To Keep Close or to Let Loose: Recipe for Sustainable Quality Dyad

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Abstract

This study’s objective was to determine factors that sustain a quality dyad. Leaders are known to consciously and subconsciously form two groups; in-group and outgroup members. Studies have revealed that in-group members work overtime and perform extra duties and in turn, get favours from the leaders including career mobility and access to information, among other favours. Literature is unclear on how these groups are formed and this paper embarked on finding out the recipe of the formation and sustainability of a quality dyad. It was hypothesised that being a male member, trust and competence are not recipes of a high-quality relationship. Descriptive survey was employed; a population of 19 leaders were responding to questions about their 169 employees who report to them directly. Primary data was collected using semi-structured questionnaires. 122 pairs of leaders and their direct reports was the response rate (72.2%). Descriptive statistics were used to analyse the data. The hypothesis was tested using logistical regression technique. The results showed that competence and trust are the recipe for an inclusion into the in-group of a leader. Gender, on the other hand, was not a recipe for a sustainable quality dyadic relationship. It is recommended that employees should ensure high level trustworthiness and competence for them to be kept close by the leader. The paper suggests that more variables can be considered as recipes for the quality dyadic relationship. These findings add significant value on both theory, policy and practice.

Keywords: in-group, outgroup, dyad, leader member exchange, competence, trust, gender

1. Introduction

Leader-member exchange (LMX) explains leadership as a concept that concentrates mainly on interactions amongst a leader and subordinates. It makes a two-way relationship between leaders and followers a central point of leadership concept. LMX concept challenges the premise that bosses treat their subordinates in a communal way. It focuses more on the variances that may well exist between the superior and each one of his/her followers (Hwa et al 2008). The concept is based on the assumption that leaders do not interrelate with their followers homogeneously (Graen and Cashman, 1975) for they have restricted time and resources. Hence, a leader may have poor interactive relationship with some subordinates and open and credulous relationship with others.

Arising from the discussion above, the proposition of the LMX theory is that with time two categories emerge among the subordinates based on how the leaders interacts with each other. The two groups are known as in-group and outgroup. In-group members are involved in more responsibilities, rewarded more, and they get more attention from the leader. Further, members of the in-group contribute in making decision and assigned extra duties. The leader permits these members some autonomy in their roles. They work and coordinate very closely with the leader. Contrary to this, out-group members are loosely attached to the leader, get less attention, scarce rewards, and are guided by formal guidelines and policies. This therefore leads to the in-group members achieving higher productivity, they are more satisfied with their job, more motivated and participate in extra citizenship behaviors than out-group members (Lunenburg, 2010). The aim of this paper therefore is to find out what the leader considers in drawing some subordinates closer to themselves.

In this aspect, the study considered three factors including gender, trust and competence as the necessary ingredients for the leader to place the subordinates in in-group. The author was intrigued to find out whether gender, trust and competence would make a subordinate be placed in in-group or outgroup. Competence in this paper was operationalized using know how, know whom and know why. These were considered by the author as
comprehensive to cover the whole aspect of competence. Trust on the other hand, was operationalized by loyalty, integrity and consistency as adapted from the works of McEvily and Tortoriello (2010).

2. Literature Review and Hypothesis Development

There is extant literature on the concept of leader member exchange and specifically the aspect of in-group and out-group. Leader Member Exchange theory, has its roots in role theory (Graen & Cashman, 1975) and guided by social exchange theory (Blau, 1964, suggests that dyadic relations grows with time through a sequence of exchanges (Dienesch & Liden, 1986) and that quality in these relations differ (Dulebohn et al, 2012; Henderson et al, 2009). The quality of relations, and the mutual interactions within them, has proved to influence significant leader and member attitudes and behaviors (Ilies et al., 2007; Liden et al, 1997; Sparrowe & Liden, 1997).

