THE EFFECT OF EXCHANGE RELATIONSHIP QUALITY ON MANAGER’S TASK PERFORMANCE IN MULTI-NATIONAL OPERATIONS: THE ROLE OF BUDGET EMPHASIS AS MODERATOR

Yuningsih
Universitas Muhammadiyah Malang

Abstract

The purpose of this study is to examine the impact of exchange relationship level on the rigidity of budget emphasis and to assess the interaction effect of these variables on manager’s task performance. Data for testing two hypotheses are collected from 69 Indonesian middle managers working in three of U.S.-, Switzerland-, and France-owned construction/mining firms in Indonesia. Questionnaires were mailed to the respondents who were requested to respond to questionnaires designed to measure their level of exchange relationship, rigidity of budget emphasis and task performance. Results of the analyses indicate that the quality of exchange relationship between leaders and their subordinates was not directly associated with level of budget emphasis used. However, the results indicated that the combination of high (low) level of exchange relationship and high (low) budget emphasis had a positive impact on manager’s task performance. These results have implications for the design of management accounting systems and personnel management.
1. Introduction

Prior research used subjective superior ratings as measures of performance to confirm the relationship between level of leader-member exchange and performance (e.g. Bauer & Green, 1996; Deluga, 1998; Deluga & Perry, 1994, Duarte et al., 1994; Dunegan et al., 1992; Dunegan et al., 2002; Graen et al., 1982; Jansen & Van Yperen, 2004; Lagace et al., 1993; Schreisheim et al., 1998; Varma & Stroh, 2001; Vecchio & Gobdel, 1984; Vecchio, 1998; Wayne et al., 2002). These studies found that the quality of exchanges between leaders and their subordinates (high versus low quality) had an influence on the leaders when assessing their subordinates’ performance: subordinates who have a high-quality exchange tend to be rated higher than those with a low-quality exchange.

In relation to objective performance, Duarte et al. (1994) found that the subordinate performances in high-quality exchange were rated high, regardless of their objectively measured performance. On the contrary, the ratings of subordinates with low-quality exchange were consistent with their objective performance (especially in the short run). In other words, when the exchange relationship is high, the objective performance of subordinates is not the only factor considered by the superiors in evaluating their subordinate’s performance (Duarte et al., 1994). Objective performance may be considered as just one of the criteria of acceptable performance. As a variety of factors are considered, it is proposed that in high-quality exchange, the leaders will be more flexible in evaluating their subordinates.

On the other hand, the leaders will be more rigid when evaluating the performance of subordinates with a low quality exchange by considering only one criterion (i.e. objective performance) in the evaluation process. Therefore, this study aims to confirm the above position by investigating the relationship between the quality of exchange relationship between a leader and his/her subordinates and the rigidity of budget emphasis (high versus low budget emphasis).

Although the ability of exchange relationship level to predict important organizational outcomes has been repeatedly demonstrated, research on the relationship between leadership (and its aspects such as leader-member exchange)
and organizational factors is extremely limited in business leadership studies (see Vance & Larson, 2002). While a positive relationship between level of leader-member exchange and performance is expected, this study tries to determine if it is moderated by the rigidity of budget emphasis. Thus, the second aim of this study is to extend this knowledge by investigating the effect of the interaction between the quality of leader-member exchange and the rigidity of budget emphasis (high versus low budget emphasis) on manager’s task performance.

Most of the studies examining the impact of leader-member exchange have been conducted in organizations with national operations (see Vecchio, 1998; Klein and Kim, 1998; Scandura et al., 1986; Graen et al., 1982). Similarly, while there is body of work examining the organizational control patterns in Multinational companies, limited of this has surfaced in the contingency based accounting literature. Moreover little integration, and hence structure, can be found in the literature which does exist (Brownell, 1987). This study will extend this line of research by focusing on managers in Indonesia who work in multi-national companies. The third aim of this study is to test if the findings of prior research can be extended to practices in multinational companies.

The next section of the paper provides a review of the relevant literature, which leads to the development of the hypotheses. This is followed by research methodology and the results. The last section discusses the results and outlines the limitations and future research directions.

