Understanding The Role of Exchange and Emotion in Supervisor-Subordinate Relationships

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ABSTRACT

This study predicts that individuals perceive and experience different quality of exchange relationships with their supervisors, and explores their emotional reactions within LMX processes. This paper presents the findings generated from both qualitative and quantitative analyses, with data obtained from 25 full-time employees working within five teams in two organisations. The qualitative results confirmed that a variety of keywords used by individuals to describe high-quality and low-quality LMX relationships. Further, individuals reported that they experienced different positive and negative emotions within both types of relationships. The quantitative results also revealed that positive emotions, rather than negative emotions, were associated with high-quality LMX and TMX relationships. This paper concludes with an outline of the theoretical and practical implications.

Keywords: LMX, Emotions, TMX
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Leader-member exchange (LMX) emphasises the dyadic interpersonal relationships that leaders develop with individual subordinates using different leadership styles (e.g., Dansereau, Graen & Haga, 1975). The relationship quality has implications for both parties within the dyad. A high-quality LMX relationship involves mutual trust, respect, and influence that go beyond the formal job descriptions. Both parties in this quality exchange relationship often report higher job satisfaction, better work performance (Gerstner & Day, 1997). On the contrary, a low-quality relationship is developed based on the formal job descriptions. Members in these relationships often receive less supervisory attention, less accessibility to organisational resources, less empowerment, potentially leading to their job dissatisfaction, and lower organisational commitment (Gerstner & Day, 1997).

Although a large body of research on LMX has demonstrated that high-quality and low-quality relationships have differential impacts on employees’ work attributes and behaviours, little attention, to date, has been paid to understanding how subordinates themselves perceive and react to high-quality and low-quality LMX relationships differently, and what kinds of emotions they experience in relation to both quality of relationships respectively. Related to this issue, several researchers, such as Liden, Erdogan, Wayne and Sparrowe (2000) and House and Aditya (1997) highlighted the need for research identifying the perceptual and emotional responses to relationship patterns of LMX.

Sparrowe and Liden (1997) and Sherony and Green (2002) have also called for more research to identify the underlying psychological process linking different interpersonal social exchange relationships together. This idea is built on the premise that working relationships between leaders, subordinates and co-workers are interconnected and embedded within a social network (Sparrowe & Liden 1997), and therefore the quality of relationship between a leader and a subordinate has implications for the quality of relationship between the subordinate and his/her team members (Graen, & Uhl-Bien, 1995; McClane, 1991). Team-Member Exchange (TMX) refers to the quality of social exchange among team members (Seers, 1989). For example, individual subordinates reporting low-quality LMX relationships may experience feelings of jealousy, resentment and distress (Yukl, 1998).
They may perceive themselves less favoured in the eyes of their leaders and their low-quality LMX relationship seems to be threatened by other members who have high-quality LMX relationships. Such negative emotions may trigger intense competition among team members (Schaeffer, 1987), leading to lower quality TMX relationship. Therefore, I argue that the perceptual and emotional experience of individuals in relation to LMX relationship may likely affect the quality of relationship they develop with other team members. This study advances the research on LMX in three important ways. First, I identified what individuals themselves perceive and experience differential relationships with their supervisors. Second, I delineated and explored the emotional experiences of individuals in relation to their LMX relationships. Third, I explored the relationship between LMX and TMX attempting to understand whether the quality of LMX relationships will affect the tendency of individual subordinates to develop team member relationships. Qualitative and quantitative methods were used for this research, given the dynamic nature of individuals’ perception and emotional reactions to LMX relationships.

RESEARCH QUESTIONS

LMX emphasises that leaders develop interpersonal relationships with subordinates using different leadership styles. The styles constitute a variation to specify the extent to which dyadic relationships between supervisors and subordinates are developed with different levels of quality, ranging from low-quality (out-group) to high-quality (in-group) within teams (Dansereau et al., 1975). For example, supervisors, in their position, have power to decide how to distribute work-related benefits and psychological support to subordinates through the different quality of relationships (e.g., Dienesch & Liden, 1986). Individuals’ perceptions of their supervisor’s behaviours in respect to LMX differentiation have also been shown to influence their self-esteem and their affect (e.g., Erdogan, 2002; Erdogan & Liden 2002). The LMX differentiation creates an unequal status and invisible boundary, psychologically evoking different levels of identification among subordinates. I argue that individuals who are classified by their supervisors as in-group members would perceive themselves as belonging to a higher-status group and will therefore feel more superior than those in an out-group (Tajfel & Turner, 1979). In contrast, subordinates who are classified by their supervisors as out-group
members do not want to see themselves as belonging to an out-group in order to retain their self-esteem (Tajfel & Turner, 1979). Therefore, understanding how individuals themselves perceive their LMX relationships is important, although, this has been neglected in the literature. LMX research has focused on using pre-determined questions to assess an individual’s perception of his/her quality of relationship with his/her supervisor, as opposed to looking at the perception and reaction to LMX using qualitative methods (e.g., Garen & Uhl-Bien, 1995; Gerstner & Day, 1997). I suggest that qualitative methods can provide us with a deeper understanding of how individuals think, perceive and experience high-quality and low-quality relationships that they form with supervisors. Based on the foregoing, I ask:

*Research Question 1: What perceptions and experiences do individuals have in response to high-quality and low-quality LMX relationships?*

Little research has directly studied how individuals’ emotions relate to different quality of relationships (Dasborough & Ashkanasy, 2003). I argue that individuals in out-groups, and who are likely to experience negative affect such as resentment, jealousy or anger because they are labelled as low-status subordinates, receive less supervisory attention, emotional support, and less access to organisational resources (Fisher, 2002). Psychologically, it may mean that the individual’s self-esteem is low, so that s/he views him or herself as not important within the group (Erdogan & Liden, 2002). In contrast, individuals in an in-group can be expected to experience positive affect such as excitement, pleasure, enthusiasm or satisfaction because they enjoy being closer to the supervisors, obtaining greater access from organizational resources, much more supervisory attention, recognition and their concern (Erodgan, 2002). This suggests that membership in a dyadic relationship will influence the experience of different emotions in diverse ways, depending on which emotions are being experienced.

*Research Question 2: What kinds of emotions do individuals experience in relation to high-quality and low-quality LMX relationships?*

Researchers have been paying increased attention to the role of affect in the workplace (e.g., see Ashkanasy, Härtel, & Zerbe, 2000). A specific focus has been on how affect influences LMX quality (see Ashkanasy, 2003). It is arguable, however, that affect may play an even larger role in team
member social exchange owing to the increased proximity and increased frequency of interactions within teams. This is implied in research that has examined the role of mood and emotions within both impersonal and team relationship contexts (e.g., Kelly & Barsade, 2001; Wolff, Pescosolido, & Druskat, 2002). The emotional responses of individuals in relation to the different qualities of LMX relationships may impact how they interact with their team members including, if they cooperate or not, and their willingness to engage in social and economic exchanges with other team members. For example, if groups are perceived to be a source of positive emotion, people will develop stronger ties to that group (Lawler et al., 2000). In groups of individuals, the potential for discrimination is always present, and this will impact the affect of the group members. Leyens and his colleagues (2000) suggest further that people will attribute particular emotions to in-group members, and not to out-group members, and often deny sharing particular emotions with out-group members. This implies a likelihood of aversive emotional reactions to perceptions of unequal treatment, which can occur when in-group and out-group people work together. As a result, understanding affect of individuals is an important element of LMX and TMX processes. Thus, I ask:

Research Question 3: What is the role of positive and negative emotional responses in LMX and TMX relationship quality?

METHODS

Participants

The sample comprised 25 full-time employees working within a variety of team settings in a large private health service provider and a medium-sized construction material company. There were five teams, each consisting of 5 members. All team members were selected by the Human Resources manager of the organizations and their participation was voluntarily. The sample included 8 male and 17 female participants; their ages ranging from 20 years to 58 years. Due to the emphasis on qualitative designs of this study, the issue of sample size is concerned. It was largely dependent on criteria of information redundancy and theoretical saturation (Flick, 2002). Sandberg (2000) suggests at least 20 participants are required to capture the variation in the phenomenon being studied in qualitative research.
Techniques

In this study, participants were asked to respond to several questions about their workplace interactions with their supervisors and their emotional experiences in such interactions. The interviewer asked the following questions: 1) “How would you describe your current relationship with your supervisor” and 2) “How do you feel when you are working with your supervisor? Please give me some examples”. These questions aimed to explore participants’ perceptions in relation to their LMX relationships and their emotional experiences when interacting with their supervisors. At the end of each interview, participants were asked to complete a brief survey. This quantitative data would serve to supplement the qualitative data, furthering our understanding of the relationships from a quantitative perspective.