Evaluating competencies is used to identify people with a great potential to become effective leaders (Geertshuis et al; 2015). Kacmar et al. (2003) argue that when managers find communication pleasant, they possibly will recompense subordinates with extra important information, which may result in increased probability of being in the in-group. On the contrary, if communication between a dyad is not pleasant, then a manager would probably not provide useful guidance to a subordinate and their relationship may affect the member’s performance ratings. According to Lau and Pang (2000), an individual who exhibits competence in their work have a tendency of experiencing career progression faster than the others who are not competent.

A quantitative study on career competence for career success done by Kuipjers (2006), found that elements like career control and networking are strongly related with career accomplishment. Member features that have been studied, as precursors of Leader-Member Exchange are competence, personality and upward influence behaviour. Various studies have examined employee competence as a precursor of Leader-Member Exchange and used leader’s evaluations of member performance. Nevertheless, Liden, Wayne and Stillwell (1993), studied member competence as an antecedent of Leader-Member Exchange, on newly established dyads and found that member competence predicted leaders’ opinions of Leader-Member Exchange, overcome this.

A study done by Häkkinen, (2012), found out that in the initial stage of Leader-Member Exchange development, relations are essential in enhancing good quality Leader-Member Exchange. Though this may be true, trust, loyalty and respect are vital to a steady relation between a leader and a follower. Of importance, trust is spontaneous sociability, that brings out relationships logically and supports the movement of information between supervisors and their subordinates (Fukuyama, 1995).

Trust plays an imperious role in the quality of a relationship that leaders make with their followers (Brower et al., 2009). Leader-Member Exchange theory suggested that in-group members are selected by managers grounded on their expertise and capability, degree of trustworthiness as well as enthusiasm to undertake more responsibility (Scandura, et al, 1986). Trust academics have suggested that people use an intellectual, coherent method to evaluate a person’s trust first, which is determined by a person’s reliability and competency (Lewicki, et al, 2006). This will eventually lead to a subordinate placement on in-group or outgroup by the leader.

Based on the foregoing discussion therefore, the following hypothesis can be deduced:

\( H_0: \) Gender, Competence and Trust do not significantly influence high-quality relationship

\( H_a: \) Gender, Competence and Trust do not significantly influence high-quality relationship

3. Methodology and Design

Research designs institute the scheme for the gathering, measurement and analysis of data (Cooper and Schindler, 2011). This study assumed a cross-sectional descriptive survey. The study was done at one point in time. The population of the study was 19 leaders reporting on 169 employees reporting directly to them. The leaders’ rate the extent to which they agree on statements on trust, competence and leader member exchange. These were employees of a large manufacturing company in Kenya. The leaders are at management level 4B and they were responding on their subordinates of management level 5.

Semi-structured questionnaires were used to collect primary data. A questionnaire was considered convenient since it could reach many respondents and the respondent had the capacity to read and understand the items in the questionnaire well. The questionnaire used structured questions with likert type of questions ranging from ‘agree to a very large extent’ to ‘agree to a very less extent’. Descriptive statistics was employed and means and standard deviations were used. The hypothesis was tested using logistical regression analysis. This was considered appropriate since the nature of the data collected was both nominal and categorical.
4. Data Analysis and Discussion

Response rate of the leaders was 100%. All the leaders were able to fill the questionnaires about their members. In total 122 questionnaires were filled by the leaders about their members. This formed member’s response rate of (72.2%), which is high compared to those done in previous studies; Mumma (2010) realized 55%, Sibunruang and Capezio (2013) got 60% and Geertshuis (2015) got 35.4% response rate. The high response rate was because the researcher personally delivered the questionnaires to the respondents’ headquarters. The leaders could not give information concerning all the members who were enlisted since by the time of data collection some of the subordinates reporting directly to the leaders had been transferred to other places hence the leaders could not comment on them.

The internal consistency was measured using cronbach alpha coefficient. 0.70 and above was used as a rule of thumb (Cooper and Schindler, 2011). Experts at the University of Nairobi were used to confirm validity of the instrument. Kolmogorov Smirnov test was used to test normality and the results in this study were above 0.05 confirming normality.