II. Theoretical Frameworks and Hypotheses Development

A. Concept of Leader-member Exchange

Leader-member exchange includes relationships of integrated actions, and involves both subordinate and superior who can affect each other in forming an exchange relationship (Scandura et al., 1986). As superiors and subordinates have an opportunity to influence their exchange relationship, the form of relationship between a superior and each individual subordinate will be different. Further, this form of relationship will determine the role of individual subordinates within an
organization. Some of these relationships will evolve into high-quality exchanges characterized by high levels of mutual trust and respect, and others will be of lower quality and based on a formal employment contract (Bauer & Graen, 1996).

A high-quality exchange is formed by a high level of reciprocal influence and support (Deluga, 1998). However, the influence and support of the two members are restricted in a low-quality exchange. As a consequence, subordinates who have a high-quality exchange (the “in-group”) play a more complex role in the organization than those who have a low-quality exchange (the “out-group”).

While the role of out-group subordinates is limited to only following formal role requirements such as duties, rules, standard procedures and legitimate direction from the superior (Yukl, 1998), the in-group subordinates perform activities beyond their job description and obtain exceptional responsibilities and opportunities including delegation of tasks and assignments (Schriesheim et al., 1998).

B. Linkage between level of leader-member exchange and Rigidity of Budget Emphasis

In response to their greater effort and commitment, the in-group subordinates receive more attention (e.g. time, personal support), more rewards and benefits (e.g. pay increases, access to office facilities), more opportunities in career progress (e.g. opportunities for promotion, greater education) and more responsibilities in sharing duties. According to Bass (1990), the greater status, influence and benefits not only help improve managerial performance but also increase subordinates’ expectations that the superior will provide them with more support and recognition. In return, the subordinates are expected to work harder, be more committed to task objectives and be loyal to the superior (Yukl, 1998). Keeping this in mind, it appears that high-quality leader-member exchange will lead to high expectations for both the superior and the subordinates.

These expectations may affect superiors’ behaviours in maintaining relationships with their in-group subordinates. For example, to fulfill the subordinates’ need for support and recognition, the superiors may consider both formal and informal
factors. Yukl (1998) suggested that effective support will include consideration, acceptance and concern for the needs and feelings of the subordinates whilst effective recognition involves giving praise and showing appreciation to subordinates for effective performance, significant achievements, and important contributions to the organization. Further, recognition should be provided for other things, such as personal sacrifices made to accomplish a task or objective; helpful suggestions and innovative ideas for improving efficiency, productivity or the quality of the work unit’s products or services; and significant contribution to the success of other individuals or the team (Yukl, 1998).

The superior’s and subordinates’ high expectations may affect the superior’s behaviour when evaluating the performance of his/her subordinates. Because of the expectation of greater loyalty and support from the in-group subordinates, the superior may perceive these members as better performers in every performance dimension (Duarte et al., 1994). Moreover, to realize the expectations of the in-group subordinates (e.g. more support and recognition), the superior may take many factors into his/her evaluation of performance.

Duarte et al.’s (1994) study found that the in-group subordinates received high performance ratings independent of their objective performance and argued that performance ratings of those subordinates may be inflated by factors beyond actual job performance. As many factors are considered, it is expected that the superior will evaluate their subordinates’ performance in a more flexible manner.

If performance evaluation is performed in a flexible manner, accounting data such as budgetary information is less important because it is seen as just one of the criteria for acceptable performance. Additional information sources will be used to supplement the accounting data. For example, the superior will consider other things such as extra effort, personal sacrifices, innovation, helpful suggestions and special effort of the subordinate in increasing the effectiveness of his/her unit or department.

The performance of the in-group subordinates may also be evaluated flexibly because the leader considers the subordinate’s non-performance factors such as the subordinate’s interpersonal attractiveness. Yukl (1998) suggested that a superior’s
evaluation of an individual subordinate is also influenced by the subordinate’s effort to develop a favourable image. In doing so, subordinates may use different types of impression management tactics. An example of these tactics is ingratiation, which includes subordinate’s other-enhancement (or flattery), opinion conformity and self-presentation.

It can be expected that when the subordinates demonstrate desired behaviours, and therefore present themselves as interpersonally attractive, the superior will evaluate the performance of these subordinates in a more flexible manner. This is because the superior would be more willing to take into account the interpersonal attraction of the subordinates in the evaluation and the superior has a better understanding of the subordinates’ expectations.

In brief, it is expected that in high-quality leader-member exchange, a flexible style of performance evaluation (i.e. a low budget emphasis) will be used by the superior because many information sources (not only performance/formal factors) are used to meet the expectations of both the superior and the subordinates and to reciprocate the subordinates’ desired behaviours.

