceived Leader's integrity is positively related to OCB-I.

H6e: Perceived Leader's integrity is positively related to OCB-O.

2.3.7 Mediating Role of Perceived Leader Integrity between LMX and Outcomes

Above sections justify the direct link between LMX quality and perceived integrity theoretically. Research is also evident about the relationship between perceived leader's integrity and follower's work outcomes. The mediation link can be justified with the theoretical support of Attribution theory (Kelley, 1967) and Implicit leadership theory (Lord et al., 1984).

Attribution theory (Kelley, 1967) explains how employees make attributions about an object (leader's behaviour/interaction) through three factors of consistency, consensus and distinctiveness and then respond on the perceived attribute as well. If followers perceive positive attribute like integrity in leader's behaviour, they respond positively in terms of positive attitudes and behaviours. It implies, in case of high LMX quality, follower enjoys leader's trust, better advancement opportunities and access to useful information consistently and perceive it a moral behaviour therefore respond with

higher affective commitment, creative performance, OCB and lower turnover intentions.

Implicit leadership theory (Lord et al., 1984; Lord & Maher, 1991) explains that followers go through a cognitive process in assessing leader and his/her effectiveness. Followers make their judgments on the basis of their own experiences and interactions with leaders. They also expect few moral attributes and traits from the leader (Shondrick et al., 2010). Moreover followers go through a process of categorization and sense-making and match leader's behaviour with their own mental prototypes of moral values (Hall & Lord, 1995; Epitropaki & Martin, 2004).

When implicit theory of leadership (Lord et al., 1984; Lord & Maher, 1991) is explained in context of leader member exchange theory, in-group member perceives supportive behaviour of leader and match these observed and experienced behaviour with their cognitive schemas about a supportive leader and go through process of sense making and judgement about traits and attributes of the leader in terms of consistency in leader's word and actions and moral behaviour towards him/her. That actually means the higher integrity of the leader and responds in positive attitudes.

Social exchange theory (Blau, 1964) explains the mediation model in which LMX quality and outcomes are related through Perceived leader's integrity. The base line of LMX relationship is trust between leader and follower. In-group members enjoy trust, frequent interactions and emotional support from the leader (Dienesch & Liden, 1986; Steiner, 1997). A reciprocal attitude and behaviour is expected from the followers as per assumption of reciprocity of Social exchange theory (Blau, 1964) and they respond beyond the usual attitude in terms of high commitment (Cheng, et al., 2014),

better performance (Dirks & Ferrin, 2002), OCB (Dineen et al., 2006, Zhang et al., 2014), and creativity (by sharing new ideas to do things).

When employee perceives a high level of integrity of the leader, he/she will reciprocate this trust and readily share his/her innovative idea with supervisor. He/she does acknowledge that the supervisor will not take the credit of the follower's creative ideas but will appreciate in response. This sense of leader's integrity and trustworthiness will be very supportive for employee's high level performance in the shape of creativity. These arguments support the mediating role of perceived leader's integrity between LMX quality and creativity.

Same arguments can be drawn for OCB, affective commitment and staying intentions on the basis of social exchange theory and justifies the reciprocation of trust in the form of these outcomes.

H7a: Perceived Leader's integrity mediates the relationship between LMX quality and affective commitment.

H7b: Perceived Leader's integrity mediates the relationship between LMX quality and turnover intentions

H7c: Perceived Leader's integrity mediates the relationship between LMX quality and Creativity.

H7d: Perceived Leader's integrity mediates the relationship between LMX quality and OCB-I.

H7e: Perceived Leader's integrity mediates the relationship between LMX quality and OCB-O.

2.4 Moderation

Psychological contract types have been in the interest of scholars to understand and explain the nature of exchange relationship between employee and the organization. LMX theory explains the relationship between leader/supervisor and follower. Contract types and LMX both explain exchanges with organization and supervisor respectively and established as distinct variables in previous research. Psychological contract types are explicated by Psychological contracts theory that explains the exchange relationship between employee and employer (Rousseau, 1995). This theory shares roots with social exchange theory (Blau, 1964) and explains the psychological state about the exchange relationship. Buffering role of LMX quality has been investigated between contract breach and outcomes but a further investigation direction is also proposed that contract dimensions/types must also be studied to understand this relationship (Restubog, Bordia, Tang and Krebs, 2010). In this study role of employees' psychological contract type (relational and transactional) is proposed to understand its moderating role in the relationship between LMX quality and intermediate mechanism of perception of politics and perceived leader's integrity.

2.4.1 Psychological Contract Types

Psychological contract is referred as the perceived mutual obligations and promises between employee and the employer not written in the formal contracts or agreements and it is idiosyncratic in nature (Rousseau, 1995). Rousseau (2011) determined three states of psychological contracts including: Mutuality, Alignment, and Reciprocity to indicate contract fulfilment.

“Time frame” and “performance requirements” are two basic factors which are used to differentiate psychological contract types (Rousseau, 1995). Time frame explains

the promised span of the exchange relationship can be differentiated in terms of short-term and long-term. Performance requirements depict the relationship between performance demands and the rewards in terms of low and high. On the basis of time frame and performance requirements, four categories are suggested in contract types: transactional, relational, balanced and transitional.

Rousseau (1995) described these four types in such a way that Transactional contracts are based on economic exchanges only for a short span of time. Relational contracts are perceived promises including economic as well as socio emotional exchanges establish for a longer span of time. Balance contract is a combination of first two types (transactional and relational) and takes performance-reward expectations like transactional contract and subjectivity like relational contract. Transitional contracts are based on insufficiency and imbalance of agreement between employee and employer may happen due to transformations in the organizations as layoffs impact commitment level of employees with the organization.

Transactional and relational contracts are not one versus the other but psychological contract consists of both contract types simultaneously may be at different levels (Millward & Herriot, 2000). An employee's psychological contract includes elements of both of the relational and transactional types (Robinson, Kraatz & Rousseau, 1994). Rousseau (2000) proposed the Psychological Contract Inventory (PCI) on the basis of two traits and explained four dimensions: transactional, relational, balanced and transitional. This framework was further verified (Dabos & Rousseau, 2004; Rousseau, 2000).

This research is established on two divergent dimensions of Psychological Contract: “transactional and relational”, because these types are well recognized in psychological contract research (Hui, Lee & Rousseau, 2004; Kickul, Lester, & Finkl, 2002; Robinson & Morrison, 1995; Raja, Johns & Ntalianis, 2004).

Empirical research also confirmed the idiosyncrasy between these two types of psychological contract (Robinson & Rousseau, 1994; Robinson, Kraatz & Rousseau, 1994).

2.4.2 Transactional Contracts

Transactional contracts are based on short-period economic agreements having low level of involvement of the contracting parties with money-oriented interest (Rousseau, 1995; Morrison & Robinson, 1997). Employees give more importance to personal profits rather than wellbeing of the organization.

Transactional contracts are majorly based on the idea that employee considers his/her job as monetary return of what he/she contributes for it (Rousseau & Wade-Benzoni, 1994). They lack emotional perspective and rely on economic exchange perspectives between two parties and focus to provide competitive compensation for services provided by the individuals (Rousseau, 1995; De Meuse, Kenneth, Bergmann, Thomas, Lester, & Scott, 2001). These contracts carry calculative element as employees are more concerned about maintaining the balance and compensation in the relationship (Morrison & Robinson, 1997). They contain incentives that are explicit and extrinsic in nature and can be observed in terms of fairness and competitive pays (Montes and Irving, 2008).

2.4.3 Relational Contracts

Relational contracts are based on socio emotional aspects of the contract like loyalty, commitment, and involvement other than economic benefits (Robinson et al., 1994). As traditional working association between an employee and organization, this type of contract stimulate feelings of emotional involvement in employee and obligate the employer to provide more than just economic compensation to the employee like training, personal development and career growth with assurance of job security (Morrison & Robinson, 1997; Rousseau & Mc Lean Parks, 1993). These contracts are considered as more intrinsic and affective having a higher tendency to be subjective and mostly illustrated as unconstrained exchanges (Montes and Irving, 2008).

Relational contracts are developed on the basis of trust between employee and the employer (Buch & Aldridge, 1991; Robinson, 1996; Rousseau, 1995) and comprise of perceived intangible inducements such as career and personal development (Robinson et al., 1994; Rousseau & Mc Lean Parks, 1993).

If these two contract types are compared, Relational contracts tend to explain emotional and affective elements of the contract whereas transactional contracts explain monetary or financial elements of the contract. Relational contracts are considered as intrinsic due to subjectivity and transactional contracts are extrinsic due to their objective nature. If these two types of contracts are compared on time frame factor, relational contracts have indefinite and indistinguishable period and transactional contracts have definite and short range period. Moreover transactional contracts are stationary in nature whereas relational contracts keep on evolving and changing according to the circumstances.

Theoretical and empirical research also confirmed that transactional and relational contracts are distinguishable (Montes and Irving, 2008). They found that when relationship develops between employee and employer, employees are implicitly and explicitly promised with transactional and relational incentives. Transactional incentives comprise of competitive compensation whereas relational incentives include skill development opportunities and both promises together make the psychological contract (Coyle-Shapiro & Kessler, 2000).

The psychological contract typology has been developed in terms of content and exchange balance (De-Cuyper, Rigotti, De-Witte & Mohr, 2008). The content comprised of relational and transactional dimension whereas exchange balance was measured by comparing employees' perceptions on the number of employees' obligations relative to employer's obligations (Cuyper et al., 2008).

2.4.4 Moderating Role of Transactional and Relational Contracts

Research on Psychological Contract Theory proposes that it is significant to investigate distinct elements i.e. transactional and relational contracts individually (Coyle-Shapiro & Kessler, 2000; Raja, et al, 2004). Many researchers suggested that the contract dimensions could have a linkage with work outcomes at individual and organizational level differently (e.g., Shore & Barksdale, 1998). However, there is inadequate research in which distinction between two types of psychological contracts have been studied (Arnold, 1996; Raja, et al, 2004).

There is little evidence of moderating role of psychological contract types with very few exceptions (e.g. Jamil, Raja, & Darr, 2013). Jamil et al., (2013) investigated the moderating role of psychological contract types (relational and transactional) between breach-violation and violation-burnout relationship in the context of Pakistan.

As discussed earlier, Transactional contracts are referred as the economic exchanges for short time spans, possess interest on monetary rewards and exchanges with low level of involvement and affect between employee and the employer (Rousseau, 1995; Morrison & Robinson, 1997). Employees have more interest in personal gains than organizational betterment and profits.

In case of out group members (low LMX quality), the perception of organizational politics is supposed to be high and this negative relationship between LMX and POP would be much stronger for high transactional contract employees. This is very obvious due to objective, event focused and verifiable elements of transactional contract (Morrison & Robinson, 1997; Rousseau & McLean-Parks, 1993; Rousseau, 1989, 1995), and employees are expected to indulge in a clear comparison process of promised and delivered monetize-able inducements (Montes & Irving, 2008). Out-group employees definitely receive less favours and financial benefits from the supervisors; therefore build very high perceptions of politics in the organization. They are more concerned to self benefitting behaviours of supervisors due to their own strong concern for monetary gains.

When employee is high in transactional contract, the negative relationship between LMX quality and perception of organizational politics will be stronger but employees with low transactional contract will not watch the economic exchanges particularly the time and rewards, therefore they might not understand political behaviours of supervisors.

There is no prior research in the best of knowledge of the researcher in which any kind of relationship between psychological contract types and perceived leader

integrity has been studied. But this study aims to logically argue the moderation role of contract types between LMX quality and perceived leader integrity. In case of in-group employees having high transactional focus will only think the favours and benefits they are receiving from the supervisors. They might not concern the ethical soundness of these economic and social benefits but only concern about the gains. They value the benefits instead of the ethical behaviour of the supervisors.

High transactional contract holder employees do not value the ethical and consistent behaviour of the supervisor but concerned only with the personal gains. Therefore the positive relationship between LMX and leader's integrity will be weaker when transactional contract is high.

H8a: Transactional contract moderates the relationship between LMX quality and POP in such a way that the relationship will be stronger when transactional contract is high and vice versa.

H8b: Transactional contract moderates the relationship between LMX quality and Perceived Leader's integrity in such a way that the relationship will be weaker when transactional contract is high and vice versa.

It is argued in this study that employee who posses relational contract with organization, will strengthen the positive relationship between LMX quality and Perceived integrity (due to their high trust on employer/organization). Relational contract will play a buffering role to reduce the intensity of negative relationship between LMX and POP.

Employees with a relational contract type focus on terms that are socio-economic in nature, which provide a basis for a long term quality relationship rather than pure

economic exchange for a defined term (Jamil, et al., 2013). They can delay gratitude and forgo material benefit over a short term for a lasting and quality relationship (Morrison & Robinson, 1997; Raja et al., 2004). Therefore in case of in-groups they will focus towards better relationships than personal and supervisor's economic gains. For them long-term relationship with supervisors matter a lot and will not have high political perception about the supervisor. In case of out-group members with high relational contract, they will not give too much importance to the monetary gains of supervisors. They definitely perceive the relational in equality but might not concern about favours and benefits in terms of monetary rewards. Therefore the strong negative relationship between LMX quality and POP would be weaker due to relational approach of the out-group members.

Relational psychological contract has also not been studied in perspective of leader's integrity. But the dynamics might be very interesting that how in-groups and out-groups perceive integrity of their immediate supervisors on the basis of their unique relational contract. As relational aspects emerge more from the interactions with the leaders and people high in relational contract value closer and longer relationship with the supervisors. In case of in-groups when having high relational contract, members are concerned to maintain long-term relationship with the leader through equal and clear interactions(morality) and consistent relationship over time. Therefore the relationship between LMX quality and perceived integrity of leader will be much stronger for high relational contract employees.

H9a: Relational contract moderates the relationship between LMX quality and POP in such a way that the negative relationship is weaker when Relational contract is high and vice versa.

H9b: Relational contract moderates the relationship between LMX quality and Perceived Leader's integrity in such a way that the positive relationship is stronger when Relational contract is high and vice versa.

2.5 Conditional Indirect Relationships

As argued in previous section that transactional and relational contracts moderate the relationship between LMX and POP, it is likely that transactional and relational contract will conditionally impact the strength of the indirect relationship between LMX and outcomes (affective commitment, turnover intentions, creativity, OCB-I and OCB-O), thus demonstrating a pattern of moderated mediation. As it was predicted in the moderation link that the relationship will be stronger and weaker between LMX and mediators on high and low values of moderators, the indirect relationship would also be conditioned at high and low values of moderators.

Employees high in transactional contract are concerned on self economic benefits. When members of out-groups are high in transactional contract they perceive presence of political and self serving behaviours from the in-groups. It means POP will more strongly mediate the relationship between LMX quality and outcomes (affective commitment, turnover intentions, creativity, OCB-I, OCB-O).

In case of high relational contract, employees have more affective and emotional relationship with the organization. If these employees high in relational contract are part of in-groups, they will strengthen the relationship between LMX and perceived integrity and impact the mediation effects stronger.

H10(a) : Transactional contract will moderate the indirect effect of LMX on affective commitment (through POP). The mediating effect will be stronger when transactional contract is high and vice versa.

H10(b) : Transactional contract will moderate the indirect effect of LMX on affective commitment (through Perceived Leader Integrity). The mediating effect will be weaker when transactional contract is high.

H11(a) : Relational contract will moderate the indirect effect of LMX on affective commitment (through POP). The mediating effect will be weaker when relational contract is high and vice versa.

H11(b) : Relational contract will moderate the indirect effect of LMX on affective commitment (through Perceived Leader Integrity). The mediating effect will be stronger when Relational contract is high vice versa.

H12(a) : Transactional contract will moderate the negative indirect effect of LMX on turnover intentions (through POP). The mediating effect will be stronger when transactional contract is high and vice versa.

H12(b) : Transactional contract will moderate the negative indirect effect of LMX on turnover intentions (through Perceived Leader Integrity). The mediating effect will be weaker when transactional contract is high and vice versa.

H13(a) : Relational contract will moderate the indirect effect of LMX on turnover intentions (through POP). The mediating effect will be weaker when relational contract is high and vice versa.

H13(b) : Relational contract will moderate the indirect effect of LMX on turnover intentions (through Perceived Leader Integrity). The mediating effect will be stronger when Relational contract is high vice versa.

H17(b) : Relational contract will moderate the indirect effect of LMX on OCB-I (through Perceived Leader Integrity). The mediating effect will be stronger when Relational contract is high vice versa.

H18(a) : Transactional contract will moderate the indirect effect of LMX on OCB-O (through POP). The mediating effect will be stronger when transactional contract is high and vice versa.

H18(b) : Transactional contract will moderate the indirect effect of LMX on OCB-O (through Perceived Leader Integrity). The mediating effect will be weaker when transactional contract is high.

H19(a) : Relational contract will moderate the indirect effect of LMX on OCB-O (through POP). The mediating effect will be weaker when relational contract is high and vice versa.

H19(b) : Relational contract will moderate the indirect effect of LMX on OCB-O (through Perceived Leader Integrity). The mediating effect will be stronger when Relational contract is high vice versa.

H14(a) : Transactional contract will moderate the indirect effect of LMX on creativity (through POP). The mediating effect will be stronger when transactional contract is high and vice versa.

H14(b) : Transactional contract will moderate the indirect effect of LMX on creativity (through Perceived Leader Integrity). The mediating effect will be weaker when transactional contract is high.

H15(a) : Relational contract will moderate the indirect effect of LMX on creativity (through POP). The mediating effect will be weaker when relational contract is high and vice versa.

H15(b) : Relational contract will moderate the indirect effect of LMX on creativity (through Perceived Leader Integrity). The mediating effect will be stronger when Relational contract is high vice versa.

H16(a) : Transactional contract will moderate the indirect effect of LMX on OCB-I (through POP). The mediating effect will be stronger when transactional contract is high and vice versa.

H16(b) : Transactional contract will moderate the indirect effect of LMX on OCB-I (through Perceived Leader Integrity). The mediating effect will be weaker when transactional contract is high.

H17(a) : Relational contract will moderate the indirect effect of LMX on OCB-I (through POP). The mediating effect will be weaker when relational contract is high and vice versa.

CHAPTER 3

Research Methodology

3.1 Research Design

Research design gives the overview of overall plan of pursuing research (Shaughnessy, Zechmeister, & Zechmeister, 2006). The study is based on perceptions of employees therefore Survey method has been used to get responses. Previous studies conducted in Pakistan also used survey method (e.g. Jamal, 1999; Raja, et al., 2004). The proposed model in this study is moderated parallel mediation model which has been regarded as medium to complex models by the researchers. This research has been done in a time lagged design because cross-sectional methods limit the inferences regarding causality and longitudinal designs are more appropriate to test causal models. It also helps to address reverse causality issue in the causal links. Longitudinal design is suggested in LMX theory based studies (Dulebohn, et al, 2011) particularly to test mediation models. Longitudinal designs are based on the view that cause precedes effect in time; therefore temporal precedence is a necessary condition for causation (Cook & Campbell, 1979). Contrary to other disciplines where timing is determined by scientifically assessed techniques; the time lags in social sciences are determined more by convenience or tradition (Cole & Maxwell, 2003; Mitchell & James, 2001)

In this study two wave data is collected from the same respondent with the time gap of 2 to 3 months. First time response is regarded as time 1 and second time response is regarded as time 2. LMX quality and moderators (relational and transactional contract) are tabbed at time one and are self reported. Mediators the perception of organizational politics (POP), and perceived leader integrity and outcome variables are tabbed at time two as per requirement of the model. The time-lagged designs are less susceptible to common method bias than the cross-sectional designs according to view of methodologists (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Maxwell, & Cole, 2007). The common method bias of survey method has also been reduced by peer report for two behaviours i.e. OCB and Creativity. However affective commitment and turnover intentions are measured by self report at time 2 because these are individual attitudes and self report is more appropriate for attitudes.

3.2 Population

A population can be defined as “the entire set of people or observations in which you are interested or which are being studied” (Malcolm, & Blerkom, 2009; p. 212). The target population is employees of service sector because in services sector supervisor-follower relationship and interaction is more visible and frequent and service sector organizations are increasing day by day. Public and private organizations of service sector situated in the twin cities of Islamabad and Rawalpindi have been studied on the basis of convenience. Both cities are prominent cities of Pakistan and a large no. Of service sector organization (public and private) are present along with many head offices. Respondents are the subordinates because follower's perspective of leader member exchange had been proposed in this study. Various service sector organizations including govt, semi govt and private, have been taken to increase the

generalizability of the findings. It has been tried to include prominent service sector organization e.g., banks, education institutions, regulatory organizations, telecom service providers and city administration and services organization in this study to get a better generalizability of the survey results. Researchers, who have studied single organization or homogeneous samples for quantitative studies, acknowledged that their population and sample restricted the generalizability of their findings (e.g., Boswell, Olson-Buchanan & Lepine, 2004; Ohly & Fritz, 2010; Webster et al., 2011).