Table 1. Respondents demographics

| Gender           | Frequency | Percentage (%) |
|------------------|-----------|----------------|
| Male             | 12        | 63.2           |
| Female           | 7         | 36.8           |
| Total            | 19        | 100            |

| Number of years worked with the organization | Frequency | Percentage (%) |
|---------------------------------------------|-----------|----------------|
| 5-9 years                                   | 7         | 36.8           |
| 10-15 years                                 | 12        | 63.2           |
| Total                                       | 19        | 100            |

| Number of years held the current position   | Frequency | Percentage (%) |
|---------------------------------------------|-----------|----------------|
| 5-9 years                                   | 13        | 68.4           |
| 10-14 years                                 | 6         | 31.6           |
| Total                                       | 19        | 100            |

| Current level of education                  | Frequency | Percentage (%) |
|---------------------------------------------|-----------|----------------|
| Bachelor’s Degree                           | 4         | 21.1           |
| Master’s Degree                             | 15        | 78.9           |
| Total                                       | 19        | 100            |

Source: Field Data (2017)

The study findings presented in Table 1 reveal that majority of the respondents (63.2%) were male supervisors while (36.8%) were female supervisors. This implies that there are more male than female supervisors in the manufacturing company studied. Hoobler, Lemmon and Wayne (2011) argue that society commonly links effective leadership with stereotypically ‘masculine’ qualities such as boldness and dominance, and criticize female leaders because they violate these gender customs. Due to this, women experience more hindrances to reaching the upper ranks. Although not captured, these reasons could apply to what has been observed at this largest manufacturing company studied.

Concerning the length of service in the manufacturing firm, the results indicate that 36.8% of the leaders had worked between 4-9 years and that majority of the supervisors (63.2%) had worked for this firm for a period between 10-15 years. This means that majority of the supervisors had relevant and adequate knowledge of the firm. Bearing in mind the number of years served in the company and experience, the data collected was reliable. Considering their level of experience, information given by the supervisors is likely to reflect the true picture of the organization.
31.6% of the respondents had held the current position for 10-15 years while 68.4% had held their current position for between 5-9 years. This displays vast experience that the leaders can apply in performing their duties and responsibilities.

The study also established that 21.1% of the leaders had attained the minimum requirement of an undergraduate degree while 78.9% had attained master degree certificate. The results reveal that the supervisors had a relatively high level of qualifications.