Despite its benefits, high-quality leader-member exchange generates more obligations and constraints for the superior. Additional attention to and support for subordinates’ formal and informal needs are required to maintain high leader-member exchange. This could be very time consuming for the leader. As the leader has limited time and social resources, it is expected that the leader will have few higher-quality exchange relationships, and the remainder of the relationships would be lower quality exchanges, involving only obligatory compliance by members with the formal role requirements (Graen & Uhl-Bien, 1995).

As less attention and support are provided to the out-group subordinates, the superior may have less expectation of greater contributions from these subordinates and the relationships will be more formal. While the superior give these subordinates standard direction and consultation, the subordinates will only perform formal duties and follow formal rules and procedures (Yukl, 1998).
Because the out-group subordinates seem to have less effective communication with their superior (Fairhurst et al., 1987 cited in Deluga 1998), the superior may have limited personal information about these subordinates. In this case, it will be difficult for the superior to recognize the subordinates’ individual needs and feelings. Therefore, the expectation is that the superiors will recognize the subordinates based only on their perception of subordinates’ abilities, experiences and backgrounds.

This condition potentially affects the way the superiors evaluate the out-group subordinates. That is, because of lack of information about those subordinates, the leaders in the evaluation process may only be capable of taking into account more obvious and formal factors regarding the subordinates. For example, a subordinate’s performance may be evaluated by the leader based on a rigid analysis of the direction and extent of reported budget variances; failure to meet budgeted targets will lead to unfavourable evaluations, regardless of other considerations.

Duarte et al (1994) found that it was difficult for leaders to be flexible in the evaluation process in low-quality exchange relationships because informal factors such as subordinates’ behaviours may be outside their knowledge. In this situation, it is expected that the superiors will evaluate their subordinates’ performance in a rigid manner based on a very limited source of information. Subordinates who were relatively short-termers, and who had low-quality exchange relationships with their leaders, received performance ratings that were more consistent with their objective performance levels (Duarte, et al., 1994). This finding suggested that, without high expectations influencing performance evaluation, the leaders pay close attention to the observable or formal aspects of the in-group subordinates’ performance.

Given the above reasonings, it is important to examine whether the quality of exchange relationship between the leaders and their subordinates influence the perceived rigidity of budget emphasis used by the leaders. Therefore, it is hypothesized in this study:

**H1: The quality of exchange relationship between leader and subordinates will be correlated with the rigidity of budget emphasis.**
C. The interaction effect of exchange relationship quality and the rigidity of budget emphasis on manager’s task performance

Empirical evidence confirms that quality of leader-member exchange is a predictor of important organizational outcomes such as subordinate performance (see Bauer & Green, 1996; Deluga & Perry, 1994; Duarte et al., 1994; Vecchio & Gobdel, 1984). It is very likely that in high-quality exchange relationship, both the leader and the subordinates have a higher compatibility, better work coordination and more effective communication with each other. This will help the subordinates clearly understand their superior’s performance expectations. Such understanding, along with greater status, influence and benefits given to the subordinates, help improve the performance of these subordinates.

Quality of leader-member exchange is also expected to facilitate decision-making on appropriate performance evaluative style. That is, high-quality exchanges will allow the use of low budget emphasis whilst low-quality exchanges tolerate a more rigid style indicated by the use of high budget emphasis. As discussed earlier, in high leader-member exchange, where more direction and consultation are given to the subordinates (Yukl, 1998), the leaders have many sources of information about the subordinates. This will enable the leaders to be flexible in the process of performance evaluation.

On the other hand, in low leader-member exchange, because of the lack of subordinate’s personal information, the leaders will be incapable of using a flexible style of performance evaluation and thus are expected to evaluate performance in a more rigid manner. In order to test the joint effect of the quality of the exchange relationship between a leader and each individual subordinate and the rigidity of budget emphasis on managerial performance, the quality of the exchange is identified as the primary independent variable, and budget emphasis is a moderating variable.

The rigidity of budget emphasis is considered to be a moderating variable because the ability of leader-member exchange to improve managerial performance is likely to be influenced by it. High quality of the exchange will not lead to better
performance when a high budget emphasis is used by the superior. The in-group subordinates will expect their leader to recognize both their formal and informal efforts in achieving the organizational goal and, thus, be more flexible when evaluating performance. The use of budget emphasis in a rigid manner in this situation will lead to subordinates’ disappointment, will lower their motivation and subsequently diminish subordinate performance.