The respondents were taken from different management levels including line managers, middle managers and senior managers but with a condition that they must be supervised by a boss/supervisor.

3.3 Sample and Data Collection Procedures

Convenience sampling method was used because no variable in the framework necessitated a certain type of organization and work setting. Moreover for a longitudinal study it is very important to have access to the respondent in different times. Therefore organizations were selected on the basis of personal contacts who helped to collect data in two points of time. It was assured that each respondent must be working under a supervisor. Different researchers have suggested different sample size for survey research as 200 for simple models (Kelloway, 1998) and 300-400 for moderately complex models (Boomsma, 1983). Therefore, keeping in view the complexity of proposed model, sample size of 300-400 observations was proposed.

Questionnaire has been used to collect responses and developed with adapted scales in English language as English is official language of all private and public sector organizations in Pakistan. Previous research also indicated that English is considered

to be adequate for research surveys in Pakistani organizations (Butt, Choi, & Jeager, 2005; Khan, Abbas, Gul, & Raja, 2015; Raja et al., 2004) and produced good reliabilities.

Data is collected through self administered Questionnaires with assistance of contact persons in the selected organizations. A cover letter about the importance of this research and assurance of anonymity of information was also provided with each questionnaire. Each questionnaire was compiled for self report time1 and self and peer report for time2. For peer report questionnaire, few modifications have been made in the adapted scales e.g. change of first person to the third person to get response about the peer. Each respondent has been requested to generate a primary key of his/her choice (may be employee number, CNIC number, date of birth or any other key) that was given at both times t1 and t2. This primary key helped to tally the respondent in two wave data. Contact person in each organization made it convenient to match two time data along with peer reports. Moreover the colour of questionnaires at time 1 was white, at time 2 it was green and peer report survey was given in blue colour to differentiate each part from other by each respondent. One of Peers was requested to respond about one respondent and key was entered by the contact person while giving questionnaire for peer report to avoid any ambiguity. A key of serial number was also generated by the researcher to double check the paired responses and peer reports.

Questionnaires were distributed to employees of 7 organizations of service sector including Government, semi government and private sectors. To make a balance Out of 7, two organizations are the banks, one a multi-national foreign bank and the other a local semi-government bank. Three organizations are purely government

organizations including capital administration and development organization, the statistics and Information bureau and higher education regulatory organization. One semi government higher education institute and one private telecom were also included in this survey. Names of the organization are no included here to maintain the anonymity of the respondents.

Over all 600 questionnaires were distributed at time 1 and received back 490 questionnaires with a response rate of 81%. Out of 600 questionnaires distributed at time 2, only 395 were returned and matched with the time 1 responses. The peer reported matched response resulted in 355 paired responses. And the response rate at time 2 was 59%. Out of 355 responses 45 questionnaires were found incomplete, therefore dropped and finally the figure of complete useable paired responses reached at 310 for data analysis. Over all data was collected in six months duration.

3.4 Sample Demographics

The sample has been taken from diverse organizations in the service sector catering govt, semi government and private organizations. 29% respondents belong to government organizations, 27% belong to semi-government and 46% from the private organizations. The demographic analysis also revealed that employees belong to diverse range of departments including IT, Management/Administration, HR, finance, Accounts, sales, marketing and academics. Respondents are majorly from lower management level 68%, then from middle management level 28% and 4% from senior management level but all respondents were working under some boss/supervisor. 64.5% respondents are males. The qualifications ranged from bachelors/Graduate level to PhD level with proportion of bachelors/graduate level 58.4%, Masters 39% and PhD 2.6 %.

The average age of respondent is 32.4 years (SD =8.4). The mean experience with the current organization of the respondents is 5 years (SD= 6.3). Whereas the range of total working experience of respondents is 1 year to 37 years with a mean of 9 years (SD = 7.5). The minimum work under current supervisor was 1 year at time 1 and at time2 only those questionnaires were included who were working with their supervisor for more than 1 year.

3.5 Measures

All measures have been adopted from the previous studies. It is also made sure that the measures selected are according to the operational definitions of each variable to obtain face validity. Almost all adopted scales have been tested in different cultures and countries and validated in different work settings, industries and professions. These measures are selected on the bases of their previous good reliabilities in Pakistan and other countries. The use of established standardized scales to measure the study variables reduces the likelihood of instrumentation threats (Youssef & Luthans, 2007). Responses are taken on 5 point likert scale for all the measures for the sake of standardization. All measures are in English language. The respondents' minimum qualification is Bachelors/Graduate level which ensures that understanding of English language is not a problem.

3.5.1 Measures Validity

To ensure the validity of all adopted measures the convergent and discriminant validity test have been applied. For **Convergent validity**, three conditions of validity have been examined for each measure.

1. Factor Loadings
2. Average Variance Extracted (AVE)
3. Reliability

The AVE estimate is the average amount of variation that a latent construct is able to explain in the observed variables to which it is theoretically related. This correlation is generally referred to as a **factor loading**. If we square each of these correlations, this gives the amount of variation in each observed variable that the latent construct accounts for (i.e., shared variance). When this variance is averaged across all observed variables that relate theoretically to a latent construct, we generate the AVE (Farrell, 2009).

For **Discriminant Validity** the Confirmatory factor Analysis (CFAs) are applied (Bagozzi, Yi & Phillips, 1991) to find the uni or multi dimension construct model is better fitted. It examines the extent to which a construct is truly distinct from other constructs by finding modification indices.

3.5.2 LMX Quality

In this study subordinate's LMX quality is measured with 7-item scale of Scandura and Graen (1984) recommended by Graen and Uhl-Bien (1995). LMX quality has been discussed as a unified construct throughout the study therefore uni-dimension scale has been adapted. This scale has been the most frequently used instrument in LMX research (Gerstner & Day, 1997). The sample items are "I have an effective working relationship with my supervisor." And "My supervisor recognizes my potential". The response has been taken on 5 point likert scale where 1 indicating strongly disagree to 5 indicating strongly agree. The Cronbach's alpha for this scale was .89.

The discriminant validity is well established through a single factor CFA results ($\chi^2 = 19$, df = 11, CFI = .99, NFI = .98, GFI = .98, AGFI = .95 and RMSEA = .05) as shown in table 1. Convergent validity is also established because all items loaded in a range of .60 to .76 with AVE= 0.53 as shown in table 28, Appendix 1. Fig 6 of CFA for LMX is given at Appendix 2.

3.5.3 Perception of Organizational Politics (POP)

A 12-item scale of Perception of Organizational Politics developed by Kacmar and Ferris (1991) has been adapted. The literature review revealed that the most commonly used scale for assessing perceptions of organizational politics is the 12-item scale originally developed by Kacmar and Ferris (1991) as reported in a meta-analysis on POP (Atinc et al., 2010).

This scale comprises of three sub dimensions including General political behaviour (6 items), Go along to get ahead (4 items), and Pay and promotion (2 items).

The example items are “One group always gets ahead” and “Favouritism not merit gets people ahead” for first dimension; “No place for Yes men” (Reverse coded) for second dimension and “Pay and promotion policies are not politically applied” (Reverse coded) for third dimension. As this study aimed to investigate overall politics, therefore a second-order confirmatory factor analysis (CFA) to see that if three sub-dimensions of POP load on to a single latent factor . Results of this CFA indicated a good fit for a latent single factor model ($\chi^2 = 81$, df = 41, CFI = .98, NFI = .96, GFI = .95, AGFI = .91 and RMSEA = .05) shown in Table 1. Therefore an additive measure was used by taking average of all 12 items to create overall POP. High scores indicated a strong Perception of Organizational Politics in the organization. This procedure for POP is in line with previous studies (Randall,

Cropanzano, Bormann, & Birjulin, 1999; Rosen, Levy, & Hall, 2006; Abbas, Raja, Darr, & Bouckenoghe, 2012). The dimension wise reliability was obtained first for three dimensions .89, .83 and .73 respectively. Moreover, the alpha reliability of 0.88 for composite variable of POP was obtained which is showing a good internal consistency of data. All items loaded in a range of .57 to .85 to respective dimensions. Three dimensions were loaded on a single latent factor with highly significant correlations elaborated in related fig 7 given in Appendix 2. The composite variable of POP produced highly significant AVE = 0.73 as shown in table 29, Appendix 1.

3.5.4 Perceived Leader Integrity (PLI)

Perceived Leader's integrity is measured using Moorman et al., (2012), 8 item scale. This scale has two facets Perceived Morality and Perceived Consistency having 4 items in each. The sample items of Perceived morality are "The leader is guided by a clear moral compass" and "The leader is honest". The sample items for Perceived consistency are "The leader says exactly what he or she means ", and "The leader behaves consistently across situations". The response is taken on 5 point likert scale ranging from strongly disagree =1 to strongly agree = 5. In this particular study perceived leader integrity has been taken as an overall variable theoretically, therefore second order confirmatory factor analysis was carried out to see if two dimensions of PLI were loaded on a single latent factor. Results revealed that two dimensions were loaded on a single latent factor with good model fit indices ($\chi^2 = 34$, df = 13, CFI = .98, NFI = .97, GFI = .97, AGFI = .92 and RMSEA = .04) as shown in table 1. Therefore an additive measure for perceived leader integrity was computed by taking average of all the eight items. This measure indicates a high integrity at high values.

All items loaded in a range of .60 to .85, with AVE= 0.51 which establishes measure's convergent validity as shown in table 30, Appendix 1. The loadings and correlations are shown in fig 8, Appendix 2. The Cronbach's alpha for this composite measure was .88.

Both validity tests proved a composite single factor measure. Therefore a single composite measure of leader's integrity was used for further analysis.

3.5.5 Psychological Contract Types

A 20-item Psychological Contract Inventory (PCI) developed by Rousseau (2000) has been adopted to determine Psychological Contract types. This scale comprises of 10 items for Transactional contract and 10 items for Relational Contract. Respondents were asked to consider their relationship with their current organization and point out the extent and scope to which their employer has made the promises to them.

Example of Transactional items includes "provides short-term employment" and "Requires me to do only limited duties I was hired to perform". Relational items include "provides secure employment" and "Shows concern for my personal welfare".

Psychological Contract types are well established as Relational and transactional in theory and measurement, therefore a confirmatory factor analysis was done to assure the better fitted model and factor loadings. CFA results indicated that a 2 factor model comparatively gave better fit indices ($\chi^2 = 275$, df = 139, CFI = .95, NFI = .91, GFI = .92, AGFI = .88 and RMSEA = .05) than a single factor model indices ($\chi^2 = 282$, df = 102, CFI = .93, NFI = .91, GFI = .92, AGFI = .84 and RMSEA = .07).

In a two factor model the factor loadings ranged from .54 to .77 and AVE = .56 for relational contract and .58 to .78 for transactional contract with AVE = .58 as shown in Table 31 Appendix 1. A 2-factor CFA for transactional and relational contracts is given in fig 9, Appendix 2. The Cronbach's alpha reliability coefficient for Transactional type was .90 and for Relational type was 0.89.

3.5.6 Affective Commitment

Affective commitment was measured using Meyer and Allen's (1990) eight-item scale. A sample item is: 'I really feel as if this organization's problems are my own.' On 5-point Likert scale "1" anchored strongly disagree and "5" strongly agree which explains very strong affective commitment with the organization. Cronbach's alpha reliability for this scale was improved by deleting 4 items from 0.69 to 0.75. The factor loadings of these items were less than .3 in the CFA results that also required dropping them for further analysis. The factor loadings for remaining four items ranged from .57 to .83 with AVE = 0.51 as shown in Table 32 Appendix 1.

All deleted items were reverse scored. The single factor model indices of CFA improved by deleting four reverse coded items and provided good indices ($\chi^2 = 2.58$, $df = 1$, $CFI = .99$, $NFI = .99$, $GFI = .99$, $AGFI = .95$ and $RMSEA = .07$) as shown in Table 1.

3.5.7 Turnover intentions

Intention to turnover is measured with three items scale of Cammann, Fichman, Jenkins, and Klesh's (1979). Response is taken on a 5-point scale and a sample item from this scale is "I will probably look for a new job in the near future." The alpha reliability for this scale is obtained as 0.92.

3.5.8 Creativity

Creativity was measured using 3 item scale of Oldham & Cummings, 1996. Peer report has been taken on this measure. Each participant's peer has rated him or her on the following three items. "How original and practical is this person's work? Original and practical work refers to developing ideas, methods, or products that are both unique and especially useful to the organization"; "How adaptive and practical is this person's work? Adaptive and practical work refers to using existing information or materials to develop ideas, methods, or products that are useful to the organization"; and "How creative is this person's work? Creativity refers to the extent to which employee develops ideas, methods, or products that are both original and useful to the organization." The alpha reliability was .86.

3.5.9 OCB

Peer report has been taken for this measure. William and Anderson (1991) 14-item scale was used to measure OCB. It provided two facets OCB-I and OCB-O each containing 7 items. 5-point likert scale anchored 1 for almost never and 5 for almost always.

Confirmatory factor analysis was done to check discriminant validity of these two constructs. For this purpose one factor model was compared with 2 factor model and results revealed that a two factor model provided better indices ($\chi^2 = 89$, $df = 43$, CFI = .97, NFI = .95, GFI = .95, AGFI = .91 and RMSEA = .05) as compared to one factor model ($\chi^2 = 69$, $df = 22$, CFI = .97, NFI = .95, GFI = .95, AGFI = .87 and RMSEA = .08). The convergent validity was well established in two factor model with AVE = 0.50 and factor loadings ranged from .65 to .76 for OCB-I and AVE = 0.59 and factor loadings ranged from .62 to .86 for OCB-O as shown in Table 33 Appendix 1.

The Cronbach's alpha reliability for OCB -I was .87 whereas for OCB-O it was .70. If item deleted option revealed that by deleting two items the reliability was improved up to .88. The deleted items were reverse scored and obtained very low factor loadings less than 0.3.

Table 1 Confirmatory Factor Analysis Model Fit Results

	χ^2	Df	χ^2/df	CFI	NFI	GFI	AGFI	RMSEA
LMX One Factor Model	19	11	1.76	.99	.98	.98	.95	.05
POP single Latent Factor Model	81	41	1.98	.98	.96	.95	.91	.05
PLI Single Latent Factor Model	34	13	2.61	.98	.97	.97	.92	.04
PC Types 2 factor Model	275	139	1.98	.95	.91	.92	.88	.05
PC Types One Factor Model	282	102	2.7	.93	.91	.92	.84	.07
Affective Commitment One Factor Model	2.58	1	2.58	.99	.99	.99	.95	.07
OCB One Factor model	69	22	3.17	.97	.96	.96	.87	.08
OCB Two Factor Model	89	43	2.1	.97	.95	.95	.91	.05

LMX =Leader Member Exchange Quality, TC = Transactional Contract, RC = Relational Contract, POP = Perception of Organizational Politics, PLI = Perceived Leader Integrity, AC = Affective Commitment, OCB-I = Organizational Citizenship Behavior towards Individuals, OCB = Organizational Citizenship Behavior towards Organization

3.6 Method of Analyses

As per requirement of the proposed framework the confirmatory factor analyses had been carried out on individual variables and then for variables measured at time one and time 2 respectively. Confirmatory factor analyses have been carried out in AMOS whereas model is being tested using Hayes (2013) PROCESS method in SPSS, which are latest methods for parallel mediation, moderation and moderated mediation analyses in SPSS 20. Finally interactions have been plotted for moderation analyses.

3.6.1 CFA for Moderators and Independent Variable LMX

Before Moderation Analyses confirmatory factor analysis was run using maximum likelihood estimation method on moderators the transactional contract, relational contract and independent variable LMX. As all these three variables are tapped at time 1 by self report, therefore to establish discriminant validity it was really important to run CFA for a single factor, two factors and three factors models. Results of CFA revealed that fit indices are much better for 3 factor model ($\chi^2 = 552$, $df = 285$, $CFI = .93$, $NFI = .88$, $GFI = .88$, $AGFI = .85$ and $RMSEA = .05$) as compared to two factor model ($\chi^2 = 893$, $df = 255$, $CFI = .85$, $NFI = .81$, $GFI = .81$, $AGFI = .73$ and $RMSEA = .09$) and one factor model ($\chi^2 = 1897$, $df = 298$, $CFI = .63$, $NFI = .59$, $GFI = .61$, $AGFI = .50$ and $RMSEA = .13$).

Factor loadings indicated that all relational contract items were not significant with values less than .3 for two factor model and all transactional contract items were insignificant with factor loadings less than 0.3. But in three factor model all items were loaded on their respective factor with significant values $p < 0.01$ and factor loadings greater than 0.5. These results showed that LMX, transactional contract and relational contract are discriminant from each other as given in fig 12, Appendix 2.

3.6.2 CFA for mediators

Two mediators the perception of organizational politics and perceived leader integrity were measured at time two by self report and proposed in the model as parallel mediators. To establish discriminant validity between these two measures confirmatory factor analyses were carried out to compare two factor and one factor model as given in fig 11, Appendix 2. The CFA results revealed that two factor model indices are better ($\chi^2 = 199$, $df = 133$, $CFI = .98$, $NFI = .95$, $GFI = .94$, $AGFI = .90$, $RMSEA = .04$) than one factor model ($\chi^2 = 647$, $df = 151$, $CFI = .87$, $NFI = .84$, $GFI = .79$, $AGFI = .71$, $RMSEA = .10$).

Table 2 Confirmatory Factor Analyses Model Fit Results For IV, Moderator and Mediators

	χ^2	Df	χ^2/df	CFI	NFI	GFI	AGFI	RMSEA
CFAs For Moderation (LMX, TC, RC)								
One Factor Model	1897	298	6.36	.63	.59	.61	.50	.13
Two Factor Model (LMX and TC, RC Combined)	893	255	3.50	.85	.81	.81	.73	.09
Three Factor Model (LMX ,TC and RC)	552	285	1.93	.93	.88	.88	.85	.05
CFAs For Mediators (POP, PL1)								
One Factor Model	647	151	4.28	.87	.84	.79	.71	.10
Two Factor Model	199	133	1.49	.98	.95	.94	.90	.04

*LMX =Leader Member Exchange Quality, TC = Transactional Contract, RC = Relational Contract,
POP = Perception of Organizational Politics, PLI = Perceived Leader Integrity*

3.7 Control Variables

Demographic variables such as age, gender and job experience have been found to be associated with common organizational behaviour outcomes (Xie & Johns, 1995). These demographic variables are controlled in the analyses for respective outcomes. For this study to find the association between demographic variables and outcome variables, One-way analysis of variance was carried out and results revealed that significant variation across organization in POP ($F = 2.67$, $p < .05$), turnover intentions ($F = 2.18$, $p < .05$) and affective commitment ($F = 5.0$, $P < .001$). Post hoc tukey test revealed that significance variation exists not only for 2 or 3 organizations but it prevails for almost all organization. Therefore organization has been controlled for Turnover intentions and affective commitment in all further analyses. Gender was found significant for POP only ($F = 3.8$, $p < .01$). Following guidelines of Becker (2005), only significant demographic variables were controlled in each analysis.

CHAPTER 4

RESULTS

4.1 Summary of Hypotheses

H1a: LMX quality is positively related to affective commitment.

H1b: LMX quality is negatively related to turnover intentions.

H1c: LMX quality is positively related to Creativity.

H1d: LMX quality is positively related to OCB-I.

H1e: LMX quality is positively related to OCB-O.

H2: LMX quality is negatively related to POP.

H3a: POP is negatively related to affective commitment.

H3b: POP is positively related to turnover intentions.

H3c: POP is negatively related to Creativity.

H3d: POP is negatively related to OCB-I.

H3e: POP is negatively related to OCB-O.

H4a: POP mediates the relationship between LMX quality and affective commitment.

H4b: POP mediates the relationship between LMX quality and turnover intentions.

H4c: POP mediates the relationship between LMX quality and Creativity.

H4d: POP mediates the relationship between LMX quality and OCB-I.

H4e: POP mediates the relationship between LMX quality and OCB-O.

H5: LMX Quality is positively related to Perceived Leader's integrity.

H6a: Perceived Leader's integrity is positively related to affective commitment

H6b: Perceived Leader's integrity is negatively related to turnover intentions.

H6c: Perceived Leader's integrity is positively related to Creativity.

H6d: Perceived Leader's integrity is positively related to OCB-I.

H6e: Perceived Leader's integrity is positively related to OCB-O.

H7a: Perceived Leader's integrity mediates the relationship between LMX quality and affective commitment.