4.1 Descriptive Statistics

Table 2. Gender, mean of trust and competence and categorization of the members

| Leaders  | Members | Gender | Trust | Competence | Categorization |
|----------|---------|--------|-------|------------|----------------|
| Leader A | 1       | F      | 17.33 | 18.00      | In-group       |
|          | 2       | M      | 12.00 | 11.33      | Outgroup       |
|          | 3       | M      | 12.33 | 14.67      | Outgroup       |
|          | 4       | F      | 10.67 | 6.33       | Outgroup       |
|          | 5       | M      | 23.00 | 19.67      | In-group       |
|          | 6       | M      | 10.67 | 10.67      | Outgroup       |
| Leader B | 7       | F      | 11.67 | 7.00       | Outgroup       |
|          | 8       | M      | 21.33 | 17.67      | In-group       |
|          | 9       | F      | 12.67 | 7.33       | Outgroup       |
|          | 10      | M      | 20.33 | 17.33      | In-group       |
|          | 11      | M      | 11.33 | 9.00       | Outgroup       |
|          | 12      | M      | 10.67 | 6.33       | Outgroup       |
|          | 13      | M      | 22.33 | 19.00      | In-group       |
|          | 14      | F      | 10.67 | 7.67       | Outgroup       |
|          | 15      | F      | 11.33 | 6.67       | Outgroup       |
| Leader C | 16      | M      | 12.67 | 7.33       | Outgroup       |
|          | 17      | M      | 20.33 | 16.67      | In-group       |
|          | 18      | F      | 12.00 | 9.67       | Outgroup       |
|          | 19      | F      | 12.67 | 9.67       | Outgroup       |
|          | 20      | M      | 20.00 | 15.67      | In-group       |
|          | 21      | M      | 12.67 | 10.00      | Outgroup       |
|          | 22      | F      | 12.67 | 10.00      | Outgroup       |
|          | 23      | F      | 13.33 | 9.67       | In-group       |
| Leader D | 24      | F      | 23.67 | 18.67      | In-group       |
|          | 25      | M      | 11.67 | 8.33       | Outgroup       |
|          | 26      | F      | 11.00 | 7.33       | Outgroup       |
|          | 27      | F      | 12.00 | 7.33       | Outgroup       |
|          | 28      | M      | 23.00 | 18.33      | In-group       |
|   |   |   |   |   |
|---|---|---|---|---|
|29 | F | 11.67 | 6.67 | Outgroup |
|30 | M | 11.67 | 8.00 | Outgroup |
|31 | F | 12.67 | 10.00 | Outgroup |
|32 | F | 22.33 | 18.00 | In-group |
|33 | F | 13.33 | 8.33 | Outgroup |
|34 | M | 12.00 | 9.67 | Outgroup |
|35 | M | 23.33 | 18.67 | In-group |
|36 | M | 23.00 | 17.67 | In-group |
|37 | F | 13.00 | 9.00 | Outgroup |
|38 | M | 11.67 | 9.33 | Outgroup |
|39 | F | 13.00 | 11.00 | Outgroup |
|40 | M | 22.00 | 19.33 | In-group |
|41 | M | 12.33 | 12.67 | Outgroup |
|42 | F | 12.67 | 10.67 | Outgroup |
|43 | F | 12.33 | 10.67 | Outgroup |
|44 | F | 22.33 | 17.00 | In-group |
|45 | F | 12.00 | 9.00 | Outgroup |
|46 | F | 24.67 | 17.67 | In-group |
|47 | M | 11.67 | 7.00 | Outgroup |
|48 | F | 13.33 | 7.67 | Outgroup |
|49 | M | 22.00 | 17.00 | In-group |
|50 | M | 12.00 | 8.00 | Outgroup |
|51 | F | 18.33 | 12.33 | Outgroup |
|52 | M | 12.00 | 7.00 | Outgroup |
|53 | F | 22.67 | 17.33 | In-group |
|54 | M | 11.33 | 6.67 | Outgroup |
|55 | M | 21.67 | 17.67 | In-group |
|56 | M | 11.33 | 7.33 | Outgroup |
|57 | F | 12.00 | 7.67 | Outgroup |
|58 | M | 23.33 | 17.33 | In-group |
|59 | M | 11.67 | 8.00 | Outgroup |
|60 | F | 12.00 | 7.33 | Outgroup |
|61 | F | 23.00 | 14.00 | In-group |
|62 | M | 12.33 | 10.67 | Outgroup |
| No. | Gender | Score1 | Score2 | Group   |
|-----|--------|--------|--------|---------|
| 63  | M      | 12.33  | 7.00   | Outgroup|
| 64  | F      | 13.33  | 9.33   | Outgroup|
| 65  | M      | 21.33  | 15.00  | In-group|
| 66  | F      | 11.67  | 7.33   | Outgroup|
| 67  | F      | 24.67  | 18.67  | In-group|
| 68  | M      | 11.33  | 7.33   | Outgroup|
| 69  | F      | 21.33  | 16.67  | In-group|
| 70  | M      | 24.00  | 16.67  | In-group|
| 71  | F      | 12.67  | 18.33  | In-group|
| 72  | F      | 25.33  | 8.00   | Outgroup|
| 73  | M      | 16.33  | 19.33  | In-group|
| 74  | F      | 16.33  | 12.00  | Outgroup|
| 75  | M      | 13.00  | 11.00  | Outgroup|
| 76  | F      | 23.33  | 19.33  | In-group|
| 77  | F      | 13.00  | 10.33  | Outgroup|
| 78  | M      | 12.33  | 10.33  | Outgroup|
| 79  | F      | 17.00  | 12.33  | Outgroup|
| 80  | M      | 24.00  | 19.00  | In-group|
| 81  | F      | 12.67  | 10.33  | Outgroup|
| 82  | M      | 12.67  | 10.33  | Outgroup|
| 83  | M      | 20.67  | 17.33  | In-group|
| 84  | F      | 21.33  | 18.00  | In-group|
| 85  | M      | 18.33  | 15.33  | In-group|
| 86  | M      | 19.33  | 17.00  | In-group|
| 87  | F      | 17.33  | 15.00  | In-group|
| 88  | F      | 20.67  | 17.00  | In-group|
| 89  | M      | 12.33  | 8.33   | Outgroup|
| 90  | F      | 21.33  | 17.33  | In-group|
| 91  | M      | 19.00  | 17.33  | In-group|
| 92  | F      | 20.67  | 17.00  | In-group|
| 93  | M      | 12.33  | 10.33  | Outgroup|
| 94  | M      | 24.67  | 19.00  | In-group|
| 95  | M      | 21.67  | 18.67  | In-group|
| 96  | M      | 11.67  | 13.33  | Outgroup|
| 97  | M      | 16.67  | 12.33  | Outgroup|
Table 2 illustrates the descriptive statistics of the variables used in the study. The total number of employees belonging to the in-group as shown in the table is 55 while 67 of them were categorised as outgroup members by their leaders. Of the 55 members in the in-group, 24 were female and 31 were male. This indicates that more male members belong to the in-group category as opposed to the female members.