Measures

LMX was measured with a 7-item scale by Graen and Uhl-Bien (1995). The scale has been designed to measure individuals’ perception of working relationships with their supervisors based on a five-point scale (1 = Not at all to 5 = Extremely). The alpha in this study is .84.

Affect was assessed with a 20-item scale of state affect, namely the PANAS by Watson, Clark and Tellegen (1988). Positive affect reflects the extent to which an individual feels active and enthusiastic. Negative affect reflects the extent to which an individual feels distress and unpleasurable. The scale measured on a five-point scale (1= Not at all to 5 = Extremely) and the alphas for both scales in this study are .91 and .78 respectively.

TMX was assessed using the 10-item scale by Seers et al. (1995). This scale measures the perception of the reciprocal exchange relationship between an individual member and his/her team members based on a five-point scale (1 = Very slightly to = 5 Extremely well). The alpha in this study is .84.

Procedures

Prior to data collection, an interview guide containing the open-ended questions and a brief survey were developed. To increase the interview quality, the participants were given a copy of the interview guide and the survey a few days prior to the interview being conducted. Each interview lasted approximately 45 minutes, covering all questions and completing the survey. All interviews were
recorded on tapes, and then the content of the tapes were transcribed verbatim to increase the effectiveness of data analysis (Flick, 2002). Interview transcripts were crosschecked with the participants after the interviews to ensure their accuracy.

Data Analysis

I used content analysis to analyse the interview transcripts. I started the analysis by reading each transcript to gain a basic understanding and then re-read the transcripts more carefully in an attempt to identify frequently occurring keywords and phrases (Rubin, 2005). The keywords and phrases of the transcripts were compared with each other, and then grouped based on their similarities and differences. The computer software package Leximancer (Smith, 2000, 2004; see also http://www.leximancer.com) was employed to quantify the keywords and phrases, and to explore their interrelations in line with the research questions. Leximancer is a lexical computer program that is designed to objectively analyse the content of textual documents (Smith, 2000, 2004). The reliability of coding in transcripts is calculated based on the built-in mathematical algorithm of the software (Smith, 2000, 2004). The survey data was analysed using SPSS software. Due to the small sample size, only basic analyses were performed.

RESULTS

Individuals Perception of Different Quality of LMX Relationships

The qualitative findings reveal the range of keywords used by individuals to describe their quality of relationships with their supervisors (see Table 1). In describing high-quality LMX relationships, the three groups of keywords most frequently referred to were: 1) helping, caring, concerning, supporting each other; 2) mutual trust and respect and 3) Good communication, and listening to each other. In describing low-quality LMX relationships, another three groups of keywords most frequently referred to were: 1) poor communication, criticism, misunderstanding; 2) little appreciation, care and support and 3) lack of trust and respect).

<table>
<thead>
<tr>
<th>Table 1: LMX as Defined by Subordinates</th>
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<tr>
<td><strong>High-Quality LMX Keywords</strong></td>
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<td>--------------------------------------</td>
</tr>
<tr>
<td>1) Helping/caring/concerning, supporting each other</td>
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The most frequent keywords used to represent high-quality LMX relationships are (helping, caring, concerning and supporting each other), which focus on the personal relationships between subordinates and supervisors. Some quotes from the interview transcripts, 1) She’s a mentor. It’s a mentoring relationship, a very supportive relationship”, 2) “My supervisor placed a lot of confidence in me to do my job, even though I hadn’t done that particular job before and it was a very steep learning curve” and 3) “My supervisor cares about your personal life, but not... she never pries either, though, she, you know, if something goes wrong, she’ll walk the other way”. Conversely, low-quality relationships were largely described by their poor communication, criticism and misunderstanding. These outcomes were expected as discussed in the LMX literature (Garen, & Uhl-Bien 1995). Quotes referring to low-quality LMX relationships are: 1) “I have a poor relationship with the head chef. Our communication quality are very bad”, 2) “The only communication that I have with my manager is email and telephone. I can’t face to face, no face-to-face communication, and 3) “I can’t trust my manager. I mean, she’s told me things that are confidential and things like that, which I have respected that and haven’t broken that confidentiality but yes, I just think, yes that’s it”.