H7b: Perceived Leader's integrity mediates the relationship between LMX quality and turnover intentions

H7c: Perceived Leader's integrity mediates the relationship between LMX quality and Creativity.

H7d: Perceived Leader's integrity mediates the relationship between LMX quality and OCB-I

H7e: Perceived Leader's integrity mediates the relationship between LMX quality and OCB-O

H8a: Transactional contract moderates the relationship between LMX quality and POP in such a way that the relationship is stronger when transactional contract is high.

H8b: Transactional contract moderates the relationship between LMX quality and Perceived Leader's integrity in such a way that the relationship is weaker when transactional contract is high.

H9a: Relational contract moderates the relationship between LMX quality and POP in such a way that the negative relationship is weaker when Relational contract is high.

H9b: Relational contract moderates the relationship between LMX quality and Perceived Leader's integrity in such a way that the positive relationship is stronger when Relational contract is high.

H10(a) : Transactional contract will moderate the indirect effect of LMX on affective commitment (through POP). The mediating effect would be stronger when transactional contract is high and vice versa.

H10(b) : Transactional contract will moderate the indirect effect of LMX on affective commitment (through Perceived Leader Integrity). The mediating effect would be weaker when transactional contract is high.

H11(a) : Relational contract will moderate the indirect effect of LMX on affective commitment (through POP). The mediating effect would be weaker when relational contract is high and vice versa.

H11(b) : Relational contract will moderate the indirect effect of LMX on affective commitment (through Perceived Leader Integrity). The mediating effect would be stronger when Relational contract is high vice versa.

H12(a) : Transactional contract will moderate the negative indirect effect of LMX on turnover intentions (through POP). The mediating effect would be stronger when transactional contract is high and vice versa.

H12(b) : Transactional contract will moderate the negative indirect effect of LMX on turnover intentions (through Perceived Leader Integrity). The mediating effect would be weaker when transactional contract is high.

H13(a) : Relational contract will moderate the indirect effect of LMX on turnover intentions (through POP). The mediating effect would be weaker when relational contract is high and vice versa.

H13(b) : Relational contract will moderate the indirect effect of LMX on turnover intentions (through Perceived Leader Integrity). The mediating effect would be stronger when Relational contract is high vice versa.

H14(a) : Transactional contract will moderate the indirect effect of LMX on creativity (through POP). The mediating effect would be stronger when transactional contract is high and vice versa.

H14(b) : Transactional contract will moderate the indirect effect of LMX on creativity (through Perceived Leader Integrity). The mediating effect would be weaker when transactional contract is high.

H15(a) : Relational contract will moderate the indirect effect of LMX on creativity (through POP). The mediating effect would be weaker when relational contract is high and vice versa.

H15(b) : Relational contract will moderate the indirect effect of LMX on creativity (through Perceived Leader Integrity). The mediating effect would be stronger when Relational contract is high vice versa.

H16(a) : Transactional contract will moderate the indirect effect of LMX on OCB-I (through POP). The mediating effect would be stronger when transactional contract is high and vice versa.

H16(b) : Transactional contract will moderate the indirect effect of LMX on OCB-I (through Perceived Leader Integrity). The mediating effect would be weaker when transactional contract is high.

H17(a) : Relational contract will moderate the indirect effect of LMX on OCB-I (through POP). The mediating effect would be weaker when relational contract is high and vice versa.

H17(b) : Relational contract will moderate the indirect effect of LMX on OCB-I (through Perceived Leader Integrity). The mediating effect would be stronger when Relational contract is high vice versa.

H18(a) : Transactional contract will moderate the indirect effect of LMX on OCB-O (through POP). The mediating effect would be stronger when transactional contract is high and vice versa.

H18(b) : Transactional contract will moderate the indirect effect of LMX on OCB-O (through Perceived Leader Integrity). The mediating effect would be weaker when transactional contract is high.

H19(a) : Relational contract will moderate the indirect effect of LMX on OCB-O (through POP). The mediating effect would be weaker when relational contract is high and vice versa.

H19(b) : Relational contract will moderate the indirect effect of LMX on OCB-O (through Perceived Leader Integrity). The mediating effect would be stronger when Relational contract is high vice versa.

4.2 Descriptive Statistics

Before analyses, normality plots for each variable were analysed in frequency distributions. The test revealed that turnover intentions and perception of organizational politics were slightly negatively skewed but not significant. Therefore there was no need of transformation of distribution.

Table 3 Mean Standard Deviation, Correlation and Reliabilities

	Mean	St. Dev	1	2	3	4	5	6	7	8	9	10
1. LMXT1	3.82	.69	(.89)									
2. POPT2	2.68	.78	-.50**	(.88)								
3. PLIT2	3.89	.66	.57**	-.39**	(.88)							
4. TOIT2	2.23	.99	-.78**	.52**	-.44**	(.92)						
5. ACT2	3.63	.74	.30**	-.34**	.34**	-.27**	(.75)					
6. CRT2	3.90	.73	.37**	-.28**	.32**	-.30**	.24**	(.86)				
7. OCBIT2	3.86	.64	.33**	-.27**	.35**	-.27**	.30**	.58**	(.87)			
8. OCBOT2	3.97	.69	.65**	-.36**	.53**	-.60**	.40**	.49**	.52**	(.87)		
9. TCT1	3.10	.82	-.04	-.05	.01	.03	.01	.13*	.08	.01	(.90)	
10.RCT1	3.46	.68	.39**	-.42**	.33**	-.31**	.40**	.16**	.21**	.26**	.06	(.89)

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

N = 310

Table 3 presents the descriptive statistics including mean and standard deviations, bivariate correlations and alpha reliabilities for all variables under study. All correlations greater than .1 were significant at $p < .05$ (2-tailed). The mean for LMX ($M = 3.82$, $SD = .69$) was comparatively higher. The mean for perception of organization politics ($M = 2.68$, $SD = .78$) was obtained. LMX and POP correlated very significantly ($r = -.50$) at $p < .01$ which is greater than the average correlation (r

= -.44) reported in a recent meta-analysis (Dulebohn et al., 2011) and ($r = -.46$) reported by Kacmar et al, (2007).

The mean for Perceived Leader Integrity ($M = 3.8$, $SD = .66$), turnover intentions ($M = 2.23$, $SD = .99$), Affective commitment ($M = 3.63$, $SD = .74$) and Creativity ($M = 3.90$, $SD = .73$) were obtained. OCB-O showed slightly high mean ($M = 3.97$, $SD = .69$) as compared to OCB-I ($M = 3.86$, $SD = .64$).

4.3 Correlation Analyses

A bi-variate correlation analysis was done to find the correlations between all variables under study. The correlation between LMX and Perceived leader integrity was highly significant ($r = .57$) at $p < .01$ which is similar to Jiang et al., (2014) study that reported $r = .56$. LMX was negatively associated with turnover intentions ($r = -.78$) and positively associated with Affective Commitment ($r = .30$), Creativity ($r = .37$), OCB-I ($r = .33$), OCB-O ($r = .65$). All these correlations were highly significant as reported in many previous studies and meta-analysis (Dulebohn et al., 2012).

LMX was negatively associated with transactional contract ($r = -.04$) but was insignificant whereas it was positively associated with relational contract ($r = .39$) significantly.

Perception of Organizational politics was negatively correlated with all variables except turnover intentions. POP showed significant associations with almost all variables i.e. perceived leader integrity ($r = -.39$), Affective commitment ($r = -.34$), Creativity ($r = -.28$), OCB-I ($r = -.27$), OCB-O (-.36), relational contract ($r = -.42$) but not with transactional contract ($r = -.05$).

Perceived Leader integrity was negatively associated with turnover intentions ($r = -.44$) and positively associated with affective commitment ($r = .34$), Creativity ($r = .32$), OCB-I ($r = .35$), OCB-O ($r = .53$), transactional contract ($r = .03$, ns) and relational contract ($r = .33$).

Relational contract showed significant association with all variables i.e. turnover intentions ($r = -.31$), affective commitment ($r = .40$), creativity ($r = .16$), OCB-I ($r = .21$), OCB-O ($r = .26$) but insignificant association with transactional contract. Transactional contract showed significant association only with creativity ($r = .13$).

Turnover intentions was significantly correlated with all outcome variables i.e. affective commitment ($r = -.27$), creativity ($r = -.30$), OCB-I ($r = -.27$) and OCB-O ($r = -.60$). Affective commitment was significant correlated with creativity ($r = .24$), OCB-I ($r = .30$), and OCB-O ($r = .40$). The correlation between creativity and OCB-I was higher ($r = .58$) than with OCB-O ($r = .493$).

OCB-I and OCB-O are also correlated with each other ($r = .52$). But association between two moderating variables transactional and relational contracts was very weak and insignificant ($r = .06$).

4.4 Regression Analyses

The proposed moderated parallel mediation model included direct links, mediation links and moderation links and hypothesized accordingly in the previous chapter. For main and indirect relationships advanced related analyses have been done. For moderation hypotheses moderation regression analyses have been applied along with slope test and interaction plots. Finally moderated mediation regressions were done to test conditional indirect hypotheses.

4.5 Test of Main Effects

Before mediation and moderation analyses results, the main effects have been derived from linear regression using PROCESS by Hayes (2013). For each outcome variable separate analyses have been done. Organization has been controlled for Affective Commitment and turnover intentions. Regression results are produced in terms of beta values and p value as given below.

Hypothesis 1a predicted a positive relation of LMX with Affective commitment. Analysis results supported this hypotheses ($\beta = 0.32, p < .001$) as shown in Table 4 and Table 5.

Hypotheses 1b predicted a negative relationship between LMX quality turnover intentions. Results given in Table 6 and 7 shows that LMX quality was negatively related to Turnover intentions ($\beta = -1.1, p < .001$) therefore proving hypothesis 1b.

Hypothesis 1c predicted a positive relationship between LMX quality and creativity. Results supports ($\beta = 0.39, p < .001$) the hypothesis presented in Table 9.

Hypotheses 1d proposed a positive direct effect of LMX quality on OCB-I. Results in Table 11 depicted that the direct effect of LMX quality ($\beta = 0.30, p < .001$) and on creativity is significant that approves hypotheses 1d.

Hypotheses 1e predicted a positive effect of LMX quality on OCB-O. Table 13 presented the results supported this hypothesis ($\beta = 0.65, p < .001$).

Hypothesis 2 predicted a negative effect of LMX on Perception of organizational politics. Results presented in Table 6 confirmed this hypothesis approved ($\beta = -0.56, p < .001$).

Hypothesis 3a predicted a negative relationship between Perception of organizational politics and affective commitment. Results showed that the main effect was significant ($\beta = -.20$, $p < .001$) as reported in Table 4.

Hypothesis 3b anticipated a positive relation of perception of organizational politics (POP) with turnover intentions. The results for relationship between POP and turnover intentions are given in Table 6 that proves hypothesis 3b ($\beta = 0.22$, $p < .001$).

Hypothesis 3c proposed a negative relationship between POP and creativity. Results on Table 8 shows that the relationship is negatively significant as predicted ($\beta = -.10$, $p < .05$) so this hypothesis is approved.

Hypothesis 3d predicted a negative relationship between POP and creativity. Results given in Table 10 shows that the effect is negative and significant as proposed ($\beta = -.09$, $p < .05$).

Hypothesis 3e proposed a negative relationship between POP and OCB-O. Results given in Table 12 did not confirm the proposed direct relationship ($\beta = -.01$, ns).

Hypothesis 5 proposed a positive relationship between LMX and perceived leader integrity. This hypothesis is approved ($\beta = .55$, $p < .001$) according to results shown in Table 5.

Hypothesis 6a Predicted a positive relationship between Perceived leader Integrity and affective commitment which was also proved significantly ($\beta = 0.23$, $p < .001$) as shown in Table 5.

A negative relationship was proposed in Hypothesis 6b between perceived leader integrity and turnover intentions. However, Perceived leader integrity did not have a

negative significant impact on turnover intentions that disapproved Hypothesis 6b ($\beta = 0.06$, ns) as presented in Table 7.

Hypothesis 6c predicted a positive relationship between Perceived leader integrity and creativity. Results are presented in Table 9 that confirms for this hypothesis ($\beta = 0.15$, $p < .01$).

Hypotheses 6d proposed a positive direct effect of perceived leader integrity on OCB-I. Results in Table 11 depicted that the direct effect of Perceived leader integrity ($\beta = 0.21$, $p < .001$) on creativity are significant that approves hypotheses 6d.

Hypotheses 6e predicted a positive effect of perceived leader integrity on OCB-O. Table 13 presented the results and confirmed ($\beta = 0.23$, $p < .001$), therefore Hypothesis 6e is also accepted.

4.6 Mediation Analyses

Hypotheses 4a,b,c,d,e and hypotheses 7a,b,c,d,e proposed indirect effect model, where the relationship between LMX quality and outcome variables (Affective commitment, turnover intentions, creativity, OCB-I, and OCB-O) are transmitted by mediators (Perception of organizational politics and perceived leader integrity). To test the indirect effects there are multiple techniques in practice. One of these methods was a step by step method proposed by Baron and Kenny (1986). Few researchers (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002) pointed out some issues and limitations in this approach. In past few years, there were many developments in methods for testing indirect models. Preacher and Hayes (2008) introduced macros like “Indirect”, “sobel” etc. to test complex models more adequately.

In this study two techniques have been employed to test mediation. Bootstrap technique has been used to test the indirect relationships as suggested by Preacher and Hayes (2008). By using bootstrapped confidence intervals, it is possible to avoid problems associated with non-normal sampling distributions of indirect relationship (MacKinnon, Lockwood, & Williams, 2004). Moreover Sobel (1986) test is also applied based on normal theory to recheck the indirect effects. Preacher and Hayes (2004) recommended Sobel test to estimate indirect paths because this is more powerful than stepwise procedure of Baron and Kenny (1986). But the basic assumption of Sobel test is that the data is normal which is not always available for all variables. Therefore both methods have been used to reconfirm the indirect paths proposed in the theoretical framework.

To follow this, a latest technique "PROCESS" (Hayes, 2013) has been employed that includes almost all the macros given separately by Preacher and Hayes (2008) in earlier versions. Process offers multiple options for different types of moderation, mediation and combination models. For this study, one of these models has been selected for the direct and indirect effects that estimates the path coefficients in a multiple parallel mediator model and generates bootstrap confidence intervals (bias corrected) and Sobel test as well. Bias-corrected bootstrap test has been suggested by many behavioural statisticians to test indirect effects (Fritz, & MacKinnon, 2007). This method allows controlling mediating effect of covariates and adjusting all the paths which were not proposed in the multiple mediator model (Hayes, 2013). To test parallel mediation model, both mediators were enter simultaneously in model no. 4 of the "PROCESS". This model's specification allows more than one variable as mediators. Model 4 produces results of direct and indirect relationships separately.

Direct effects are presented in the previous section and indirect results are given in the following section. In this study, organization was controlled for direct and indirect effect on affective commitment and turnover intentions.

4.6.1 Bootstrap for indirect effects of LMX quality on Affective Commitment through Perception of Organizational Politics

Hypothesis 4a predicted mediating role of POP between LMX quality and Affective commitment. The results in Table 4 presents that LMX has a negative effect on POP ($\beta = -0.56$, $p < .001$) and POP has a negative impact on Affective commitment ($\beta = -0.20$, $p < .001$). Moreover, LMX showed a positive direct impact on affective commitment ($\beta = 0.32$, $p < .001$). The bootstrap indirect effect of LMX on affective commitment through POP was significant as the bootstrap confidence interval did not include a zero between lower limit and upper limit, .11, CI [.06, .19].

The formal two-tailed significance test (assuming a normal distribution) demonstrated that the indirect impact was significant for affective commitment (Sobel $z = 3.43$, $p < .00$). Therefore Hypothesis 4a is accepted.

Table 4 Regression Results: Direct and Indirect Effects

Mediation of Perception of Politics in LMX Quality and Affective Commitment

Relationship					
Direct and Total Effects					
	B	S.E	t	p	
LMX → Perception of Politics	-.56	.05	-10.21	.00	
MED Regressed on IV					
Perception of Politics → Affective Commitment	-.20	.05	-3.66	.00	
DV Regressed on MED					
LMX → Affective Commitment	.32	.05	5.68	.00	
DV Regressed on IV					

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
Effect	Boot S.E	LL 95% CI	UL 95% CI	
.11	.03	.06	.19	

Sobel Test for Indirect Effect using normal distribution

Effect	S.E	Z	P
.11	.03	3.43	0.00

Note. N = 310. Unstandardized regression coefficients are reported.
 Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.2 Bootstrap for indirect effects of LMX quality on Affective Commitment

through Perceived Leader Integrity

Hypothesis 7a proposed an indirect relation between LMX and Affective commitment through perceived leader integrity. Table 5 presents the results that LMX directly impacts perceived leader integrity ($\beta = 0.55$, $p < .001$) and perceived leader integrity positively effect affective commitment ($\beta = 0.23$, $p < .001$). Moreover LMX had a positive impact on affective commitment ($\beta = 0.32$, $p < .001$). The bootstrap indirect effect of LMX on affective commitment through perceived leader integrity was significant as the bootstrap confidence interval did not include a zero between lower limit and upper limit, .12, CI [.05, .21]. Sobel test also produced significant results for this indirect relationship (Sobel $z = 3.12$, $p < .00$). Therefore Hypothesis 7a is accepted.

Table 5 Regression Results: Direct and Indirect Effects.**Mediation of Perceived Leader Integrity in LMX Quality and Affective Commitment Relationship**

	Direct and Total Effects			
	B	S.E	t	p
LMX → Leader Integrity MED Regressed on IV	.55	.04	12.23	.00
Leader Integrity → Affective Commitment DV Regressed on MED	.23	.07	3.24	.00
LMX → Affective Commitment DV Regressed on IV	0.32	.05	5.68	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)

Effect	Boot S.E	LL 95% CI	UL 95% CI
.12	.04	.05	.21

Sobel Test for Indirect Effect using Normal Distribution

Effect	S.E	Z	P
.12	.04	3.12	.00

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.3 Bootstrap for indirect effects of LMX quality on Turnover Intentions through Perception of Organizational Politics

Hypothesis 4b predicted mediating role of POP between LMX quality and turnover intentions. The results in Table 6 presents that LMX has a negative effect on POP ($\beta = -0.56$, $p < .001$) and POP has a positive relationship with turnover intentions ($\beta = 0.22$, $p < .001$). Moreover, LMX showed a negative impact on turnover intentions ($\beta = -1.11$, $p < .001$). The bootstrap indirect effect of LMX on turnover intentions through POP was significant as the bootstrap confidence interval did not include a zero, $-.12$, CI $[-.21, -.05]$.

Two-tailed significance test (assuming a normal distribution) demonstrated that the indirect impact was significant for turnover intentions (Sobel $z = -4.07$, $p < .00$). Therefore Hypothesis 4b is accepted.

Table 6 Regression Results: Direct and Indirect Effects.**Mediation of Perception of Politics in LMX Quality and Turnover Intentions Relationship**

Direct and Total Effects				
	<i>B</i>	<i>S.E</i>	<i>t</i>	<i>p</i>
LMX → Perception of Politics MED Regressed on IV	-.56	.05	-10.21	.00
Perception of Politics → Turnover Intentions DV Regressed on MED	.22	.05	4.46	.00
LMX → Turnover Intentions DV Regressed on IV	-1.11	.05	-22.41	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
Effect	Boot <i>S.E</i>	LL 95% CI	UL 95% CI	
-.12	.03	-.21	-.05	

Sobel Test for Indirect Effect using Normal Distribution				
Effect	<i>S.E</i>	<i>Z</i>	<i>p</i>	
-.12	.03	-4.07	.00	

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.4 Bootstrap for indirect effects of LMX quality on Turnover Intentions through Perceived Leader Integrity

Hypothesis 7b proposed an indirect relation between LMX and turnover intentions through perceived leader integrity. Table 7 presents the results that LMX directly impacts perceived leader integrity ($\beta = 0.55$, $p < .001$) and perceived leader integrity positively impact turnover intentions ($\beta = 0.06$, ns). Moreover LMX had a negative impact on turnover intentions ($\beta = -1.12$, $p < .001$). The bootstrap indirect effect of LMX on turnover intentions through perceived leader integrity was insignificant as the bootstrap confidence interval included a zero between lower limit and upper limit, .03, CI [-0.03, .11]. This result was also confirmed by Sobel test results showing indirect impact was insignificant for turnover intentions (Sobel $z = 1.05$, $p < .29$). Therefore Hypothesis 7b is rejected.