Of the 67 members who were categorised as outgroup, 35 of them were female and 32 of them were male. This indicates that there are more female members in the outgroup as opposed to the male members. Despite the fact that there were more male members overall (63), as opposed to female members (59), most of the male members were categorised as in-group (56.4%) and majority of the female members were categorised as outgroup (52.2%).

Trust was considered as one of the recipes of inclusion in either in-group or outgroup category. Trust was measured using 17 items of the questionnaire with a possible maximum score of 85 points (Used 5 Point Likert Scale), divided into three sections which gives it a maximum possible mean score of 28.3. For a member to be considered trustworthy they have to score a minimum mean score of 14, which is half the maximum possible score.
Out of the 55 who were in the in-group, 53 of them scored above 14 as shown in Table 2 above. Two of the 55 in-group members scored below the required minimum mean score of 14. On the other hand, out of the 67 members who were in the outgroup, 10 of them scored a mean score of 14 and above. All the other 57 members of outgroup had a mean score of below 14.

Competence is one of the antecedents of being placed in one of the categories (in-group/outgroup). It had a possible maximum score of 70 points divided into three sections with a maximum possible mean score of 23. For a member to be considered competent they have to score a minimum of 11.5, which is half the maximum possible score.

Out of the 55 in-group members, 54 of them scored above the cut off points of 11.5, only one was not able to meet the minimum mean score. On the other hand, out of 67 members who are in the outgroup, 16 of them scored above the minimum mean score of 11.5, while all the other 51 members scored below the minimum possible score of 11.5.

4.2 Inferential Statistics

Beginning Block

This is step 0 of the process of logistical regression where the dependent variable is measured without any of the predictor variables. It is a model that includes only the intercept (constant). As shown in Table 3a, the model has a 54.9% chance that it is a good model when there are no predictor variables involved.

Table 3b shows the variables included in the equation with only a constant since the predictor values are excluded at this stage. The table shows a $B$ coefficient of 0.197 and the corresponding $\text{Exp}(B)$ of 1.218. It has one degree of freedom since there is only one constant involved in the model. The Wald (1.177) is not Significant since it has a $p$ value that is greater than 0.05. This therefore means that the value of the constant is not zero as predicted by the null hypothesis.