Similarly, low leader-member exchange will not lead to better performance when the superiors use a low budget emphasis. Contrary to in-group subordinates’ expectations, out-group subordinates will prefer a rigid use of budget emphasis. As these subordinates believe that their leader only recognizes their formal aspects, they will expect the leader to evaluate their performance consistently with these aspects. Performance evaluation which is inconsistent with these formal factors will lead to the subordinates’ suspicion and dissatisfaction and, further, will weaken their performance.

This study was focused to examine the impact of the interaction of the level of exchange relationship and the rigidity of budget emphasis on manager’s task performance including the Mahoney’s (1965) six dimensions of managerial performance: Planning, Investigating, Coordinating, Evaluating, Supervising, and Staffing. The other dimensions namely Negotiating and Representing were not analyzed further in this study since it seems that the performance of these two dimensions are not dependent upon the level of the exchange relationship which have an internal focus but rather depend on the effective interpersonal skills which include the ability to understand the feelings, attitudes, and motives of others and the ability to communicate clearly and persuasively (see Scullen et al., 2003; Yukl, 1998). To be effective, these skills should be naturally developed and unconsciously, as well as consistently, demonstrated in the individual’s every action (Katz, 1955 cited in Yukl, 1998). Keeping this in mind, it seems that interpersonal skills are effectively improved through personal effort. Negotiating and representing may be well predicted by individual effort, not by the level of exchange relationship.

As it is expected that the leader possesses more information about human relationships and the living environment of in-group subordinates than out-group
subordinates, it can be expected that better task performance will be obtained from in-group subordinates when the leaders use low budget emphasis. Thus, the following two-way interaction hypothesis will be tested:

\[ H2: \text{The interaction between the quality of exchange relationship between leader and subordinates and budget emphasis influence manager’s task performance.} \]

III. Methodology

A. Data and Sample

Data for this study were collected using a self-administered questionnaires which were mailed to 211 middle level Indonesian managers working in three multinational companies each owned by the U.S., Switzerland and France. Considering the accessibility to the data and the need to meet the research objectives those three companies were chosen using purposive sampling. The criteria for the sample were set out as follow: 1) hold a position as a middle manager in multinational company; 2) have a budget set for his/her unit, section or department.

B. Survey Administration

Questionnaires were translated into Indonesian and then back-translated into English to ensure the content of the questions remained the same. Pilot tests of the Indonesian versions of the different instruments were conducted with 15 Indonesian managers prior to distribution to ensure that the translation was valid and reliable. Questionnaires were then distributed to 211 middle managers from multi-national companies identified purposively. Each questionnaire was accompanied by a covering letter explaining the objectives of the study and ensuring confidentiality and anonymity of response.

A total of 81 questionnaires were received. This gives a response rate of 38, 4%. Of 81 responses, 12 were excluded because the respondents did not meet the criteria (i.e.}
do not have a budget set in their unit, section or department). This leaves a total of 69 useable questionnaires.

C. Measurement of Variables

Quality of Leader-member exchange. A seven-item version of Graen’s LMX scale (Graen et al, 1982) was used to assess the quality of LMX perceived by middle managers. This measure uses a continuous scale of sum of 5-point items. Responses to the seven items were summed to form a measure of LMX with a possible range of 7 (low) to 35 (high). The higher the score, the higher is the quality of the exchange relationship between a leader and a subordinate. Factor analysis carried out for leader member exchange showed that all seven variables successfully loaded on one factor accounting for 52.265% of the variance as shown in table 1. Cronbach alpha for the leader-member exchange scale was 0.8451.

| Table 1 Here |

Budget Emphasis. Brownell and Hirst’s (1986) ten-item Likert scaled performance evaluation style questionnaire was used in this study. The following are evaluative styles defined based on the respondents’ rankings of the three most important factors:

a. Budget-Constrained (BC) style: meeting the budget, but not concern with costs, ranked among the top three criteria.

b. Budget-Profit (BP) style: both meeting the budget and concern with costs among the top three criteria.

c. Profit-Conscious (PC) style: concern with costs, but not meeting the budget, ranked among the top three criteria.

d. Non-Accounting (NA) style: neither meeting the budget nor concern with costs ranked among the top three criteria. (Hopwood, 1972, p. 165)