Table 7 Regression Results: Direct and Indirect Effects**Mediation of Perceived Leader Integrity in LMX Quality and Turnover Intentions Relationship**

	Direct and Total Effects			
	<i>B</i>	<i>S.E</i>	<i>t</i>	<i>p</i>
LMX → Leader Integrity MED Regressed on IV	.55	.04	12.39	.00
Leader Integrity → Turnover Intentions DV Regressed on MED	.06	.06	1.06	.28
LMX → Turnover Intentions DV Regressed on IV	-1.11	.05	-22.41	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
Effect	Boot <i>S.E</i>	LL 95% CI	UL 95% CI	
.03	.03	-.03	.11	

Sobel Test for Indirect Effect using Normal Distribution				
Effect	<i>S.E</i>	<i>Z</i>	<i>P</i>	
.03	.03	1.05	0.29	

Note. *N* = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.5 Bootstrap for indirect effects of LMX quality on Creativity through Perception of Organizational Politics

Hypothesis 4c predicted indirect relationship between LMX quality and creativity through POP. The results in Table 8 shows that LMX has a negative effect on POP ($\beta = -0.56$, $p < .001$) and POP has a negative relationship with creativity ($\beta = -.10$, $p < .05$). Moreover, LMX showed a positive impact on creativity ($\beta = 0.39$, $p < .001$). The bootstrap indirect effect of LMX on creativity through POP was insignificant as the bootstrap confidence interval included a zero between lower and upper limits, 0.05, CI [- 0.01, 0.12]. Sobel test results also confirmed that this indirect link was insignificant (Sobel $z = 1.80$, $p = .07$). Therefore Hypothesis 4c is rejected.

Table 8 Regression Results: Direct and Indirect Effects

Mediation of Perception of Politics in LMX Quality and Creativity Relationship

Direct and Total Effects				
	<i>B</i>	<i>S.E</i>	<i>t</i>	<i>p</i>
LMX → Perception of Politics MED Regressed on IV	-.56	.05	-10.21	.00
Perception of Politics → Creativity DV Regressed on MED	-.10	.05	-1.83	.05
LMX → Creativity DV Regressed on IV	.39	.05	7.01	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
Effect	Boot <i>S.E</i>	LL 95% CI	UL 95% CI	
.05	.03	-.051	.12	

Sobel Test for Indirect Effect using Normal Distribution				
Effect	<i>S.E</i>	<i>Z</i>	<i>P</i>	
.05	.03	1.80	.07	

Note. *N* = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.6 Bootstrap for indirect effects of LMX quality on Creativity through Perceived Leader Integrity

Hypothesis 7c proposed an indirect relation between LMX and creativity through perceived leader integrity. Table 9 presents the results that LMX directly impact perceived leader integrity ($\beta = 0.55, p < .001$) and perceived leader integrity positively impact creativity ($\beta = 0.15, p < 0.01$). Moreover LMX had a positive impact on creativity ($\beta = 0.39, p < .001$). The bootstrap indirect effect of LMX on creativity through perceived leader integrity was proved significant as the bootstrap confidence interval did not include a zero between lower limit and upper limit, .09, CI [.01, .16]. Sobel test produced similar results and proved significant indirect values for creativity (Sobel $z = 2.14, p < .03$). Therefore Hypothesis 7c is accepted.

Table 9 Regression Results: Direct and Indirect Effects.**Mediation of Perceived Leader Integrity in LMX Quality and Creativity Relationship**

	Direct and Total Effects			
	<i>B</i>	<i>S.E.</i>	<i>t</i>	<i>p</i>
LMX → Leader Integrity MED Regressed on IV	.55	.04	12.39	.00
Leader Integrity → Creativity DV Regressed on MED	.15	.07	2.18	.01
LMX → Creativity DV Regressed on IV	.39	.05	7.01	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)			
Effect	Boot <i>S.E.</i>	LL 95% CI	UL 95% CI
.09	.04	.01	.16

Sobel Test for Indirect Effect using Normal Distribution			
Effect	<i>S.E.</i>	<i>Z</i>	<i>P</i>
.09	.04	2.14	.03

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.7 Bootstrap for indirect effects of LMX quality on OCB-I through Perception of Organizational Politics

Hypothesis 4d predicted indirect relationship between LMX quality and OCB-I through POP. The results in Table 10 shows that LMX has a negative effect on POP ($\beta = -0.56$, $p < .001$) and POP has a negative significant relationship with OCB-I ($\beta = -0.09$, $p < .05$). Moreover, LMX showed a positive impact on OCB-I ($\beta = 0.30$, $p < .001$). The bootstrap indirect effect of LMX on OCB-I through POP was insignificant as the bootstrap confidence interval included a zero between lower and upper limits, 0.05, CI [-0.01, 0.12].

Sobel test also produced the insignificant results for this indirect effect for OCB-I (Sobel $z = 1.79$, $p = .07$). Therefore Hypothesis 4d is rejected.

Table 10 Regression Results: Direct and Indirect Effects**Mediation of Perception of Politics in LMX Quality and OCB-I Relationship**

Direct and Total Effects				
	<i>B</i>	<i>S.E</i>	<i>t</i>	<i>p</i>
LMX → Perception of Politics MED Regressed on IV	-.56	.05	-10.21	.00
Perception of Politics → OCB-I DV Regressed on MED	-.09	.05	-1.83	.05
LMX → OCB-I DV Regressed on IV	.30	.04	6.19	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)

Effect	Boot <i>S.E</i>	LL 95% CI	UL 95% CI
.05	.03	-.01	.12

Sobel Test for Indirect Effect using Normal Distribution

Effect	<i>S.E</i>	<i>Z</i>	<i>P</i>
.05	.02	1.79	.07

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.8 Bootstrap for indirect effects of LMX quality on OCB-I through Perceived Leader Integrity

Hypothesis 7d proposed an indirect relation between LMX and OCB-I through perceived leader integrity. Table 11 presents the results that LMX directly impact perceived leader integrity ($\beta = 0.55, p < .001$) and perceived leader integrity positively impact OCB-I ($\beta = 0.21, p < 0.001$). Moreover LMX had a positive impact on OCB-I ($\beta = 0.30, p < .001$). The bootstrap indirect effect of LMX on OCB-I through perceived leader integrity was proved significant as the bootstrap confidence interval did not include a zero between lower limit and upper limit, .11, CI [.03, .20]. Sobel test results confirmed the confidence interval method results (Sobel $z = 3.24, p < .00$). Therefore Hypothesis 7d is accepted.

Table 11 Regression Results: Direct and Indirect Effects

Mediation of Perceived Leader Integrity in LMX Quality and OCB-I Relationship

	Direct and Total Effects			
	B	S.E	t	p
LMX → Leader Integrity MED Regressed on IV	.55	.04	12.39	.00
Leader Integrity → OCB-I DV Regressed on MED	.21	.06	3.37	.00
LMX → OCB-I DV Regressed on IV	.30	.04	6.19	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
Effect	Boot S.E	LL 95% CI	UL 95% CI	
.11	.04	0.03	.20	

Sobel Test for Indirect Effect using Normal Distribution				
Effect	S.E	Z	P	
.11	.03	3.24	.00	

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.9 Bootstrap for indirect effects of LMX quality on OCB-O through Perception of Organizational Politics

Hypothesis 4e predicted indirect relationship between LMX quality and OCB-O through POP. The results in Table 12 shows that LMX has a negative effect on POP ($\beta = -0.56$, $p < .001$) and POP has a negative and insignificant relationship with OCB-O ($\beta = -.01$, ns). Moreover, LMX showed a positive impact on OCB-O ($\beta = 0.65$, $p < .001$). The bootstrap indirect effect of LMX on OCB-O through POP was also insignificant as the bootstrap confidence interval included a zero between lower and upper limits, 0.004, CI [-0.05, 0.05].

The Sobel test based on Normal theory (normal distribution) also proved that this indirect effect was insignificant for OCB-O through perception of organizational politics (Sobel $z = .17$, $p < .85$). Therefore Hypothesis 4e is rejected.

Table 12 Regression Results: Direct and Indirect Effects.**Mediation of Perception of Politics in LMX Quality and OCB-O Relationship**

Direct and Total Effects				
	<i>B</i>	<i>S.E</i>	<i>t</i>	<i>p</i>
LMX → Perception of Politics MED Regressed on IV	-.56	.05	-10.21	.00
Perception of Politics → OCB-O DV Regressed on MED	-.01	.04	-.18	.85
LMX → OCB-O DV Regressed on IV	0.65	.04	15.28	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)

Effect	Boot. <i>S.E</i>	LL 95% CI	UL 95% CI
.004	.02	-.05	.05

Sobel Test for Indirect Effect using Normal Distribution

Effect	<i>S.E</i>	<i>Z</i>	<i>P</i>
.004	.02	.17	.85

Note. $N = 310$. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.6.10 Bootstrap for indirect effects of LMX quality on OCB-O through Perceived Leader Integrity

Hypothesis 7e proposed an indirect relation between LMX and OCB-O through perceived leader integrity. Table 13 presents the results that LMX directly impact perceived leader integrity ($\beta = 0.55$, $p < .001$) and perceived leader integrity positively impact OCB-O ($\beta = 0.23$, $p < 0.001$). Moreover LMX had a positive impact on OCB-O ($\beta = 0.65$, $p < .001$). The bootstrap indirect effect of LMX on OCB-O through perceived leader integrity was proved significant as the bootstrap confidence interval did not include a zero between lower limit and upper limit, .13, CI [.07, .20]. The Sobel test based on Normal theory (normal distribution) also proved that this indirect effect was significant for OCB-O through perceived leader integrity (Sobel $z = 4.11$, $p < .00$). Therefore Hypothesis 7e is accepted.

Table 13 Regression Results: Direct and Indirect Effects.**Mediation of Perceived Leader Integrity in LMX Quality and OCB-O Relationship**

	Direct and Total Effects			
	<i>B</i>	S.E	<i>t</i>	<i>p</i>
LMX → Leader Integrity MED Regressed on IV	.55	.04	12.39	.00
Leader Integrity → OCB-O DV Regressed on MED	.23	.05	4.37	.00
LMX → OCB-O DV Regressed on IV	0.65	.04	15.28	.00

Bootstrap Results for Indirect Effect of IV on DV through MV (Bias Corrected Confidence Intervals)				
	Effect	Boot S.E	LL 95% CI	UL 95% CI
	.13	.03	.07	.20

Sobel Test for Indirect Effect using Normal Distribution				
	Effect	S.E	Z	P
	.13	.03	4.11	.00

Note. *N* = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 5,000. LL = lower limit; CI = confidence interval; UL = upper limit

4.7 Test of Moderation

Hypotheses 8a, 8b, 9a, and 9b predicted moderating role of psychological contract types (transactional and relational) between LMX quality-POP, and LMX-Perceived leader integrity relationships. To test these moderation hypotheses moderated multiple regression analysis was carried out as suggested by research methodologists (Aiken & West, 1991; Cohen, Cohen, West, & Aiken, 2003). Before performing the analyses two important steps were carried out. Firstly both the moderating variables and independent variable were centred by subtracting their overall means from the individual variable value (Aiken & West, 1991). The product terms (Transactional Contract x LMX and Relational Contract x LMX) were created by utilizing the centred variables. To prove moderation the interaction term should be significant. Secondly, multi-collinearity between predictors was measured through tolerance statistics (Tabachnick & Fidell, 2001) and Variance Inflation Factor (VIF) scores (Hair, Anderson, Tatham, & Black, 1998). The analyses depicted that the VIF scores were less than 2 (tolerance $> .7$) in all analyses, proving that multi-collinearity was not a problem for moderation analyses. For detailed analyses confidence intervals were calculated at CI 95%. Simple slope test were also carried out as suggested by Aiken & West (1991) at one standard deviation high and low from the mean. For all significant moderations, interaction plots were constructed for low and high values for mean \pm SD of moderators as suggested by Stone & Hollenbeck (1989).

4.7.1 Interactive effects of LMX and Transactional Contract on Perception of Organizational Politics

Hypothesis 8a predicted moderating role of transactional contract between LMX and Perception of organizational politics. To carry out this moderation control

variables (organization and Gender) were entered at the first step. LMX time1 and transactional contract time1 were entered in step 2 and finally interaction term was entered in the 3rd step. POP time 2 was taken as the dependent variable for this moderation.

Results for this moderation analyses are given in Table 14 that explains the direct and interactive effects. Results revealed that the interaction term (LMX x Transactional Contract) was significant ($\beta = .17, p < .05; \Delta R^2 = .012, p < .05$). Simple slope test revealed that slope was significant at high ($\beta = -.42, p < .001$) and low ($\beta = -.69, p < .001$) levels of transactional contract. But the negative relationship was stronger at low value of transactional contract which is contrary to the proposed. Therefore hypothesis 8a is rejected due to opposite direction. The Interaction was plotted as given in fig 2 that indicates that the negative relationship between LMX and POP was slightly stronger when transactional contract was high.

Table 14 Results for Main Effects and Moderated Regression Analyses for POP

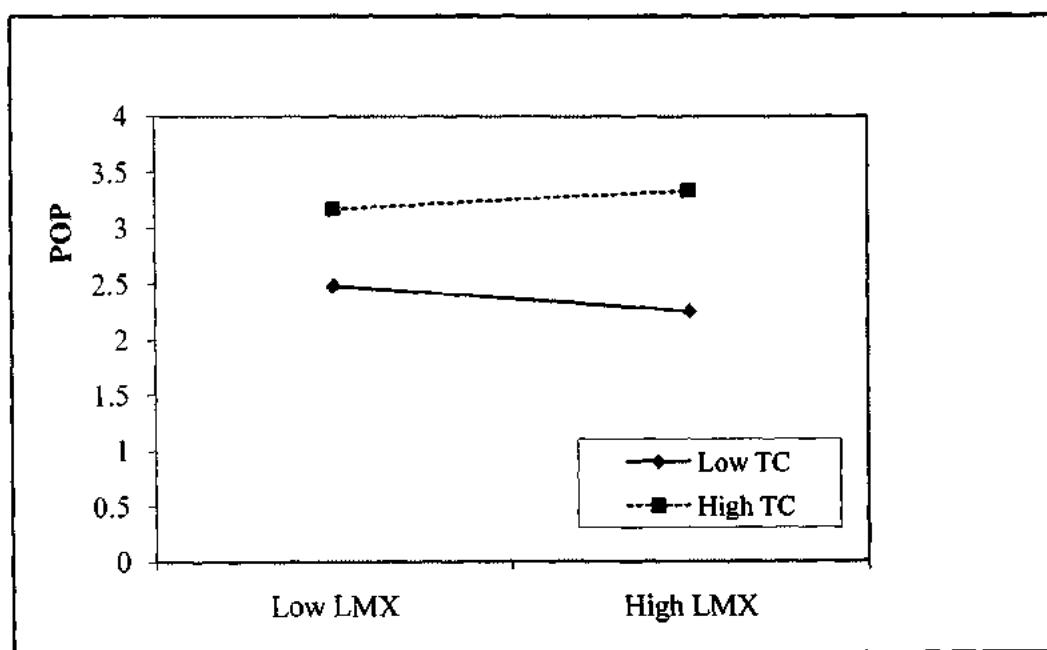
	<i>Moderator: Transactional Contract (Time 1)</i>	<i>Perception of organizational politics (Time 2)</i>	ΔR^2	LLCI	ULCI
	β				
Step 1:					
Organization	-.05*			-.08	-.01
Gender	-.18*			-.34	-.01
		.06*			
Step 2:					
Transactional Contract (Time 1)	-.11*			-.20	-.01
LMX (Time 1)	-.55***			-.67	-.44
		.25 ***			
Step 3:					
LMX x Transactional Contract	.17*			.01	.31
		.012*			

Note. N = 310

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

Figure 2

Interactive effect of LMX quality and Transactional Contract on POP



4.7.2 Interactive effects of LMX and Transactional Contract on Perceived Leader Integrity

Hypothesis 8b predicted moderating role of transactional contract between LMX and Perceived leader integrity. No demographic variable seemed significant for perceived leader integrity therefore did not need to control for this moderation analysis. To carry out this moderation LMX time1 and transactional contract time1 were entered in step 1 and interaction term was entered in the 2nd step. Perceived Leader integrity time 2 was taken as the dependent variable for this moderation.

Results for this moderation analysis are given in Table 15 revealed that the interaction term (LMX x Transactional Contract) was significant ($\beta = -.11, p < .05 \Delta R^2 = .008, p < .05$). Simple slope test revealed that slope was significant at high ($\beta = .44, p < .001$) and low ($\beta = .62, p < .001$) levels of transactional contract. But relationship between was stronger at low value of transactional contract and weaker at high value of transactional contract which is according to the hypothesis. Therefore hypothesis 8b is accepted. The Interaction was plotted as given in fig 3 that indicates that the relationship between LMX and perceived leader integrity was stronger when transactional contract was low.

Table 15 Results for Main Effects and Moderated Regression Analysis for Perceived Leader Integrity

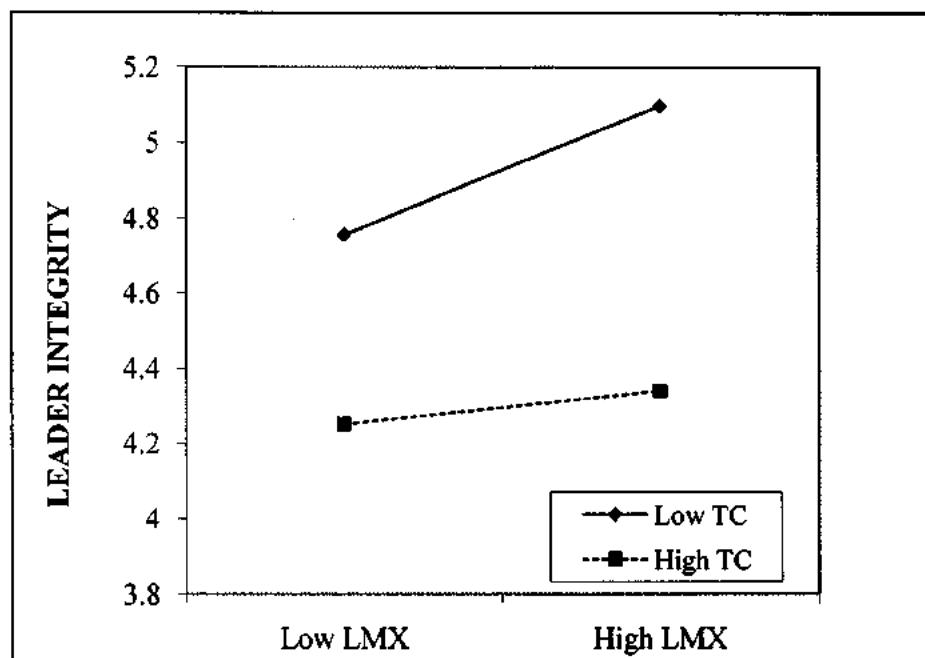
<i>Moderator: Transactional Contract (Time 1)</i>	<i>Perceived Leader Integrity (Time 2)</i>			
	β	ΔR^2	LLCI	ULCI
Step 1:				
Transactional Contract (Time 1)	.04		-.03	.12
LMX (Time 1)	.53***		.44	.62
		.33 ***		
Step 2:				
LMX x Transactional Contract	-.11*		-.23	-.01
		.008*		

Note. N = 310

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

Fig 3

Interactive effect of LMX and Transactional Contract on Perceived Leader Integrity



4.7.3 Interactive effects of LMX and Relational Contract on Perception of Organizational Politics

Hypothesis 9a predicted moderating role of relational contract between LMX and Perception of organizational politics. To carry out this moderation control variables (organization and gender) were entered at the first step. LMX time1 and relational contract time1 were entered in step 2 and finally interaction term was entered in the 3rd step. POP time 2 was taken as the dependent variable for this moderation.

Results for this moderation analysis are given in Table 16 that explains the direct and interactive effects. Results revealed that the interaction term (LMX x Relational Contract) was significant ($\beta = .12, p < .05 \Delta R^2 = .01, p < .05$). Simple slope test revealed that slope was significant at high ($\beta = -.34, p < .001$) and low ($\beta = -.51, p < .001$) levels of transactional contract. But negative relationship between LMX and POP was stronger at low value of relational contract and weaker at high value of relational contract which is according to the proposed. Therefore hypothesis 9a is accepted. The Interaction was plotted as given in fig 4 that indicates that the negative relationship between LMX and POP was stronger when relational contract was low and vice versa.