Table 3a. The classification of the in-group and not in-group (outgroup) members

| Observed | Predicted | Percentage Correctly Classified |
|----------|-----------|--------------------------------|
|          | Leader Member Exchange | In-group | Not In-group (Outgroup) |          |
| Leader Member Exchange | In-group | 0 | 55 | 0 |
| Step 0 | Not In-group (Outgroup) | 0 | 67 | 100.0 |
| Overall Percentage | | | | 54.9 |

a. Constant is included in the model.
b. The cut value is .500

Table 3b. Showing variables used in the equation

| Variables in the Equation | B | S.E. | Wald | Df | Sig. | Exp(B) |
|---------------------------|---|------|------|----|------|--------|
| Step 0 | Constant | .197 | .182 | 1.177 | 1 | .278 | 1.218 |

Block 1: Second Block

This is step one of the logistical regression models. At this stage, gender, trust and competence variables are included in the regression equation as predictor variables. Table 4a below shows the chi-square, degrees of freedom and the $p$ value of the model with gender, trust and competence variables added. Omnibus Test of model coefficients shows the chi-square of 145.731 on 3 degrees of freedom, significant with a $p<0.05$. The results are as shown.
Table 4a. The omnibus tests of the logistical regression model coefficients

| Omnibus Tests of Model Coefficients | Chi-square | Df | Sig. |
|------------------------------------|------------|----|------|
| Step 1                             | 145.731    | 3  | .000 |
| Model                              | 145.731    | 3  | .000 |

Table 4b below explains the variation caused by gender, trust and competence in the Outgroup. The results are as shown.

Table 4b. Model summary of variations

| Model Summary | -2 Log likelihood | Cox & Snell R² | Nagelkerke R² |
|---------------|-------------------|----------------|---------------|
| Step 1        | 22.214ᵃ            | .697           | .933          |

ᵃ. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

The results shown in Table 4b indicate that -2 log likelihood is 22.214, which shows how good the model predicts the outcome of the out-group category. The R² as shown in the table ranges from .697 to .933, which means that gender, trust and competence explains from 69.6% to 93.3% of variation in the out-group category, the other remaining percentage is explained by variables not included in the study.

Table 4c shows the results for the correct percentage of the in-group – outgroup categories after the addition of the explanatory variables. The results show an increase of the correct classification rate by 43.5%, from the initial 54.9% to 98.4%. The results are as indicated below.

Table 4c. Classification of employees after inclusion of explanatory variables

| Classification Tableᵃ | Predicted |
|------------------------|-----------|
| Observed               | Leader Member Exchange | Percentage Correctly Classified |
|                        | In-group | Outgroup |              |
| Step 1                 |          |          |              |
| Leader Member Exchange | In-group | 54       | 1            | 98.2       |
|                        | Outgroup | 1        | 66           | 98.5       |
| Overall Percentage     |          |          |              | 98.4       |

ᵃ. The cut value is .500

Table 4d indicates coefficients of the individual predictor variables. It shows the coefficients and Wald test figures, which help in determining the significance of the variables and the p values of each of the variables. The results are as shown in Table 4d below.
Table 4d. Results of the logistic regression coefficients for the effect of predictor variables on employee inclusion in out-group category

|          | B    | S.E. | Wald  | Df  | Sig. | Exp(B) |
|----------|------|------|-------|-----|------|--------|
| Gender (1) | .772 | 1.169 | .436  | 1   | .509 | 2.164  |
| Competence | -.894 | .242  | 13.678 | 1 | .000 | .409   |
| Trust     | -.463 | .175  | 7.014 | 1 | .008 | .629   |
| Constant  | 19.793 | 4.831 | 16.784 | 1 | .000 | 394391000.207 |

As shown in Table 4d, competence (13.678, p≤0.05) and trust (7.014, p≤0.05) are significant with a p value of less than 0.05. This means that employee competence and trustworthy, predicts a members’ inclusion in the in-group category, in their relationship with the leader. On the other hand, gender, is not significant (0.436, p≥0.05). This means that gender is not considered as one of the factors that will earn a member a ticket to join the inner circle of the supervisor.

The binary regression equation is as follows:

\[ Y = 19.793 - 0.894 \times \text{Competence} - 0.463 \times \text{Trust} \]

Where Y is the inclusion of the members in Out-group Category

5. Discussion of Findings

Majority of the members who scored high in trust are placed as in-group members, means that leaders keep close the members they trust for many reasons. These reasons are as pointed out by Fukuyama (1995), Whitener et al (1998) and Bartram and Casimir (2007) that trust brings about commitment, self-efficacy, increases credibility with followers and supports the movement of information between leaders and subordinates. These reasons therefore explain why members who scored high on trust be placed in the in-group category as opposed to those who scored low on trust. However, two members who are placed in the in-group (member 23 and 71, see Table 2) scored low in trust. This could be attributed to other factors that have not been addressed in this paper as ethnicity, ingratiating, family ties among other reasons.