Following Brownell and Hirst’s (1986) method, high budget emphasis is BP and BC combined and low budget emphasis is PC and NA combined (coded 1 for high budget emphasis, and 0 for low budget emphasis).
Manager’s task performance. To gather data on managerial performance, the Mahoney et al. (1965) self-rating measure was used in this study. The measure consists of a single rating of overall performance and ratings on the eight performance dimensions: planning, investigating, coordinating, evaluating, supervising, staffing, negotiating and representing. The first six items represent administrative and technical skills which are aspects of task performance (Scullen et al., 2003). Thus, the first six items were summed to give single score in the range 6 – 42. A factor analysis carried out on the first six performance items loaded onto one factors, as shown in table 2. The variance explained is 62.18%

INSERT TABLE 2 HERE

Descriptive statistics for the variables are shown in Table 3.

INSERT TABLE 3 HERE

IV. Results

A. Test of the hypotheses

Correlation between Leader-member Exchange and Budget Emphasis

As previously mentioned, this study hypothesized that leader-member exchange is correlated with budget emphasis. That is, a low budget emphasis will be used when the exchange is high and a high budget emphasis will be used when the exchange is low. Having 1 coded for high budget emphasis and 0 for low budget emphasis, to meet the above expected outcome, the sign of the correlation would have to be negative.

The results of the Pearson correlation analysis reveal that the correlation between leader-member exchange and budget emphasis is not significant (r = 0.034, p = 0.783) and therefore the first hypothesis cannot be supported
As stated earlier, the second hypothesis to be tested is the interaction between leader-member exchange and budget emphasis on manager’s task performance. For this purpose, a regression analysis was conducted. To obtain normality, task performance was transformed by taking the square of its score. To test the interaction effect of the two independent variables on task performance, the regression equation was constructed as:

\[ Y = \beta_0 + \beta_1 \text{BE} + \beta_2 \text{LMX} + \beta_3 (\text{BE})(\text{LMX}) + e. \]

Where:  
- \( Y \) = Task performance;  
- \( \text{BE} \) = Budget Emphasis, 1 for high budget emphasis and 0 for low budget emphasis; and  
- \( \text{LMX} \) = Leader-member exchange

Having coded 1 for high budget emphasis and 0 for low budget emphasis, the direction of the interaction term is expected to be negative. The variables were regressed after they meet all of the basic classical assumptions for regression analysis. Although results of the regression analysis indicate that the interaction between leader-member exchange and budget emphasis is significantly associated with the task performance of the managers, the direction is not as predicted (\( t = 3.153, p = 0.02 \)).

The above results indicate that the interaction between the levels of leader-member exchange is a significant predictor of task performance. This supports the second hypothesis in the study.

**V. Discussion and Conclusion**

The findings of this study did not support the proposition that low quality leader-member exchange would be correlated with a high budget emphasis and high quality
leader-member exchange would be positively correlated with a low budget emphasis. When leader-member exchange is divided at the mean, 44.9% of the respondents are the out-group subordinates and the remainder (55.1%) are in-group subordinates. This is not in line with Graen and Uhl-Bien (1995) suggestion that because high leader-member exchange relationship requires additional investment by the leader, it can be expected that the managerial unit would contain a few higher quality exchange relationships, and the remainder of the relationships would be lower-quality exchange. The possible explanation for this is that the proportion is consistent with the expectation for the Indonesian culture where relationship-based leadership style is common.

Most members of both groups perceived that their superior used low budget emphasis when evaluating their performance (71% low budget emphasis, 29% high budget emphasis). 70.96% of the out-group subordinates and 71.05% of the in-group subordinates reported a low budget emphasis.

The most interesting finding relates to the hypothesis that improved task performance would be obtained through a combination of high budget emphasis and low leader-member exchange and low budget emphasis and high leader-member exchange. The positive direction indicates that better performance will be obtained when high leader-member exchange is combined with a high budget emphasis and low leader member exchange with a low budget emphasis.

One possible reason for this could be the different levels of confidence and trust between the two groups of subordinates. The in-group subordinates who receive more support, attention and consultation from their superior (Yukl, 1998) will be optimistic about their performance. Therefore, these subordinates will be more confident when their superior uses only formal information (e.g. meeting the budget) in his/her evaluation. As a result, this will lead to better performance of subordinates.