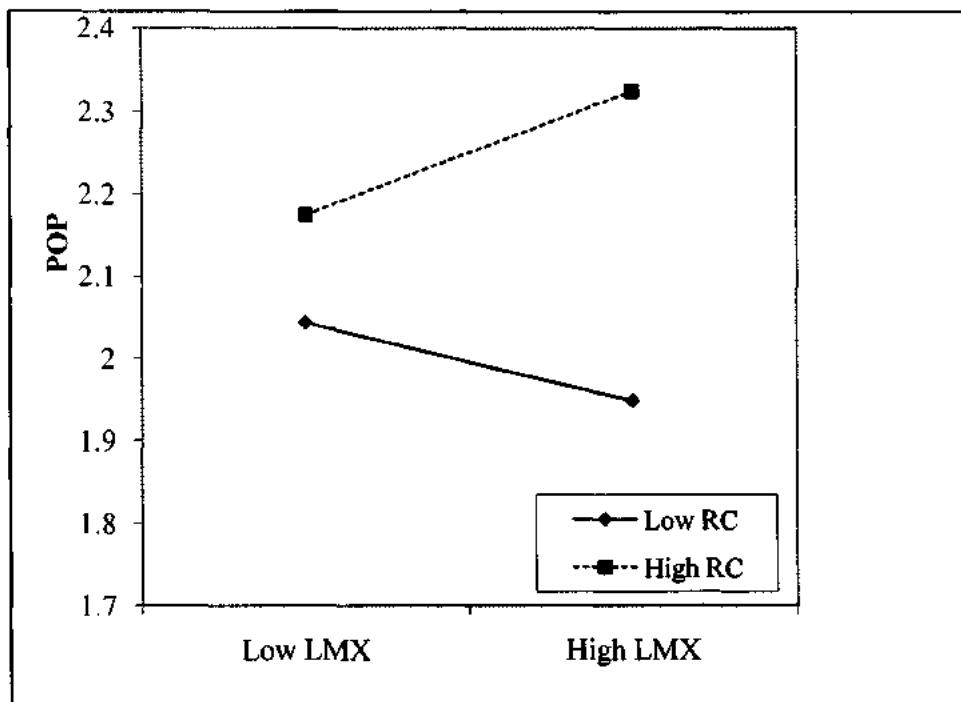
Table 16 Results for Main Effects and Moderated Regression Analyses for POP

<i>Moderator: Relational Contract</i>		<i>Perception of organizational politics</i>		
<i>(Time 1)</i>		<i>(Time 2)</i>		
	β	ΔR^2	LLCI	ULCI
Step 1:				
Organization	-.04*		-.07	-.01
Gender	-.17**		-.33	-.01
		.05*		
Step 2:				
Relational Contract (Time 1)	-.31***		-.43	-.19
LMX (Time 1)	-.43***		-.55	-.31
		.30 ***		
Step 3:				
LMX x Relational Contract	.12*		-.17	-.27
		.01*		

Note. N = 310

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

Figure 4
Interactive Effects of LMX and Relational contract on POP



4.7.8 Interactive effects of LMX and Relational Contract on Perceived Leader Integrity

Hypothesis 9b predicted moderating role of relational contract between LMX and Perceived leader integrity. No demographic variable found significant for perceived leader integrity therefore did not need to control for this moderation analysis. To carry out this moderation LMX time1 and relational contract time1 were entered in step 1 and interaction term was entered in the 2nd step. Perceived Leader integrity time 2 was taken as the dependent variable for this moderation.

Results for this moderation analysis are given in Table 17 that revealed that the interaction term (LMX x Relational Contract) was significant ($\beta = -.15, p < .01; \Delta R^2 = .013, p < .01$). Simple slope test revealed that slope was significant at high ($\beta = .36, p < .001$) and low ($\beta = .56, p < .001$) levels of relational contract. Results suggested accepting hypothesis 9b. But relationship was stronger at low value of relational contract which is contrary to the proposed. Therefore hypothesis 9b is rejected due to opposite direction. The Interaction was plotted as given in fig 5 indicates that the positive relationship between LMX and Perceived leader integrity was stronger when relational contract was low.

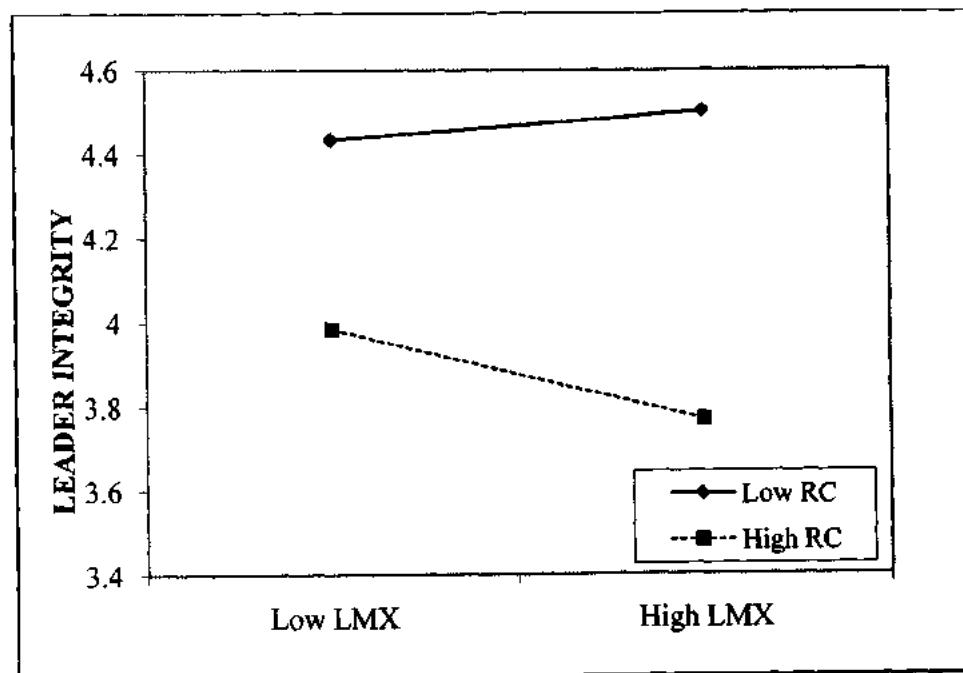
Table 17 Results for Main Effects and Moderated Regression Analyses for Perceived Leader Integrity

<i>Moderator: Relational Contract (Time 1)</i>	<i>Perceived Leader Integrity (Time 2)</i>			
	β	ΔR^2	LLCI	ULCI
Step 1:				
Relational Contract (Time 1)	.13**		.36	.56
LMX (Time 1)	.46***		.04	.23
		.34 ***		
Step 3:				
LMX x Relational Contract	-.15**		-.26	-.03
		.013**		

Note. N = 310

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

Figure 5
**Interactive Effects of LMX and Relational Contract on Perceived
Leader Integrity**



4.8 Test of Conditional Indirect effects (Moderated Mediation)

I tested the conditional indirect effects hypothesis using bootstrap technique suggest by Preacher and Hayes (Preacher and Hayes, 2008). I used the PROCESS procedure (Hayes, 2013); available on <http://www.afhayes.com/introduction-to-mediation-moderation-and-conditional-process-analysis.html>). Mod-med analyses provide indirect effects at different levels of moderator. For this particular study both mediators were entered together in appropriate model (No. 7) and indirect effects are recorded at $\pm 1SD$ of mean. Bootstrap confidence interval method has been used where boots trap size is 1000 and confidence interval is taken at 95%. Mod-med analyses are done for each outcome variable for transactional and relational contract separately using model 7 of “PROCESS” by Hayes (2013). This procedure has been adopted in recent studies to estimate moderated mediations (Cole, Walter and Bruch, 2008)

4.8.1 Conditional Indirect Effects of LMX quality on Affective Commitment through POP and Perceived leader Integrity across levels of Transactional Contract

Hypothesis 10(a) suggested that the indirect effects of LMX on affective commitment through POP would be stronger for individuals high in transactional contract and weaker for low transactional contract.

Table 18 shows that conditional indirect effects of LMX on Affective commitment through Perception of organizational politics were significant for low ($B = .13$, bootstrap CI = .05, .22), average ($B = .11$, bootstrap CI = .04, .18) and high ($B = .09$, bootstrap CI = .03, .17) levels of transactional contract. But strength of the indirect effect clearly indicated that it is comparatively stronger at low values of transactional

contract and weaker at high value of transactional contract contrary to the prediction. Therefore hypothesis 10(a) is partially proved.

Hypothesis 10 (b) suggested that the indirect effects of LMX on Affective commitment through perceived leader integrity would be significant at different levels of transactional contract but relationship would vary in the strength.

Table 18 shows that conditional indirect effects of LMX on Affective commitment through Perceived Leader integrity were significant for low ($B = .14$, bootstrap CI = 0.05, .24), average ($B = .12$, bootstrap CI = .05, .19) and high ($B = .10$, bootstrap CI = .04, .18) levels of transactional contract. The bootstrap indirect effect showed that relationship was stronger at low value of transactional contract. Therefore hypothesis 10(b) is fully accepted.

In other words LMX has an indirect significant effect on affective commitment through Perceived leader integrity for individuals low, average and high on transactional contract and the strength of indirect effect varies with levels of transactional contract.

Table 18 Moderated Mediation Results across Levels of Transactional Contract

Conditional indirect effects of LMX on Affective Commitment through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Transactional Contract)				
-1 SD (2.27)	0.13	0.04	.05	.22
M (3.10)	0.11	0.03	.04	.18
+1 SD (3.93)	0.09	0.03	.03	.17
Conditional indirect effects of LMX on Affective Commitment through Perceived Leader Integrity				
-1 SD (2.27)	0.14	0.04	0.05	0.24
M (3.10)	0.12	0.03	0.05	0.19
+1 SD (3.93)	0.10	0.03	0.04	0.18

Note. $N = 310$. Unstandardized regression coefficients are reported. Bootstrap sample size = 1000.

LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.2 Conditional Indirect Effects of LMX quality on Affective Commitment through POP and Perceived leader Integrity across levels of Relational Contract

Hypothesis 11(a) suggested that the indirect effects of LMX on Affective commitment through POP would be significant for high, average and low values of relational Contract. And the indirect relationship would be weaker when relational contract is high and vice versa.

Table 19 shows that conditional indirect effects of LMX on Affective commitment through Perception of organizational politics were significant for low ($B = .10$, bootstrap CI = .05, .16), average ($B = .09$, bootstrap CI = .04, .15) and high ($B = .07$, bootstrap CI = .02, .15) levels of relational contract. The size of indirect effect shows, that the relationship is weaker at high value of relational contract vice versa as suggested. Therefore hypothesis 11(a) is fully accepted.

Hypothesis 11 (b) suggested that the indirect effects of LMX on Affective commitment through perceived leader integrity would be significant at different levels of relational contract but relationship would be stronger at high values of relational contract and vice versa.

Table 19 shows that conditional indirect effects of LMX on Affective commitment through Perceived Leader integrity were significant for low ($B = .13$, bootstrap CI = .04, .22), average ($B = .10$, bootstrap CI = .04, .18) and high ($B = .08$, bootstrap CI = .03, .16) levels of relational contract. But the strength of the indirect effect is stronger at low value of relational contract and vice versa against the proposed one. Therefore hypothesis 11(b) is partially accepted.

Table 19 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on Affective Commitment through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Relational Contract)				
-1SD (2.77)	0.10	0.02	.05	.16
M (3.46)	0.09	0.02	.04	.15
+1 SD (4.14)	0.07	0.063	.02	.15
Conditional indirect effects of LMX on Affective Commitment through Perceived Leader Integrity				
-1 SD (2.77)	0.13	0.04	.04	.22
M (3.46)	0.10	0.03	.04	.18
+1 SD (4.14)	0.08	0.03	.03	.16

Note. $N = 310$. Unstandardized regression coefficients are reported. Bootstrap sample size = 1000.

LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.3 Conditional Indirect Effects of LMX quality on Turnover Intentions through POP and Perceived leader Integrity across levels of Transactional Contract

Hypothesis 12(a) suggested that the indirect negative effects of LMX on turnover intentions through POP would be significant for different levels of Transactional Contract. Moreover the indirect negative effect would be stronger when transactional contract would be higher and vice versa.

Table 20 shows that conditional indirect effects of LMX on turnover intentions through Perception of organizational politics were significant for low ($B = -.14$, bootstrap CI = $-.23, -.07$), average ($B = -.12$, bootstrap CI = $-.21, -.05$) and high ($B = -.09$, bootstrap CI = $-.21, -.02$) levels of transactional contract. Results also indicated that indirect negative effect is stronger for low value of transactional contract and vice versa contrary to the proposed direction. Therefore hypothesis 12(a) is partially accepted.

Hypothesis 12 (b) suggested that the indirect effects of LMX on turnover intentions through perceived leader integrity would be significant at different levels of transactional contract but relationship would be weaker for high value of transactional contract.

Table 20 shows that conditional indirect effects of LMX on turnover intentions through Perceived Leader integrity were not significant for low ($B = .04$, bootstrap CI = $-.05, .12$), average ($B = .03$, bootstrap CI = $-.04, .10$) and high ($B = .02$, bootstrap CI = $-.03, .09$) levels of transactional contract. Boot indirect effects at different levels of moderator indicated that effect was weaker at high value of transactional contract and vice versa as predicted. Therefore hypothesis 12(b) is partially accepted.

Table 20 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on Turnover Intentions through POP				
Moderator:	Boot Indirect Effect	Boot S.E	Boot LLCI	Boot ULCI
(Transactional Contract)				
-1 SD (2.27)	-.09	0.04	-.23	-.07
M (3.10)	-.12	0.03	-.21	-.05
+1 SD (3.93)	-.14	0.04	-.21	-.02
Conditional indirect effects of LMX on Turnover Intentions through Perceived Leader Integrity				
-1 SD (2.27)	0.04	0.04	-.05	.12
M (3.10)	0.03	0.03	-.04	.10
+1 SD (3.93)	0.02	0.03	-.03	.09

Note. N = 310. Unstandardized regression coefficients are reported. Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.4 Conditional Indirect Effects of LMX quality on Turnover Intentions through POP and Perceived leader Integrity across levels of Relational Contract

Hypothesis 13(a) suggested that the indirect effects of LMX on turnover intentions through POP would be significant for different levels of Relational Contract particularly negative relationship would be stronger at low value of relational contract.

Table 21 shows that conditional indirect effects of LMX on turnover intentions through Perception of organizational politics were significant for low ($B = -.11$, bootstrap CI = -.18, -.05), average ($B = -.09$, bootstrap CI = -.17, -.04) and high ($B = -.07$, bootstrap CI = -.18, -.02) levels of Relational contract. Indirect effect is comparatively weaker at hi value of relational contract and vice versa as suggested therefore hypothesis 13(a) is accepted.

Hypothesis 13 (b) suggested that the indirect effects of LMX on turnover intentions through perceived leader integrity would be significant at different levels of Relational contract but relationship would vary in the strength specifically, stronger at high value of relational contract .

Table 21 shows that conditional indirect effects of LMX on turnover intentions through Perceived Leader integrity were insignificant for low ($B = .04$, bootstrap CI = -.04, .12), average ($B = .03$, bootstrap CI = -.03, .09) and high ($B = .02$, bootstrap CI = -.02, .08) levels of Relational contract. Indirect effect shows that it is weaker at hi value of relational contract as compared to value at low level of relational contract contrary to the predicted. Therefore hypothesis 13(b) is rejected.

Table 21 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on Turnover Intentions through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Relational Contract)				
-1SD (2.77)	-.11	0.03	-.18	-.05
M (3.46)	-.09	0.03	-0.17	-.04
+1 SD (4.14)	-.07	0.03	-.18	-.02
Conditional indirect effects of LMX on Turnover Intentions through Perceived Leader Integrity				
-1 SD (2.77)	0.04	0.04	-.04	.12
M (3.46)	0.03	0.03	-.03	.09
+1 SD (4.14)	0.02	0.02	-.02	.08

Note. $N = 310$. Unstandardized regression coefficients are reported. Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.5 Conditional Indirect Effects of LMX quality on Creativity through POP and Perceived leader Integrity across levels of Transactional Contract

Hypothesis 14(a) suggested that the indirect effects of LMX on Creativity through POP would be significant for different levels of Transactional Contract. And indirect relationship would be stronger at high value of transactional contract and vice versa.

Table 22 shows that conditional indirect effects of LMX on Creativity through Perception of organizational politics were not significant for low ($B = .06$, bootstrap CI = $-.008, .177$), average ($B = .05$, bootstrap CI = $-.008, .124$) and high ($B = .04$, bootstrap CI = $-.000, .112$) levels of transactional contract. But Indirect effects were stronger for low value of transactional contract and vice versa contrary to the proposed direction. Therefore hypothesis 14(a) is rejected.

Hypothesis 14 (b) suggested that the indirect effects of LMX on Creativity through perceived leader integrity would be significant at different levels of transactional contract but relationship would be stronger at low value of transactional contract and vice versa.

Table 22 reflects that conditional indirect effects of LMX on Creativity through Perceived Leader integrity were significant for low ($B = .10$, bootstrap CI = $.010, .189$), average ($B = .08$, bootstrap CI = $.012, .163$) and high ($B = .06$, bootstrap CI = $.015, .154$) levels of transactional contract. Indirect effects were stronger at low value of transactional contract as compared to value at high level of transactional contract. Therefore hypothesis 14(b) is accepted.

In other words LMX has an indirect significant effect on Creativity through Perceived leader integrity for individuals low, average and high on transactional contract and the strength of indirect effect is high at low value of transactional contract.

Table 22 Moderated Mediation Results across Levels of Transactional Contract

Conditional indirect effects of LMX on Creativity through POP				
Moderator : (Transactional Contract)	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
-1SD (2.27)	0.06	0.04	-.008	.177
M (3.10)	0.05	0.03	-.008	.124
+1 SD (3.93)	0.04	0.02	-.000	.112
Conditional indirect effects of LMX on Creativity through Perceived Leader Integrity				
-1 SD (2.27)	0.10	0.04	0.010	0.189
M (3.10)	0.08	0.03	0.012	0.163
+1 SD (3.93)	0.06	0.03	0.015	0.154

Note. $N = 310$. Unstandardized regression coefficients are reported. Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.6 Conditional Indirect Effects of LMX quality on Creativity through POP and Perceived leader Integrity across levels of Relational Contract

Hypothesis 15(a) suggested that the indirect effects of LMX on Creativity through POP would be significant for individuals' high, average and low in Relational Contract. And indirect relationship would be weaker at high value of relational contract.

Table 23 shows that conditional indirect effects of LMX on Creativity through Perception of organizational politics were not significant for low ($B = .05$, bootstrap CI = -.007, .122), average ($B = .04$, bootstrap CI = -.004, .098) but significant for high ($B = .03$, bootstrap CI = .002, .094) levels of transactional contract. Moreover the effect is stronger at low value of relational contract and vice versa as proposed. Therefore hypothesis 15(a) is partially supported.

Hypothesis 15 (b) suggested that the indirect effects of LMX on Creativity through perceived leader integrity would be significant at different levels of relational contract but relationship would be stronger for high value of relational contract and vice versa. Table 23 shows that conditional indirect effects of LMX on creativity through Perceived Leader integrity were significant for low ($B = .09$, bootstrap CI = .014, .175), average ($B = .07$, bootstrap CI = .010, .149) and high ($B = .05$, bootstrap CI = .011, .137) levels of relational contract. But strength of indirect effect was comparatively high when relational contract is low and vice versa which was against the prediction. Therefore hypothesis 15(b) is partially accepted.

Table 23 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on Creativity through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Relational Contract)				
-1 SD (2.77)	0.05	0.03	-.007	.122
M (3.46)	0.04	0.02	-.004	.098
+1 SD (4.14)	0.03	0.02	.002	.094

Conditional indirect effects of LMX on Creativity through Perceived Leader Integrity				
-1 SD (2.77)	0.09	0.04	.014	0.18
M (3.46)	0.07	0.03	.010	0.15
+1 SD (4.14)	0.05	0.03	.011	0.137

Note. $N = 310$. Unstandardized regression coefficients are reported.

Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.7 Conditional Indirect Effects of LMX quality on OCB-I through POP and Perceived leader Integrity across levels of Transactional Contract

Hypothesis 16(a) suggested that the indirect effects of LMX on OCB-I through POP would be significant at different levels of Transactional Contract. And at high value of transactional contract the indirect effect would be stronger.

Table 24 shows that conditional indirect effects of LMX on OCB-I through Perception of organizational politics were not significant for low ($B = .06$, bootstrap CI = $-.02, .15$), average ($B = .05$, bootstrap CI = $-.01, .11$) and high ($B = .04$, bootstrap CI = $-.01, .09$) levels of transactional contract. Moreover there is effect is comparatively stronger at low value of transactional contract and vice versa contrary to the predicted. Therefore hypothesis 16(a) is rejected.

Hypothesis 16 (b) suggested that the indirect effects of LMX on OCB-I through perceived leader integrity would be significant at different levels of transactional contract and relationship would be stronger at low level of transactional contract.