On the other hand, 10 members who were placed in the outgroup category scored high on trust. This could be because in as much as the leaders trust these employees, they do not possess other factors that the leader considers important to draw a member closer to him/herself. The fact that the number of trusted members in the outgroup is small (only 10), means that in addition to trust, leaders consider other factors to draw them closer. This finding is contrary to what Podsakoff et al (1996) finding that employee trust factors were significant in transformational leadership.

The fact that all the members in the in-group scored high in competence except member number 23(see Table 2), is because leaders want to associate themselves with the best. Leaders get credit because of employees who are competent. It is no wonder that employees, who were rated highly in terms of competence, were categorised as in-group. This is in tandem with findings of studies done by Kuijpers et al (2006) and Forret and Dougherty (2004).

The findings by this study that some employees who are in the outgroup category (16 members, see Table 2) have scored high in competence could mean that they perform well in their work but the leaders do not trust them. This is in contrast to the findings of Lau and Pang (2000) that skills development and augmenting internal networks form an extensive base of getting attention easily from their boss.

The hypothesis of the study was tested using logistical regression analysis. The finding that gender was not significant proves that whichever gender the subordinate is, male or female, have equal chances of being included in the superiors’ inner circle. This finding contradicts those of Hoobler et al (2011) that society commonly relates effective leadership with stereotypically ‘masculine’ traits such as confidence and dominance. This is because Hoobler’s article dealt specifically on female managerial aspirations while the current study dealt with inclusion into the inner circle of the managers.

The finding that with every one unit increase of a member’s inclusion into the outgroup, the trustworthy of the subordinate decreases by 46.3%, means that leaders prefer to keep close members that they can trust. The more
trustworthy a member is the more chances that he/she will be placed in the in-group category. These results concur with those studies done by Scandura et al (1986), Brower et al (2009) and Häkkinen (2012).

With every one-unit increase of inclusion into outgroup, as indicated by the findings of this study, competence level of the subordinate is considered lower by 89.4%. This is true since majority of the leaders would want to associate and keep close those members who have the technical know-how, know-whom and know-why of their work. This study concurs with those found by Kuijpers (2006) who found that elements like career control and networking are related with career accomplishment. The competent a member is, the more likelihood it is that the member will be categorised in the in-group category.

6. Conclusion and Recommendations
The null hypothesis that trust and competence are not recipes for sustainable quality relationship has been rejected. While the alternate hypothesis that gender is not a recipe for a sustainable quality relationship failed to reject. Therefore, “To keep close or to let loose” of the employees depends on the leaders’ trust to the employee and employees’ competence, which will then lead to the inclusion of a member into an in-group category. On the other hand, gender is not considered a recipe for a sustainable quality dyadic relationship. On these study findings, it is recommended that members should ensure high level of trustworthiness with their leaders. Members should ensure that they have a high level of expertise, their social networks are good and that they are motivated to work. These are some of the attributes that would make a subordinate enjoined in the inner circle of the superior.

7. Implications of the Study Findings
Theoretically, the study findings contribute significantly because, Leader-Member Exchange theory posits that leaders categorise members into the ingroup and outgroup categories subconsciously or consciously. The theory does not explain what traits would make a member be included into either of the groups. This study, therefore contributes in this aspect because it gives a clue on what the members should consider for them to be included in the inner circle of the leaders.

In terms of practice, specifically management practice, this study is important as it sheds light to the leaders on the awareness of the attributes to go for as they consider their inner core members. These attributes include competent and trustworthy members.

8. Study Limitations
The research design was cross sectional descriptive survey, this means that the study was done at one point in time. It would be interesting if the study would be a longitudinal survey so one could observe the behaviours of the respondent over a long period of time for consistency purposes.

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