

DOES SOCIAL EXCHANGE THEORY PROVIDE A THEORETICAL UNDERPINNING FOR LEADERSHIP PROCESS? A THEORETICAL REVIEW

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Leadership process represents a particular relationship between leader and his subordinates both in social and organisational settings. It represents a particular social relationship given that leadership process is based largely on exchange relationship. Though leadership process has been examined extensively by researchers in various branches of social sciences, it is said that understanding of leadership process is limited given the complex organisational and social contexts in which it operates. It is argued that this is due to the less attention of researchers paid on theoretical underpinning of leadership though empirical studies on leadership process are abundant. It is imperative to understand not only the leadership outcomes, but also how that particular exchange relationship builds up and sustains in social context. The purpose of this paper is to assess the strength of the social exchange theory for explaining the leadership process based on the various theoretical explanations on social exchange theory and leadership. This paper discusses the major theoretical constructs associated with social exchange theory and relates them to various aspects of leadership process. It is expected to assess the richness of the social exchange theory as a theoretical underpinning for leadership studies in both organisational and social contexts. A set of propositions are formulated based on the theoretical review which can be ascertained empirically by future researches. However, it should be noted that this paper is a review paper in nature rather than an empirical paper. Therefore, the proposed propositions can be subjective to disagreements until tested with empirical studies.

Keywords: Leadership, Leadership process, Social exchange theory, Theoretical underpinning