Table 24 shows that conditional indirect effects of LMX on OCB-I through Perceived Leader integrity were significant for low ($B = .13$, bootstrap CI = $.03, .23$), average ($B = .11$, bootstrap CI = $.03, .19$) and high ($B = .09$, bootstrap CI = $.03, .18$) levels of transactional contract. Moreover the indirect effect is stronger at low level of transactional contract as predicted. Therefore hypothesis 16(b) is accepted.

In other words LMX has an indirect significant effect on OCB-I through Perceived leader integrity for different levels of transactional contract and the strength of indirect effect is high at low level of transactional contract.

Table 24 Moderated Mediation Results across Levels of Transactional Contract

Conditional indirect effects of LMX on OCB-I through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Transactional Contract)				
-1 SD (2.27)	0.06	0.04	-.02	0.15
M (3.10)	0.05	0.03	-.01	0.21
+1 SD (3.93)	0.04	0.02	-.00	0.09

Conditional indirect effects of LMX on OCB-I through Perceived Leader Integrity				
-1 SD (2.27)	0.13	0.04	0.03	0.23
M (3.10)	0.11	0.04	0.03	0.19
+1 SD (3.93)	0.09	0.03	0.03	0.18

Note. $N = 310$. Unstandardized regression coefficients are reported.
Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.8 Conditional Indirect Effects of LMX quality on OCB-I through POP and Perceived leader Integrity across levels of Relational Contract

Hypothesis 17(a) suggested that the indirect effects of LMX on OCB-I through POP would be significant for different levels of Relational Contract. Indirect relationship would be stronger at low level of relational contract.

Table 25 shows that conditional indirect effects of LMX on OCB-I through Perception of organizational politics were not significant for low ($B = .042$, bootstrap CI = $-.01, .20$), average ($B = .039$, bootstrap CI = $-.01, .08$) and high ($B = .032$, bootstrap CI = $-.00, .07$) levels of Relational contract. Indirect effect at three levels showed no change in the strength of relationship at any level of moderator. Therefore hypothesis 17 (a) is rejected.

Hypothesis 17 (b) suggested that the indirect effects of LMX on OCB-I through perceived leader integrity would be significant at different levels of Relational contract in such a way that the indirect relationship would be stronger at high value of relational contract.

Table 25 shows that conditional indirect effects of LMX on OCB-I through Perceived Leader integrity were significant for low ($B = .12$, bootstrap CI = $.04, .19$), average ($B = .10$, bootstrap CI = $.03, .17$) and high ($B = .07$, bootstrap CI = $.02, .16$) levels of Relational contract. Indirect effect shows that it is stronger at low value of relational contract against the proposed. Therefore hypothesis 17(b) is partially accepted.

Table 25 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on OCB-I through POP					
Moderator : (Relational Contract)	<i>Boot Indirect Effect</i>	<i>Boot</i>	<i>Boot</i>	<i>Boot</i>	
		<i>S.E</i>	<i>LLCI</i>	<i>ULCI</i>	
-1 SD (2.77)	0.042	0.03	-.01	0.11	
M (3.46)	0.039	0.02	-.01	0.08	
+1 SD (4.14)	0.032	0.02	-.00	0.07	

Conditional indirect effects of LMX on OCB-I through Perceived Leader Integrity					
-1 SD (2.77)	0.12	<i>Boot</i>	<i>Boot</i>	<i>Boot</i>	
		<i>S.E</i>	<i>LLCI</i>	<i>ULCI</i>	
-1 SD (2.77)	0.12	0.04	0.04	0.19	
M (3.46)	0.10	0.03	0.03	0.17	
+1 SD (4.14)	0.07	0.03	0.02	0.16	

Note. N = 310. Unstandardized regression coefficients are reported.

Bootstrap sample size = 1000. LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.9 Conditional Indirect Effects of LMX quality on OCB-O through POP and Perceived leader Integrity across levels of Transactional Contract

Hypothesis 18(a) suggested that the transactional contract will moderate the indirect effect of LMX on OCB-O through POP. The indirect effect would be stronger at high value of transactional contract and vice versa.

Table 26 shows that conditional indirect effects of LMX on OCB-O through Perception of organizational politics were insignificant for low ($B = .005$, bootstrap CI = -.06, .07), average ($B = .004$, bootstrap CI = -.05, .04) and high ($B = .003$, bootstrap CI = -.05, .03) levels of transactional contract. Moreover the strength of indirect effect did not change at high or low values of transactional contract. Therefore hypothesis 18(a) is rejected.

Hypothesis 18 (b) suggested that the indirect effects of LMX on OCB-O through perceived leader integrity would be significant at different levels of transactional contract but relationship would stronger at low level of transactional contract.

Table 26 shows that conditional indirect effects of LMX on OCB-O through Perceived Leader integrity were significant for low ($B = .14$, bootstrap CI = .07, .23), average ($B = .12$, bootstrap CI = .07, .20) and high ($B = .10$, bootstrap CI = .05, .18) levels of transactional contract. Indirect effect is stronger at low level of transactional contract and comparatively weaker at high level of transactional contract as predicted. Therefore hypothesis 18(b) is fully supported by the results.

In other words LMX has an indirect significant effect on OCB-O through Perceived leader integrity for individuals low, average and high on transactional contract and the strength of indirect effect is stronger at low value of transactional contract.

Table 26 Moderated Mediation Results across Levels of Transactional Contract

Conditional indirect effects of LMX on OCB-O through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Transactional Contract)				
-1 SD (2.27)	.005	.03	-.06	.07
M (3.10)	.004	.02	-.05	.04
+1 SD (3.93)	.003	.02	-.05	.03

Conditional indirect effects of LMX on OCB-O through Perceived Leader Integrity				
-1 SD (2.27)	.14	.04	.07	.23
M (3.10)	.12	.03	.07	.20
+1 SD (3.93)	.10	.03	.05	.18

Note. $N = 310$. Unstandardized regression coefficients are reported.

Bootstrap sample size = 1000.

LL = lower limit; CI = confidence interval; UL = upper limit.

4.8.10 Conditional Indirect Effects of LMX quality on OCB-O through POP and Perceived leader Integrity across levels of Relational Contract

Hypothesis 19(a) suggested that the indirect effects of LMX on OCB-O through POP would be significant for individuals' high, average and low in Relational Contract. Moreover indirect effect would be weaker for high value of relational contract and vice versa.

Table 27 shows that conditional indirect effects of LMX on OCB-O through Perception of organizational politics were insignificant for low ($B = .004$, bootstrap CI = -.04, .05), average ($B = .003$, bootstrap CI = -.04, .04) and high ($B = .002$, bootstrap CI = -.04, .03) levels of Relational contract. Moreover, indirect effect did not change at different levels of relational contract. Therefore hypothesis 19(a) is rejected.

Hypothesis 19 (b) suggested that the indirect effects of LMX on OCB-O through perceived leader integrity would be significant at different levels of Relational contract but relationship would be stronger at high level of relational contract.

Table 27 shows that conditional indirect effects of LMX on OCB-O through Perceived Leader integrity were significant for low ($B = .13$, bootstrap CI = .06, .20), average ($B = .11$, bootstrap CI = .05, .16) and high ($B = .08$, bootstrap CI = .04, .15) levels of Relational contract. Moreover indirect effect is stronger at low value of relational contract and weaker at high value of relational contract against the prediction. Therefore hypothesis 19(b) is partially supported.

Table 27 Moderated Mediation Results across Levels of Relational Contract

Conditional indirect effects of LMX on OCB-O through POP				
Moderator :	<i>Boot Indirect Effect</i>	<i>Boot S.E</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>
(Relational Contract)				
-1 SD (2.77)	.003	0.02	-.04	0.05
M (3.46)	.003	0.02	-.04	0.04
+1 SD (4.14)	.002	0.01	-.04	0.03

Conditional indirect effects of LMX on OCB-O through Perceived Leader Integrity				
-1 SD (2.77)	0.13	0.03	.06	0.21
M (3.46)	0.10	0.02	.05	0.16
+1 SD (4.14)	0.08	0.02	.04	0.15

Note. $N = 310$. Unstandardized regression coefficients are reported.

Bootstrap sample size = 1000.

LL = lower limit; CI = confidence interval; UL = upper limit.

CHAPTER 5

DISCUSSION

5.1 Major Findings Overview

A good support has been found for most of the hypotheses that provides empirical evidence of the proposed model. Out of 51 total hypotheses, 37 were supported (29 were fully approved whereas 8 got partial support).

There were seventeen hypotheses for main effects and 15 obtained support. Out of 10 indirect effect hypotheses six got approved and out of four moderation hypotheses two were approved.

There were 20 conditional indirect hypotheses out of which six were fully supported whereas eight were partially supported. Out of eight partially supported hypotheses, six provided significant conditional indirect effects but directions were contrary to the proposed ones. For the remaining two conditional indirect hypotheses, the indirect effects were not significant but the directions were according to the proposed ones. LMX quality had significant main effects on all outcome and mediating variables as predicted. LMX had almost equal and strong impact on POP and Perceived leader integrity but relationship with POP was negative as proposed. However POP had significant direct effect on all outcome variables except OCB-O. Perceived leader

integrity obtained significant direct effects on all outcome variables except turnover intentions.

POP could not be proved as a better mediator than Perceived leader integrity between LMX and outcomes. Out of five, only two indirect effects through POP were proved. Mediation through POP between LMX and creativity and OCB-I and OCB-O were not significant.

In the moderation analyses transactional contract was proved as a significant moderator between LMX and Perceived leader integrity and relational contract was proved as a significant moderator between LMX and POP. The remaining two interactions were also significant, but directions were contrary to the proposed.

For conditional indirect effects there were 20 hypotheses. Only six hypotheses were fully rejected. Five were through perception of organizational politics and one through perceived leader integrity. Conditional indirect effect for creativity (moderator was transactional contract), OCB-I and OCB-O (for both moderators--transactional and relational contract) through POP were insignificant. One hypothesis could not be proved for turnover intentions through perceived leader integrity in case of relational contract.

These findings were in line with the indirect effects through POP and perceived leader integrity and moderation analyses by two contract types.

Eight hypotheses were supported partially. For six out of these eight, there were significant conditional indirect effects but the directions of indirect effects were contrary to the proposed. These conditional indirect effects were with Affective Commitment through POP in case of transactional contract, Affective Commitment

through Perceived leader integrity in case of relational contract, Turnover intentions through POP in case of transactional contract, creativity through perceived leader integrity in case of relational contract, OCB-I through Perceived leader integrity in case of relational contract and finally OCB-O through Perceived leader integrity in case of relational contract.

In the remaining two partially supported hypotheses got insignificant indirect effects but directions were according to the proposed at high, mean and low level of moderators. Specifically turnover intentions through Perceived leader integrity in case of transactional contract and Creativity through POP in case of relational contract showed direction of conditional indirect relationships according to the proposed. Overall moderated parallel mediation model was supported through analyses and most of conditional indirect hypotheses were approved.

5.2 Direct effects

5.2.1 LMX Quality

LMX quality had significant main effects on all outcome variables. Results indicated strongest negative relationship with turnover intentions as compared to all other outcome variables. It shows that out-group employees have strongest intentions to quit the organization which is very obvious according to the basic premise of LMX theory. These results also supported the previous findings (e.g., Ferris, 1985; Gerstner & Day, 1997; Agarwal, Datta, Blake-Beard, & Bhargava, 2012). LMX had positive relationship with other four outcome variables (Affective commitment, creativity, OCB-I and OCB-O) in line with the previous studies. The positive relationship with OCB-O was much stronger than with OCB-I. After OCB-O LMX quality showed strong impact on peer reported creativity of employee than affective commitment. It

reveals that In-group employees share their creative ideas with their supervisors and show their creative performance in their job roles.

LMX quality showed a strong negative relationship with perception of organizational politics. Negative direction indicates that out-group employees have very strong perceptions of political activities in the organization as it was hypothesized and given in previous studies (e.g., Collins, 2008; Innes, 2004; Kacmar *et al.*, 2007; Poon, 2003, 2006; Atinc, Darrat, Fuller, & Parker, 2010)

These all results confirmed the findings reported in a recent meta-analysis on LMX (Dulebohn, *et al.*, 2011).

LMX also showed significant positive relationship with perceived leader integrity which is in accordance to the Implicit leadership theory (Lord *et al.*, 1984) that followers judge the integrity of their immediate supervisor through a cognitive process on the bases of their experiences and quality of interaction or relationship they have with him/her. This empirical finding will contribute to current body of literature as there is no empirical evidence available in previous research.

5.2.2 Perception of Organizational Politics

Perception of organizational politics showed a strong positive relationship with turnover intentions. It had significant negative effects on affective commitment, creativity and OCB-I. These all findings support previous studies as reported in a meta-analysis (Chang *et al.*, 2009). The relationship was negative but insignificant for OCB-O.

Overall POP had significant relationship with four outcome variables and insignificant with one variables. Both affective commitment and Turnover intentions

were self reported had significant relationship. Whereas remaining three outcomes (creativity, OCB-I and OCB-O) were peer reported and only OCB-O had insignificant relationship with POP.

5.2.3 Perceived Leader Integrity

Perceived leader integrity showed significant main effects on all outcome variables except turnover intentions. Strong positive effects were observed with affective commitment and OCB-O, very closely followed by OCB-I. Findings of this study supported results of a latest study on leader integrity and OCB where a significant direct effect ($B= .15$, $P<0.05$) was reported (Zhang, et al., 2014). The impact on creativity was also significant but not very strong as compared to other outcomes.

5.3 Indirect Effects through POP and Perceived Leader Integrity

There were 10 indirect relationships proposed through two parallel mediators (POP and perceived leader integrity) between LMX quality and outcomes. Perceived leader integrity was proved as a better mediator than POP between LMX and outcomes. Out of five, four indirect hypotheses were accepted for perceived leader integrity. However, Out of 5, only two indirect effects through POP were proved. Overall results provided a good support for the indirect relationships proposed in this study. These results also supported theoretical arguments that followers develop their perceptions on the bases of their relationship quality with their supervisor as proposed using Implicit Leadership theory (Lord et al., 1984) and attribution theory (Kelley, 1967; Weiner, 1971). And in turn the developed perceptions (POP and Perceived leader integrity) are reciprocated in the form of outcomes (Affective commitment, turnover intentions, creativity, OCB-I and OCB-O).

The detail of indirect relationships with each outcome is given in the following section.

5.3.1 Affective Commitment

Indirect path between LMX quality and affective commitment was highly significant through both of mediators perceived leader integrity and POP. It means the underlying mechanism proposed between LMX and affective commitment proved significant.

5.3.2 Turnover Intentions

The indirect effect between LMX and turnover intentions was highly significant through POP. It means employees want to leave their organizations if they perceive a highly political environment. These are out-group members who develop very high perceptions of politics about the work environment are likely to withdraw from organization to avoid political games (Chang et al., 2009).

However, perceived leader integrity could not mediate the relationship between LMX and turnover intentions. Reason might be the insignificant relationship between Perceived leader integrity and turnover intentions. It means for out-group members perceived low integrity of their supervisor does not matter but they intent to leave organization because of low quality relationship with supervisor.

5.3.3 Creativity

Perception of organizational politics could not mediate between LMX and creativity. Even the direct effect between POP and creativity was not significant. But perceived leader integrity mediated the relationship between LMX and creativity significantly. It means that in-group members when perceive high level of their supervisor's integrity share their creative ideas and better perform their roles and out-group member

perceive a low integrity of the supervisor and do not like to share their creative ideas with supervisors.

5.3.4 OCB-I

The indirect effect between LMX and OCB-I through POP was not significant. The reason might be the insignificant direct effect of POP on OCB-I. But the case is opposite for perceived leader integrity. It mediated the relationship between LMX and OCB-I significantly. It means In-group members perceive high integrity of their supervisor and in turn show citizenship behaviour towards other employees and vice versa.

5.3.5 OCB-O

POP could not mediate the relationship between LMX and OCB-O significantly. Perceived leader integrity mediated this link significantly. This indicates that in-groups perceive high integrity of their supervisors and in turn citizenship behaviour towards organization.

5.4 Moderation

5.4.1 Transactional Contract

Moderation analyses with transactional contract revealed that the interactive effects of LMX and transactional contract were significant for POP and perceived leader integrity. But the direction was confirmed only for perceived leader integrity. The results supported the basic premise of transactional contract. Direct positive relationship between LMX and perceived leader integrity is stronger for people low in transactional contract and vice versa as proposed. It means employees who are high in

transactional contract are not that much concerned about leader integrity even if they are in-group members.

The interactive effect of LMX and transactional contract was significant for POP but direction was contrary to the proposed. The negative relationship between LMX and POP was stronger for low transactional contract and vice versa. It may be due to a reason that people with high transactional contract are not concerned about the relationship. They don't bother relationships with the immediate boss therefore not concerned with other perceptions developed due to relationships.

5.4.2 Relational Contract

Relational contract was proved as a significant moderator between LMX and POP both in effect and direction. Interactive effect of relational contract and LMX was significant on POP such that the negative relationship between LMX and POP was weaker for employees high in relational contract and vice versa as predicted. It means relational contract play a neutralizing role in the negative relationship between LMX quality and POP. Even out-group members will feel comparatively lesser perceptions of politics if they are high in the relational contract with the organization.

The interactive effect of relational contract and LMX was significant on Perceived leader integrity but direction was opposite to the proposed. Employees high in relational contract did not made any incremental effect on perceived leader integrity but it was decreased. It also reveals that employees high in relational contract are more judgemental about leader integrity. They don't bother even they are in-groups or not.

5.5 Conditional Indirect Effects

Finally the moderated mediation model was tested for each outcome variable. Both mediation links are analysed through moderation of transactional contract and relational contract. Results indicated that moderators made significant effects on mediation link at high and low values.

Overall moderated parallel mediation model was supported through analyses and most of conditional indirect hypotheses were approved.

For conditional indirect effects there were 20 hypotheses. Overall results supported most of the hypotheses. Few hypotheses were partially supported for significant effects but opposite direction and few for insignificant effect but in the proposed directions.

5.5.1 Moderated Mediation through POP

Five out of ten conditional indirect hypotheses were rejected for perception of organizational politics. Conditional Indirect effects for creativity (moderator was transactional contract), and OCB-I and OCB-O (for both moderators—transactional and relational contract) through POP were insignificant.

Although moderation of relational contract was significant for POP but due to insignificant relationship between LMX and creativity, OCB-I, and OCB-O through POP, the conditional indirect effect also proved insignificant for these outcome variables.

Two hypotheses through POP were approved due to significant effect and confirmation of the proposed directions. Specifically conditional indirect relationship between LMX and Affective commitment through POP in case of relational contract

was accepted for both effect and direction. Indirect relation with turnover intentions through POP in case of relational contract was also significant in effect as well as direction. These results are in conformance to the significant indirect relationships for Affective commitment and Turnover intentions. Moreover relational contract was proved a significant moderator. It means at high, medium and low levels of relational contract, the indirect path between LMX and two outcomes affective commitment and turnover intentions through POP were significant as proposed.

Two hypotheses were partially supported for Affective commitment and turnover intentions in case of transactional contract. Conditional mediation effects were significant but direction was opposite to the proposed. These results were in line with the moderation results for POP in case of transactional contract where relationship between LMX and POP was weaker when transactional contract was high instead of low. For conditional indirect hypothesis for creativity in case of relational contract the effect was insignificant but direction was as per proposed. This result was in line with the significant role of relational contract between LMX and creativity.

5.5.2 Moderated Mediation through Perceived Leader Integrity

There were 10 conditional indirect hypotheses through perceived leader integrity and only one was rejected. In case of transactional contract four out of five hypotheses were fully approved. Specifically for affective commitment, creativity, OCB-I and OCB-O, the conditional indirect effects were significant in effect as well as direction. It means mediations were stronger through Perceived leader integrity at low levels of transactional contract for four outcome variables (affective commitment, creativity, OCB-I and OCB-O). These results are in line with the moderation and mediation results for these outcome variables through perceived leader integrity.

For turnover intentions, conditional indirect hypothesis in case of transactional contract was partially approved. Effect was not statistically significant but direction was confirmed as proposed. But the reason might be the insignificant main effect of perceived leader integrity on turnover intentions.

In case of relational contract one conditional indirect effect was rejected for turnover intentions and all remaining conditional indirect hypotheses through perceived leader integrity were partially approved. For affective commitment the conditional indirect effect was significant but direction was contrary to the hypothesis. Relational contract could not strengthen the indirect relationship but it impacted inversely. Same is the case with creativity, OCB-I and OCB-O where conditional mediations were approved but in inverse directions. It confirms the previous finding of the moderation analyses that employees high in relational contract do not strengthen the relationship between LMX quality and perceived leader integrity even in case of in-groups. Their judgement of integrity may not be on the bases of their relationship quality but on other factors.

5.6 Theoretical implications

A large body of research has focused on nature and development of leader member exchange relationships by looking into personal attributes and similarities between leader and subordinate (e.g., van Beukelen, Schyns, & Le Blanc, 2006). It was followed by studies on attitudinal and behavioural outcomes of LMX relationships (Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007). Even mediating role of LMX relationship was studied in a recent meta-analysis to portray a better picture of LMX theory by incorporating antecedents and consequences of LMX relationships at the same time (Dulebohn et al., 2011). There is still a need in LMX theory refinement

by understanding the underlying process between LMX and outcomes. This clear understanding would be very helpful for leader effectiveness.

For example, it was found repeatedly that higher LMX quality leads towards better subordinate performance and OCBs but “it is not yet extensively understood the *how* and *why* of these relationships” (Walumbwa, Cropanzano, & Goldman, 2011; Chen, Lam, and Zhong, 2007). This study is an attempt to answer how and why LMX quality impacts subordinate attitudes and behaviours. This study is unique in nature that not only investigated the mediators between LMX and outcomes but also proposed presence of moderators in the relationships.

A moderated parallel mediation model was proposed to understand the underlying mechanism in terms of perception of organizational politics and perceived leader integrity between LMX relationship and outcomes.

The present study investigated two types of exchange relationship, one with the immediate boss/supervisor in terms of LMX quality and second with the organization i.e. psychological contract types. The interactive effect of these two kinds of exchanges are investigated on POP and perceived leader integrity in first part and then mediation has been analysed between LMX quality and outcomes with moderating effects of psychological contracts. Up to best knowledge of the researcher no conditional mediation has been studied between LMX quality and outcomes so far. There are few studies in which few mediators were investigated between LMX relationship and outcomes (e.g., Liden, Wayne, & Sparrowe, 2000; Chen et al., 2007; Burers et al., 2008; Cheunga & Wub, 2012), but POP and Perceived leader integrity have not been studied as mediators so far. Even the direct relation between LMX quality and perceived leader integrity has not been studied earlier up to best

knowledge of the researcher. This study will give new insights how subordinates make judgement about their supervisor integrity. Then how perceived leader integrity mediates relation between LMX and outcomes. Therefore this study fills important gaps in LMX theory based research by examining perceived leader integrity in direct and indirect relationships.

Moreover this study provides subjective assessment about leader integrity based on quality of relationship with the leader. It gives new insights how perceptions develop due to relationships which is having growing attention in OB research. His study validates a better and new scale of perceived leader integrity that encompass both important components the morality and consistency. However, previous studies mostly focused on one of these factors.

This study incorporates two levels of perceptions developed on the bases of LMX quality. One is about the context POP, and second is about leader integrity. Therefore it gives a more detailed underlying mechanism between LMX and outcomes.

In a recent meta-analysis (Dulebohn et al., 2011), it was urged to test LMX theory in non western cultures. Therefore this study gives a good empirical support of this theory. Most of the relationships were validated in Asian context. Few exceptional results are also of high importance for further research. Role of relational contract for in-groups were not according to predictions. It means nature of Leader member exchange and exchange relationship with employer/organization is of different nature. But significant results for transactional contract as moderator extended the findings of meta-analysis (Dulebohn et al., 2011) where moderators could not make any change in the relationships between antecedents of LMX and outcomes and no moderator was studied between LMX and outcomes.

This study has tried to integrate number of theories like LMX theory (Graen, 1976; Graen & Scandura, 1987), psychological contract theory (Rousseau, 1989) organizational politics theory (Ferris, et al,1989), attribution theory (Kelley, 1967) and implicit leadership theory (Lord et al,1984) under umbrella of social exchange theory. This effort is very helpful to understand the interaction and integration of different theories in OB research.

5.7 Methodological implications

Dulebohn, et al (2011) clearly indicated that majority of LMX studies are based on cross-sectional design and relationships were reported from the common sources. The present study followed a longitudinal research design that was highly demanded and common method bias was rectified by peer report of creativity, OCB-I and OCB-O. Previous longitudinal studies were on the development of LMX but there is scarcity on the longitudinal design for consequences of LMX. Therefore this particular study helps to fill methodological gaps and issues in the previous studies on LMX. This study is based on employees from different organizations with diversified career backgrounds. Therefore sample provides a better generalizability of LMX theory.

5.8 Managerial Implications

This study provided multiple recommendations for managers. In the organizations where in-group, out-group divide is more prominent, there would be higher level of perception of organizational politics which is detrimental for most of the attitudes and behaviours. Leaders/ supervisors can reduce these political perceptions by increasing no of in-groups.

This study also indicated that employees higher in transactional contract are more detrimental for organization. Therefore while recruiting the employees they must be judged on their psychological contract as well.

There is another important finding that leader should more work on their integrity part. Even for in-groups it is very important to develop a better perception about supervisor's morality and consistency in their decisions and practices.

5.9 Strengths and Limitations of the Study

This study possesses few theoretical and methodological strengths. Firstly it contributes theoretically by investigating mediation (by POP and perceived Leader Integrity) and moderation relationships by psychological contract types, which have been discussed in above section.

The longitudinal design justifies the temporal investigation of mediation model, which is highly required and urged in LMX research. Self reporting bias has also been reduced by peer report for behaviours i.e. creativity, OCB-I and OCB-O.

The main limitation of the study is that only follower's perspective has been investigated. More resources were required to take supervisor perspective to measure the proposed model.

5.10 Future Research Directions

This study provides many insights for future research.

Firstly, few more mediating variables should be studied to understand underlying mechanisms between LMX and outcomes. For example justice perceptions should be studied in different relationships with LMX.

Other moderators may be studied specifically between LMX and perceived integrity because perceive leader integrity is also subjective and based on perceptions. Few other individual and contextual variables may play a role.

Few moderators should also be studied between LMX and POP to neutralize the negative relationship because POP is highly detrimental for attitudes and behaviours. POP and creativity should be studied in different work settings with different measures of creativity because POP-creativity relationship was insignificant instead of negative as reported in previous studies.

This study is based on follower perspective of LMX relationship. In future both perspectives should be studied to understand more details of mechanisms.

5.11 Conclusion

This study is a comprehensive attempt to answer and investigate very demanding questions how and why LMX quality of employees impacts their attitudes and behaviours. There are less than few evidences (Jiang, et al., 2014) of moderated median model on LMX theory to understand the underlying complex process between Leader member exchange relationship and outcomes. This study provides a plausible justification of the underlying process between LMX quality and outcomes by explaining parallel mediation through Attribution theory and Implicit leadership theory under the umbrella of LMX theory and Social exchange theory. The role of Psychological contracts (relational and transactional) is also being studied to understand the conditional indirect effects and supported by psychological contract theory. Overall results supported the moderated mediation model along with direct, indirect and moderation links. This study is helpful to understand the complex process

of sense-making and judgement on the basis of exchange quality relationship with the leader.

This study is contributing the current body of literature theoretically and empirically in many ways. All measures are also validated in Asian setting. Moreover, the results indicated a good support for most of the hypotheses. More future research directions are proposed on the bases of results along with theoretical and managerial contributions.

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Appendix 1

Table 28 Factor Loadings, AVE and Reliabilities of LMX

LMX	Factor	Sq multiple	AVE	Reliability
	Loadings	Correlations		
LMX1T1		.60	.40	
LMX2T1		.74	.56	
LMX3T1		.67	.48	
LMX4T1		.76	.58	
LMX5T1		.75	.59	
LMX6T1		.71	.56	
LMX7T1		.74	.56	
			.53	.89

AVE = Average Variance extracted

Table 29 Factor Loadings, AVE and Reliabilities of POP

Items	Factor Loadings	Sq multiple	AVE	Reliability	
				Correlations	
Gen. Political Behavior- Going along –Pay&Promotion					
POP1T2	.81		.66		
POP2T2	.84		.72		
POP3T2	.81		.66		
POP4T2	.80		.64		
POP5T2	.66		.44		
POP6T2	.57		.33	.57	.89
POP7T2		.68		.46	
POP8T2		.85		.73	
POP9T2		.74		.55	
POP10T2		.70		.49	.55
POP11T2			.73	.54	
POP12T2			.78	.61	.57
					.73
					.87

Loadings of three dimensions of POP with single latent factor

Gen Political Behaviour	.629	.39		
Go Along to Get Ahead	.953	.91		
Pay and Promotion	.956	.90		
			.73	.87

AVE = Average variance extracted

Table 30 Factor Loadings, AVE and Reliabilities of Perceived Leader Integrity

Leader Integrity	Factor Loadings	Sq multiple	AVE	Reliability
Correlations				
PLImor1T2	.799	.632		
PLImor2T2	.805	.643		
PLImor3T2	.792	.631		
PLImor4T2	.855	.730	0.65	.86
PLIcons1T2		.797	.688	
PLIcons2T2		.608	.390	
PLIcons3T2		.692	.479	
PLIcons4T2		.722	.621	0.54
Loadings of two dimensions of PLI on single latent factor				
Morality		.92	.84	
Consistency		.86	.73	
			.78	.88

AVE = Average Variance Extracted ; PLI = Perceived Leader Integrity, Cons= Consistency, Mor = Morality

Table 31 Factor Loadings, AVE and Reliabilities of Psychological Contract Types (Transactional and Relational)

Psychological Contract Types	Factor Loadings	Sq multiple Correlations	AVE	Reliability
RC1T1	.58	.33		
RC2T1	.63	.40		
RC3T1	.71	.51		
RC4T1	.64	.38		
RC5T1	.54	.29		
RC6T1	.70	.49		
RC7T1	.73	.51		
RC8T1	.77	.69		
RC9T1	.72	.54		
RC10T1	.72	.53	.56	.90
TC1T1		.61	.41	
TC2T1		.77	.61	
TC3T1		.70	.61	
TC4T1		.66	.44	
TC5T1		.67	.47	
TC6T1		.78	.59	
TC7T1		.74	.52	
TC8T1		.70	.49	
TC9T1		.58	.34	
TC10T1		.64	.37	0.58
				.89

AVE = Average Variance Extracted; TC = Transactional Contract; RC = Relational Contract

Table 32 Factor Loadings, AVE and Reliability of Affective Commitment

Items	Factor Loadings	Sq multiple Correlations	AVE	Reliability
AC1T2	.831	.70		
AC2T2	.705	.50		
AC3T2	.734	.54		
AC7T2	.573	.33	.51	.75

*AVE = Average Variance Extracted; AC = Affective Commitment,
3 items were removed (AC4, AC5, AC6) because of their lower loadings < .3*

Table 33 Factor Loadings, AVE and Reliabilities of OCB-I and OCB-O

Items	Factor Loadings	Sq multiple Correlations	AVE	Reliability
OCBI1T2	.715	.531		
OCBI2T2	.766	.597		
OCBI3T2	.670	.479		
OCBI4T2	.696	.485		
OCBI5T2	.658	.453		
OCBI6T2	.659	.435		
OCBI7T2	.725	.555	0.50	.87
OCBO1T2		.802	.642	
OCBO2T2		.869	.756	
OCBO3T2		.840	.705	
OCBO6T2		.705	.497	
OCBO7T2		.627	.393	0.59
				.87

AVE = Average Variance Extracted;

OCBI = Organizational Citizenship Behavior towards Individuals,

OCBO = Organizational Citizenship Behavior towards Individuals,

Appendix 2

Fig 6

Single factor Confirmatory factor Analysis for LMX Quality

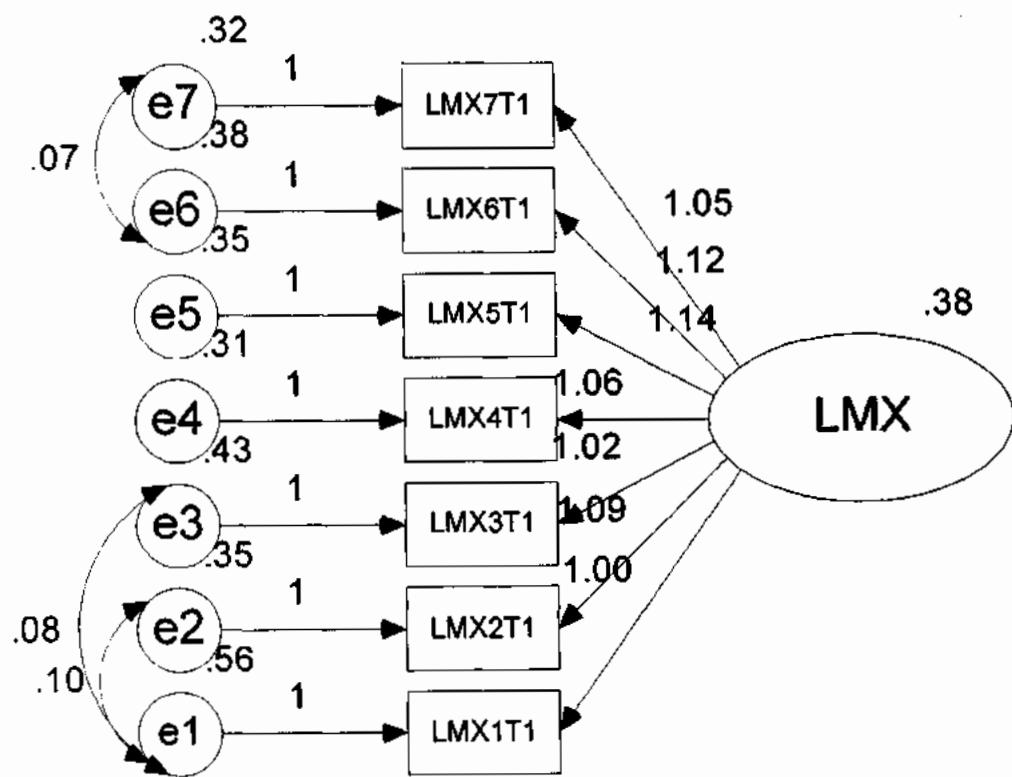


Figure 7
Second-Order Confirmatory Factor Analysis for POP

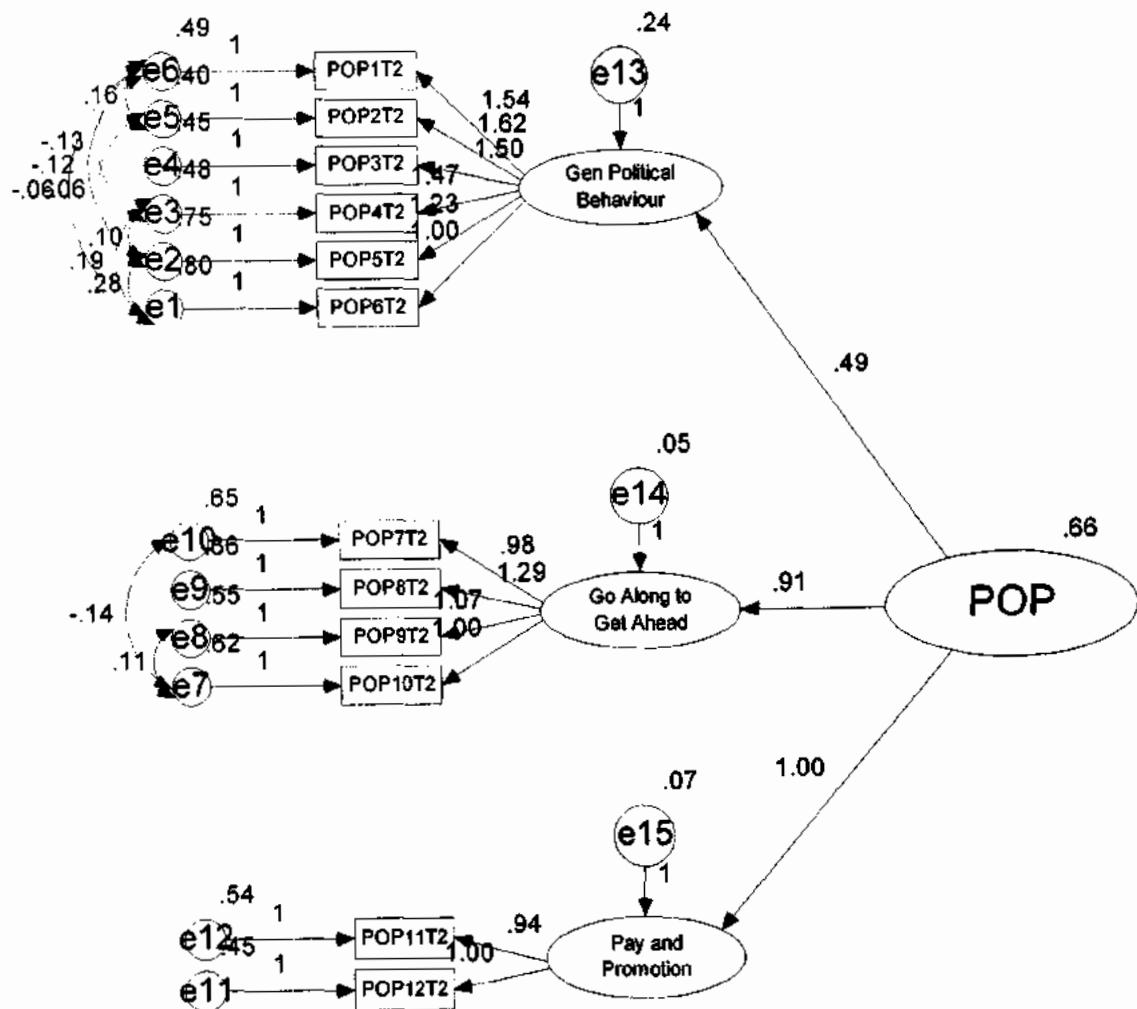


Figure 8
Second-Order Confirmatory Factor Analysis for Perceived Leader Integrity

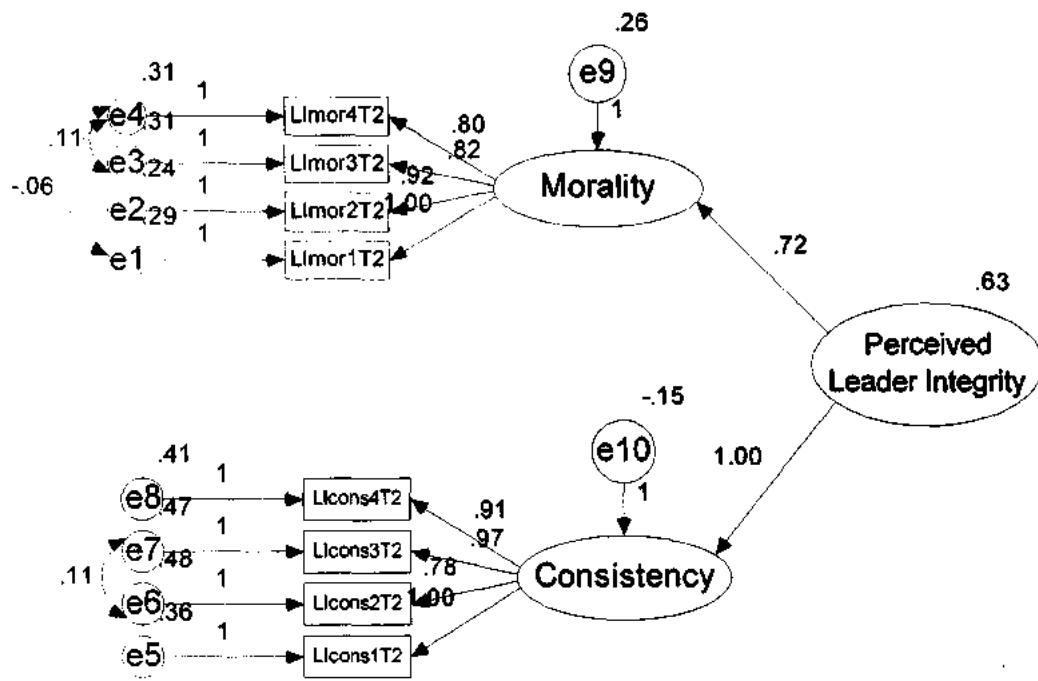


Figure 9

2-Factor Confirmatory Factor Analysis model for transactional and relational contracts

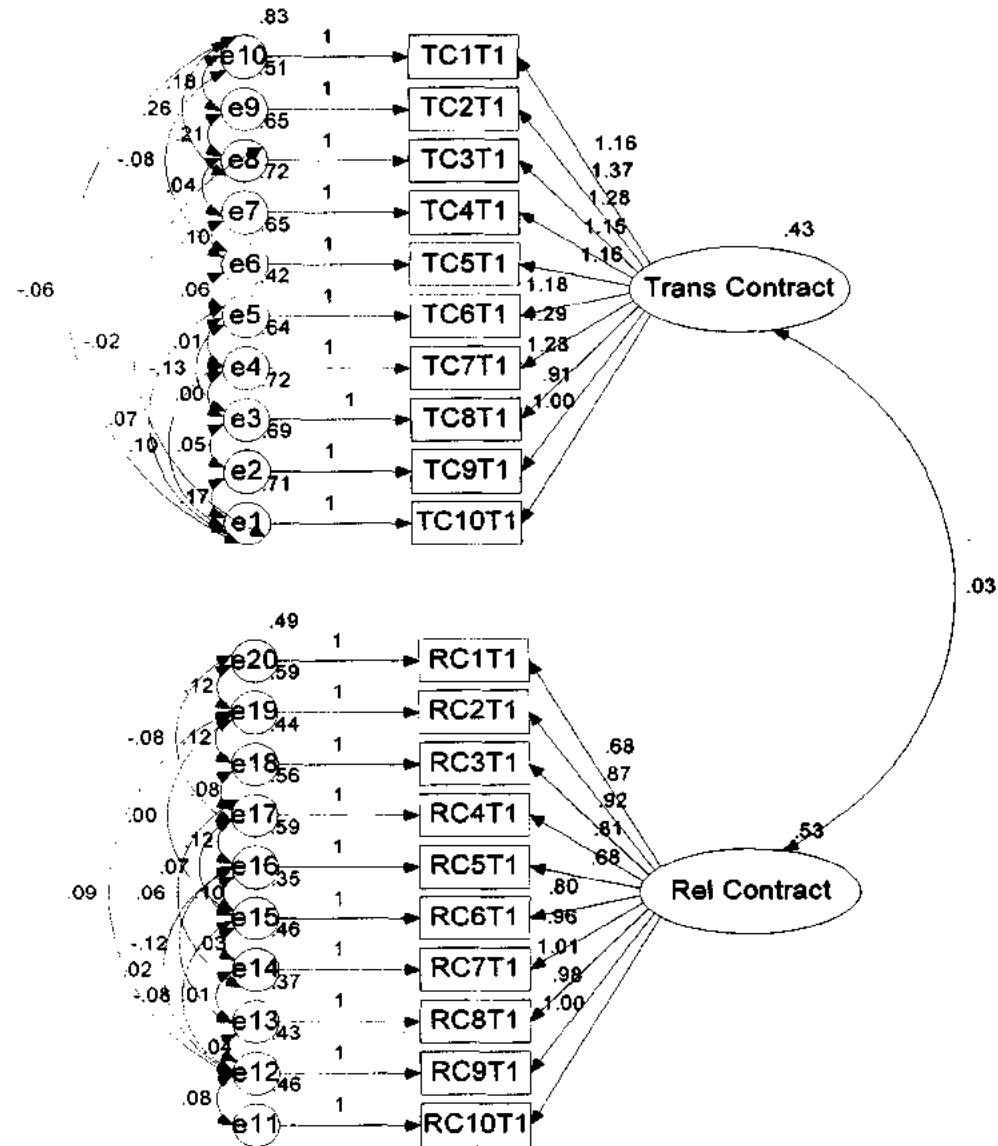


Fig 10
2- Factor Confirmatory Factor Analysis for OCB

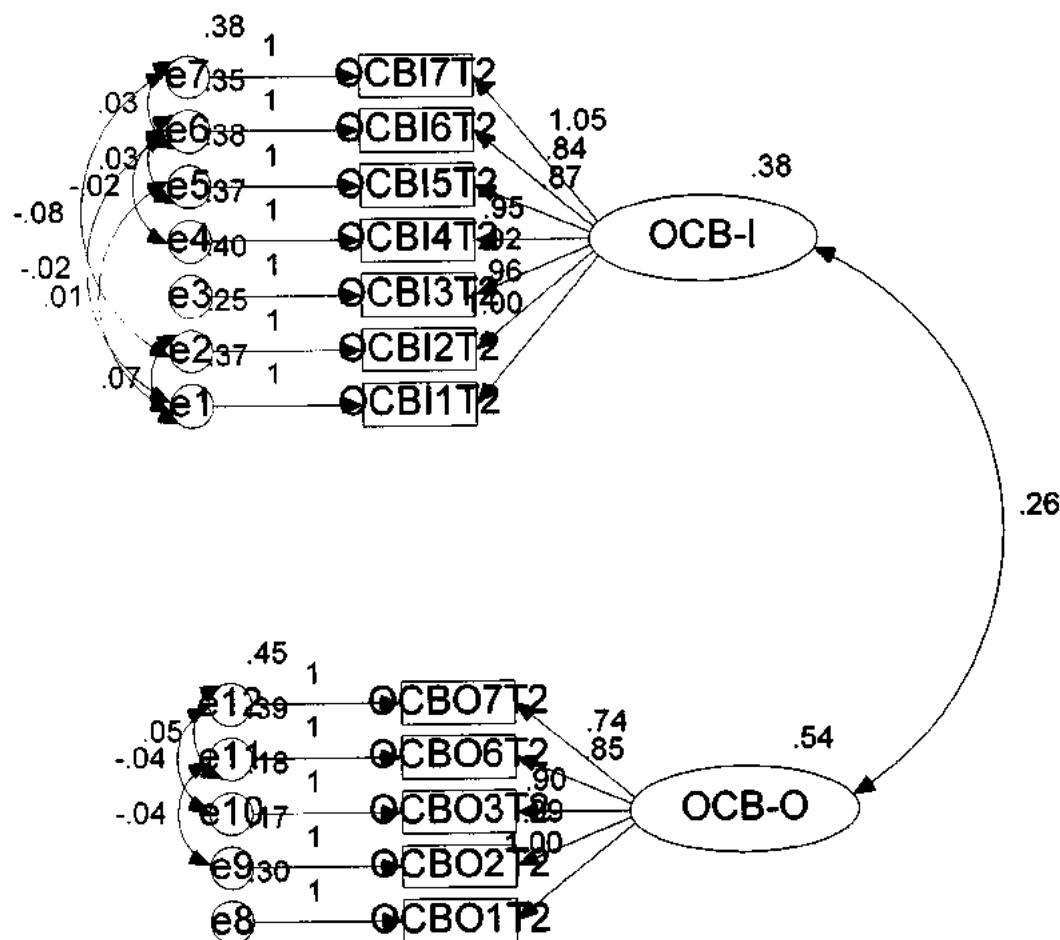


Fig 11

CFA FOR MEDIATORS: 2 FACTOR MODEL

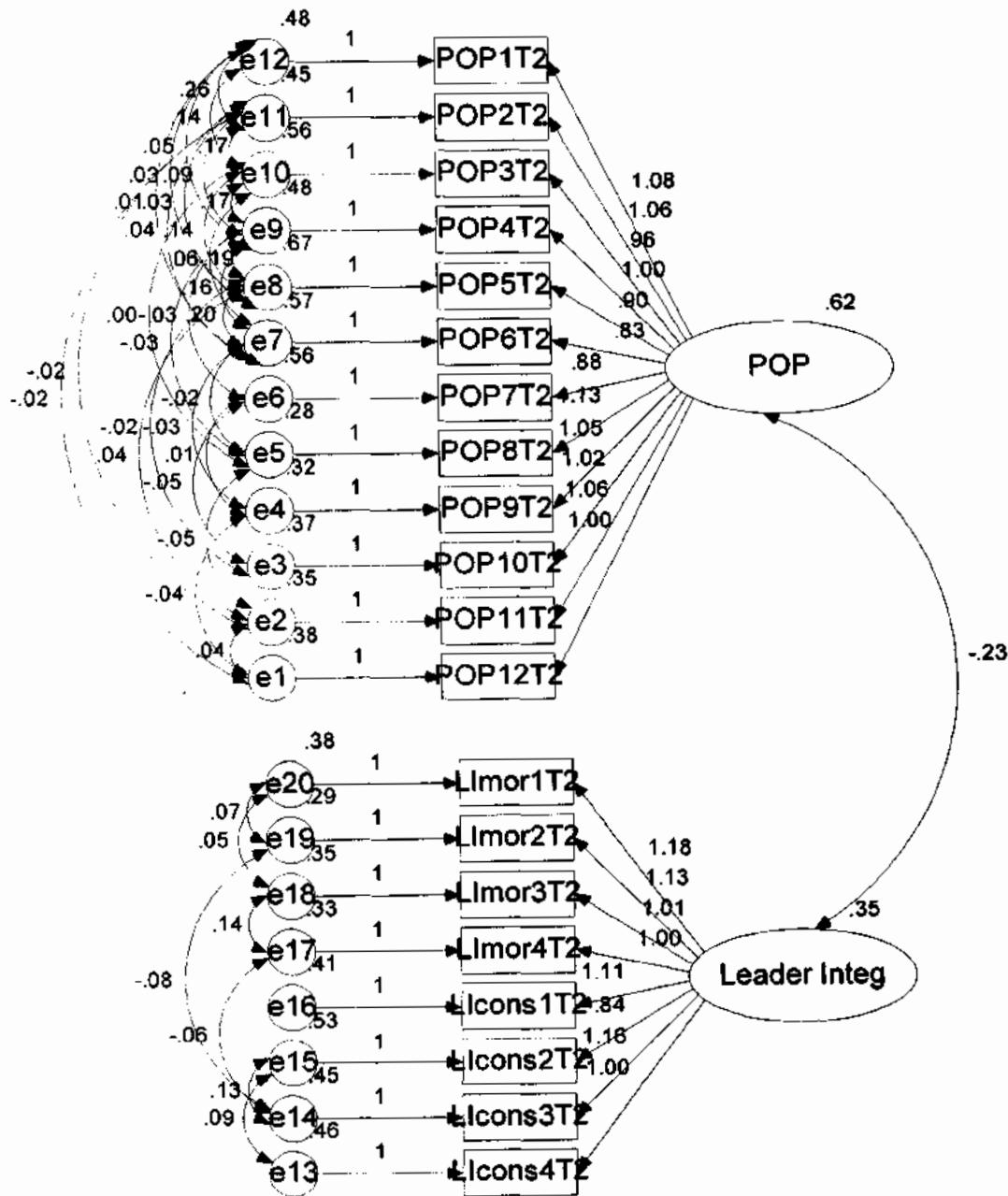
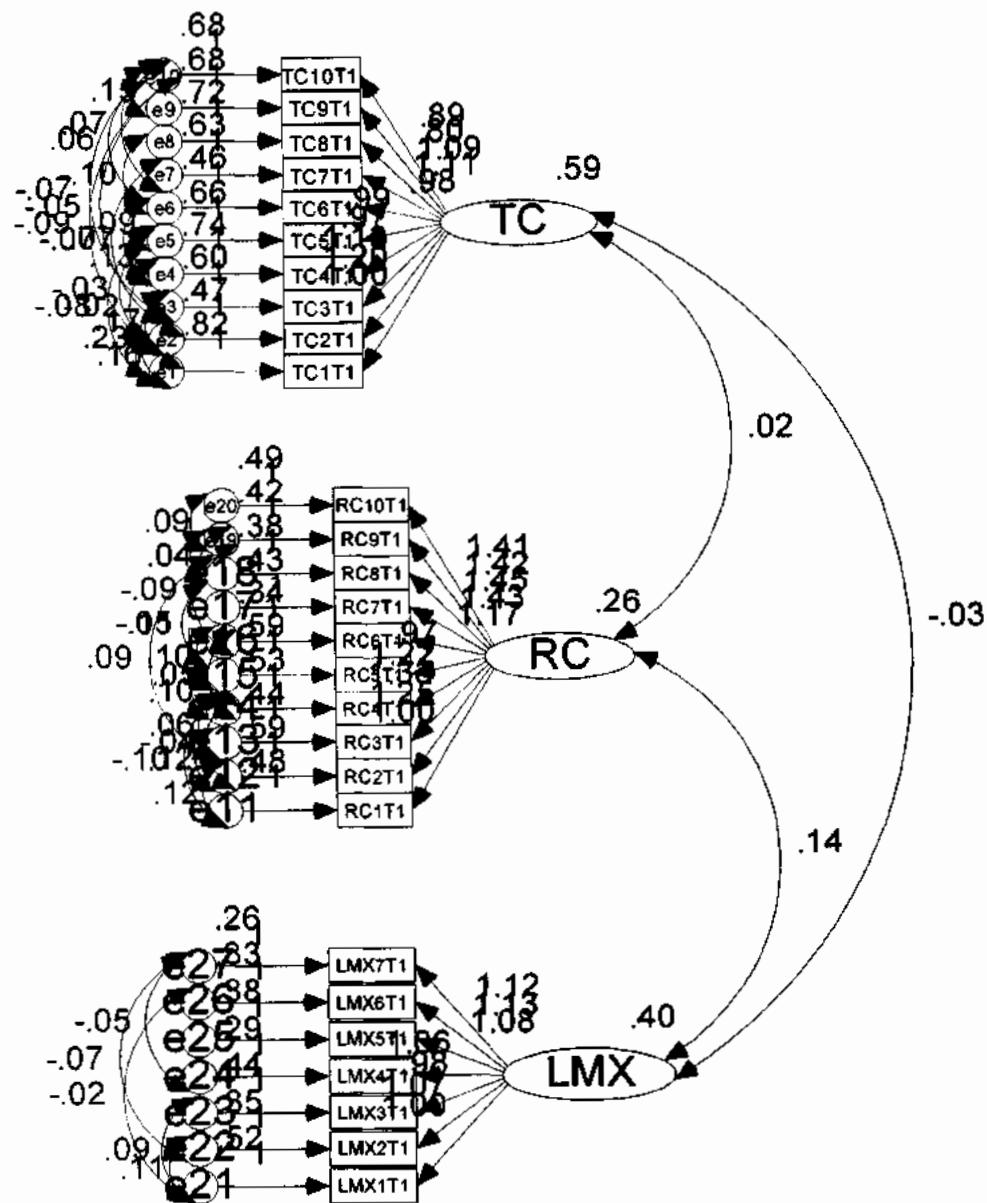


Fig 12

CFA FOR IV and Moderators: 3 FACTOR MODEL



Appendix 3

Measures:

1. *LMX Quality (Self Reported)*

1	My direct supervisor lets me know whether (s)he is satisfied with my work
2	My direct supervisor shows understanding for my problems and wishes regarding my job
3	I feel like I am valued by my direct supervisor;
4	My direct supervisor uses his/her influence to help me solve problems in the office
5	My direct supervisor gives surety for me ([s]he has my back) when that is necessary
6	My direct supervisor pays attention to my capacities
7	I have an effective working relationship with my direct supervisor.

2. *Perceived Leader Integrity (Self Reported)*

Morality	
1	The leader is guided by a clear moral compass
2	The leader shows respect to others
3	The leader is fair
4	The leader is honest
Consistency	
1	The leader says exactly what he or she means
2	The leader behaves consistently over time
3	The leader behaves consistently across situations
4	When the leader promises something, you can be certain that it will happen

3. *Perception of Organizational Politics (Self Reported)*

1	One group always gets their way
2	Influential group gets ahead
3	Policy changes help only a few employees
4	Build them up by tearing others down
5	Favouritism not merit gets people ahead
6	Don't speak up for fear of retaliation
7	Promotions go to top performers(R)
8	Rewards come to hard workers (R)
9	Encouraged to speak out (R)
10	No place for Yes men (R)
11	Pay and promotion policies are not politically applied (R)
12	Pay and promotion decisions are consistent with policies (R)

4. Psychological Contract Types (Self Reported)

Transactional Contract	
1	Provides short-term employment
2	Makes no commitment to retain me in the future
3	Provides employment for a specific or limited time only
4	Requires me to do only limited duties I was hired to perform
5	Pays me only for specific duties I perform
6	Expects our jobs to be limited to specific well defined responsibilities
7	Has made no promises to continue my employment
8	Can terminate my employment any time
9	Is training me only for my current job
10	Expects my limited involvement in the organization
Relational Contract	
11	Offers steady employment
12	Provides stable benefits to employees' families
13	Shows concern for my personal welfare
14	Sacrifices short-term organizational interests for employee interests
15	Gives wages and benefits I can count on
16	Is responsive to employee concerns and well-being
17	Makes decisions with my interests in mind
18	Shows concern for my long-term well-being
19	Provides secure employment
20	Provides stable wages over time

5. Turnover Intentions (Self Reported)

1	I often think about leaving the organization.
2	It is highly likely that I will look for a new job in the next year.
3	If I may choose again, I will choose to work for the current organization.

6. Affective Commitment (Self Reported)

7.

1	I would be very happy to spend the rest of my career with this organization.
2	I enjoy discussing my organization with people outside of it.
3	I really feel as if this organization's problems are my own.
4	I could easily become as attached to another organization as I am to this one.(R)
5	I do not feel like "Part of the family" to this organization.(R)
6	I do not feel "emotionally attached" to this organization.(R)
7	This organization has a great deal of personal meaning for me.
8	I do not feel a strong sense of belongingness to my organization.(R)

7. Creativity (Peer Reported)

1	How original and practical is this person's work?
2	How adaptive and practical is this person's work?
3	How creative is this person's work?

8. OCB-I (Peer Reported)

This Person.....

1	Helps others who have been absent?
2	Helps others who have heavy workloads?
3	Assists supervisor with his/her work (when not asked)?
4	Takes time to listen to co-workers' problems and worries?
5	Goes out of way to help new employees?
6	Takes a personal interest in other employees?
7	Passes along information to co-workers?

9. OCB-O (Peer Reported)

This Person....

1	Attendance at work is above the norm?
2	Gives advance notice when unable to come to work?
3	Takes undeserved work breaks ®?
4	Spends Great deal of time with personal phone conversations ®?
5	Complaints about insignificant things at work ®?
6	Conserves and protects organizational property?
7	Adheres to informal rules devised to maintain order?

Results Summary of Direct Effect Hypotheses				
Hypotheses	IV	Direction	DV	Result
H1a	LMX	+	AC	Accepted
H1b		-	TOI	Accepted
H1c		+	CR	Accepted
H1d		+	OCB-I	Accepted
H1e		+	OCB-O	Accepted
H2	LMX	-	POP	Accepted
H3a	POP	-	AC	Accepted
H3b		+	TOI	Accepted
H3c		-	CR	Accepted
H3d		-	OCB-I	Accepted
H3e		-	OCB-O	Rejected
H5	LMX	+	PLI	Accepted
H6a	PLI	+	AC	Accepted
H6b		-	TOI	Rejected
H6c		+	CR	Accepted
H6d		+	OCB-I	Accepted
H6e		+	OCB-O	Accepted

Result Summary of Mediation Hypotheses

Hypotheses	IV	DV	Mediator	Result
H4a	LMX	AC	POP	Accepted
H4b		TOI	POP	Accepted
H4c		CR	POP	Rejected
H4d		OCB-I	POP	Rejected
H4e		OCB-O	POP	Rejected
H7a	LMX	AC	PLI	Accepted
H7b		TOI	PLI	Rejected
H7c		CR	PLI	Accepted
H7d		OCB-I	PLI	Accepted
H7e		OCB-O	PLI	Accepted

Results Summary of Moderation Hypotheses

Hypotheses	IV	DV	MODERATOR	
H8a	LMX	POP	TC	Rejected
H8b		PLI	TC	Accepted
H9a		POP	RC	Accepted
H9b		PLI	RC	Rejected

Results Summary of Conditional Indirect (Mod-Med) Hypotheses					
Hypotheses	IV	DV	Mediator	Moderator	
H10(a)	LMX	AC	POP	TC	Partially Accepted
H10(b)		AC	PLI	TC	Accepted
H11(a)		AC	POP	RC	Accepted
H11(b)		AC	PLI	RC	Partially Accepted
H12(a)		TOI	POP	TC	Partially Accepted
H12(b)		TOI	PLI	TC	Partially Accepted
H13(a)		TOI	POP	RC	Accepted
H13(b)		TOI	PLI	RC	Rejected
H14(a)		CR	POP	TC	Rejected
H14(b)		CR	PLI	TC	Accepted
H15(a)		CR	POP	RC	Partially Accepted
H15(b)		CR	PLI	RC	Partially Accepted
H16(a)		OCBI	POP	TC	Rejected
H16(b)		OCB-I	PLI	TC	Accepted
H17(a)		OCB-I	POP	RC	Rejected
H17(b)		OCB-I	PLI	RC	Partially Accepted
H18(a)		OCB-O	POP	TC	Rejected
H18(b)		OCB-O	PLI	TC	Accepted
H19(a)		OCB-O	POP	RC	Rejected
H19(b)		OCB-O	PLI	RC	Partially Accepted