**Emotional Responses to Different Quality of LMX Relationships**

Table 2 shows the range of emotional responses subordinates reported in relation to their own experience of high-quality and low-quality LMX relationships. As predicted, the most frequent emotions associated with high-quality LMX relationships were positive emotions, such as pleasant, active comfortable. Specific quotes of positive emotional experiences are: 1) “I think my supervisor’s proud of the work that I’ve done, because I see that you know, coming in with nothing and doing the job”, 2) “I mean, so, I feel positive if you can joke with your manager when it’s time to be serious and stressful” and 3) “I do like working with him”. Negative emotions were less frequently reported than positive emotions. The most frequent negative emotions discussed in relation to low-quality LMX
relationships were feeling stressful, afraid and frustrated. Specific quotes of negative emotional experiences include: 1) “It can be a bit frustrating at times, my relationship with my supervisor, just the way that she... as I said, communication, how she approaches staff, even her manager, and what she expects of them” and 2) “I just felt disappointed there was no support from my supervisor to help me out of my work”,

### TABLE 2: Emotions Associated with LMX

<table>
<thead>
<tr>
<th>Positive Emotions</th>
<th>Frequency</th>
<th>Negative Emotions</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Pleasant/happy/fun</td>
<td>17</td>
<td>1) Stressful/pressure</td>
<td>8</td>
</tr>
<tr>
<td>2) Positive/active/strong</td>
<td>16</td>
<td>2) Afraid/scared/fear</td>
<td>5</td>
</tr>
<tr>
<td>3) Comfortable</td>
<td>12</td>
<td>3) Frustration/hate/fury</td>
<td>4</td>
</tr>
<tr>
<td>4) Excitement/enthusiasm</td>
<td>6</td>
<td>4) Upset/unhappy/unpleasant</td>
<td>3</td>
</tr>
<tr>
<td>5) Interested/like/love</td>
<td>3</td>
<td>5) Angry</td>
<td>1</td>
</tr>
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**Role of Positive and Negative Emotions in LMX and TMX relationships**

Correlation results show that high-quality LMX relationship was related to positive emotions (r = .39 p < .10). Further, there was a significant relationship between positive emotions and high-quality TMX relationships (r = .40 p < .05). This suggests that positive emotions serve as a link to bring high-quality LMX and TMX relationships together. With regards to negative emotions, as expected, there was a negative correlation with positive emotions (r = -.40, p < .05). Further, negative emotions were not associated with both low-quality LMX and TMX relationships. While these correlation results do not prove causality, it does suggest trends in the data and helps answer the research question. Based on these correlations, I suggest that positive emotions play an important role in social exchange relationship between supervisors and subordinates as well as individual subordinates and other team members.

**DISCUSSION**

Prior to discussing the implications of this research, it is important to highlight its qualitative nature. My intention was to uncover the perception of LMX relationships that subordinates themselves recognize as important. The qualitative results of this research enabled this by conducting interviews with subordinates and recording their experience, as they perceive them. Quantitative research does not allow for such gains, and, although I do report some results from the brief survey, given the small sample, I emphasise that the survey results are not the main contribution of this study.
Implications

The present study advances the current research on LMX in two important ways. First, this study extends the LMX research by identifying how individuals perceive and experience exchanges in relation to high-quality and low-quality relationships, instead of examining the effects of LMX on individual and team outcomes. The factors of how individuals facilitate reciprocal contribution for mutual benefits are largely unknown, however. The findings of this study will shed new light on the psychological and emotional processes for improving LMX relationships in organisations (Liden et al., 2000). Second, the qualitative design employed in my study. It has less likely been used to explore how social exchange process influences LMX relationships. Prior studies on LMX have largely depended on quantitative designs for hypothesis testing, but qualitative designs help to obtain in-depth information and rich description about how team members perceive and experience relation to high-quality and low-quality LMX relationships.

Limitations and Future Research Directions

The major limitation of this study is that the design of the study was primarily qualitative in nature. It may become potential threats of qualitative research biases. It is reasonable to believe that personal biases and subjective preferences could largely intrude into the process of data collection, data analysis and interpretation (Flick, 2002). In order to mitigate these concerns, I made an attempt to maximize the reliability and objectivity of the findings by conducting a pilot test to evaluate the interview questions, requesting the participants to check the accuracy of their responses after the interviews were transcribed, employing a professional transcripter for interview transcribing and using the software of Leximancer for objective data coding. These could all help to minimize the possible personal subjective biases underlying the research process. Future research can extend the current research by videotaping the whole interview process with more independent researchers as the third-party evaluators to examine the consistency and reliability in the findings.
REFERENCES