In contrast, the out-group subordinates who do not obtain additional support and attention from their superior (Yukl, 1998) will be less confident about their performance. As a consequence, the use of only formal indicators of performance in the process of evaluation will discourage them. These subordinates may expect their
superior to be more flexible in evaluating their performance by using both formal and informal information (a low budget emphasis) in the process of performance evaluation.

This study is subject to the usual limitations of questionnaire survey methodology. The use of participants’ perceptions to measure the variables has been criticized on the grounds that they are not objective. However, this is not a serious limitation as manager actions and decisions are based on their perceptions (Tsui, 2001). Besides that, participant-initiated error may occur in survey methods. The problem arises when the participant fails to answer fully and accurately – either by choice or because of inaccurate or incomplete knowledge (Cooper & Schindler, 2003). The same problem may also exist when research topics are sensitive or involve ego matters. The leader-member exchange instrument which attempts to discover the exchange relationship between the respondents and their superior may be sensitive for some respondents.

Since all variables in this study were measured contemporaneously, longitudinal replications may be needed to assess the dynamic effects of changes in exchange relationships and their effects on the use of performance evaluative style including budget emphasis. Lastly, exchange relationship and performance evaluation may be systematically influenced by variables such as gender, age, work experience and type of company. Further studies, therefore, need to specify and assess the role of these variables in the exchange relationship and performance evaluation.

In summary, this study concludes that there appears to be no correlation between leader-member exchange and budget emphasis in Indonesia. The interaction between the quality of exchange relationship between leaders and their subordinates and the rigidity of budget emphasis was found to significantly influence task performance. Future researchers may replicate the study using the longer term to describe changes in exchange relationship between a superior and subordinates and assess whether these changes have an impact on the way the superiors evaluate their subordinates’ performance.
Table 1
Factor Analysis – Component Matrix for Leader-member Exchange

<table>
<thead>
<tr>
<th>Component Matrix a</th>
<th>Compone nt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>LMX item 1</td>
<td>.787</td>
</tr>
<tr>
<td>LMX item 2</td>
<td>.738</td>
</tr>
<tr>
<td>LMX item 3</td>
<td>.727</td>
</tr>
<tr>
<td>LMX item 4</td>
<td>.742</td>
</tr>
<tr>
<td>LMX item 5</td>
<td>.729</td>
</tr>
<tr>
<td>LMX item 6</td>
<td>.659</td>
</tr>
<tr>
<td>LMX item 7</td>
<td>.672</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Table 2
Factor Analysis – Component Matrix for Task Performance

<table>
<thead>
<tr>
<th>Component Matrix a</th>
<th>Compone nt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Planning</td>
<td>.821</td>
</tr>
<tr>
<td>Investigating</td>
<td>.732</td>
</tr>
<tr>
<td>Co-ordinating</td>
<td>.783</td>
</tr>
<tr>
<td>Evaluating</td>
<td>.847</td>
</tr>
<tr>
<td>Supervising</td>
<td>.814</td>
</tr>
<tr>
<td>Staffing</td>
<td>.727</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Table 3
Descriptive Statistics and Cronbach alphas of LMX, and Task Performance

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Actual Range</th>
<th>Possible Range</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMX</td>
<td>24.91</td>
<td>4.514</td>
<td>13</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Task –Perf.</td>
<td>32.49</td>
<td>5.484</td>
<td>13</td>
<td>6</td>
<td>42</td>
</tr>
</tbody>
</table>
Table 4

The interaction effect of LMX and Budget Emphasis on task performance.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef.</th>
<th>Value</th>
<th>Std error</th>
<th>t</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>b₀</td>
<td>1085.383</td>
<td>43.837</td>
<td>24.760</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Budget Emphasis</td>
<td>b₁</td>
<td>-13.950</td>
<td>81.499</td>
<td>-0.171</td>
<td>0.865</td>
<td>1.002</td>
</tr>
<tr>
<td>LMX</td>
<td>b₂</td>
<td>13.555</td>
<td>43.590</td>
<td>0.311</td>
<td>0.757</td>
<td>1.373</td>
</tr>
<tr>
<td>(BE)(LMX)</td>
<td>b₃</td>
<td>264.184</td>
<td>83.788</td>
<td>3.153</td>
<td>0.002</td>
<td>1.374</td>
</tr>
</tbody>
</table>

R² = 0.189, adjusted R² = 0.152, n = 69, F = 5.054, Sig. = 0.003
REFERENCES:


