Workplace Friendship to Boost TMX, LMX and Performance

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ABSTRACT

In Organization Behaviour when we discuss about positive conflicts side by side we say that these should be handled by only experts and with care; otherwise it can give negative results and performance. I believe that instead of practicing this risky practice, we should do something positive for better results and performance. If the team leader encourages friendship in the team instead of divide and rule policy and creation of risky conflict, the synergy of team will result into trust and performance.

This paper proposes model that the leader should decreases out-group employees, encourage and shift these members in in-group and along with this encourage friendship in the team members. These efforts will develop better leader –member –exchange (LMX), team-member –exchange (TMX), team learning and performance.

Keywords: out-group employees, in-group employees, leader–member –exchange (LMX), team-member –exchange (TMX), team learning, team performance.

INTRODUCTION:

The synergy and efficiency of teams is very well proved. Most of the times, teams achieve more than individuals working on their own (Ray and Bronstein, 1995). That's why many organizations practise work teams as a means of increasing workplace efficiency (Ancona, 1990; Orsburn, Moran, Musselwhite & Zenger, 1990).

Most of leadership theories revolve around the relationship of leader with subordinates. Therefore leaders' behavior and effectiveness is directly proportional to the teams' effectiveness. As per Peter and Liz (2000:393), Mullins (1996) leadership is a relationship through which one person influences the behavior of other people.

Leader-Member Exchange (LMX) theory "a working relationship that is characterized by the physical or mental effort, material resources, information, and/or emotional support exchanged between the leader and the member" (Liden, Sparrowe & Wayne, 1997, p. 48).

High LMX is directly proportional to high trust, interaction, support, rewards. As per Graen and Uhl-Bien (1995) high quality LMX has positive outcomes such as job satisfaction, organizational commitment, high supervisor ratings, career progress and reduced turnover.

Team member Exchange (TMX) is equally important for team effectiveness. It is an "individual member's perception of her exchange relationship with the peer group as a whole" (Seers, 1989, p.119). If the relations are better within a team, it can produce good results.

Workplace friendship can decrease conflicts and increase efficiency. This paper develops a model with which leaders can maximize members in in-groups and minimize in out-groups; encourages friendship in the team for effective team members' exchange. This transformation will result in productive team attitudes and effectiveness.

IN AND OUT GROUP MEMBERS OF TEAM:

Leader- Member Exchange theory (LMX), originally called vertical dyadic linkage (VDL), was developed approximately 42 years ago by Dansereau et al. (1975). The theory is based on relations between bosses and subordinates. It is relationship-oriented approach to leadership based on social exchange processes and

highlights the four major developmental stages of LMX research (Graen & Uhl-Bien, 1995).

Leader- Member Exchange (LMX) theory of leadership posits that because of limited time and resources, leaders differentiate between subordinates and create in-groups and out- groups as a means to increase work-group productivity (Dansereau, Graen, & Haga, 1975).

In-group members have high quality exchanges characterized by "mutual trust, respect, and obligation" (Graen & Uhl-Bien: 227), whereas out-group members have low quality exchanges and have less trust, respect, and obligation. Studies show that in-group members reap more benefits as compared to out-group employees.

Why to Shift from Out to in Group:

Most of empirical research on LMX has simply focused on the outcomes for followers. In this way, the literature has failed to explore the combination of different leader-member relationships within a group. The consequences of this differentiation on the total group are mostly ignored. The Attitude of out-group employees is always negative for the in-group employees and they feel biased behavior of Boss.

LMX research has focused on dyads devoid of the implications for group performance and as such has not actually tested LMX theory at the appropriate level of analysis (Schriesheim et al., 1999).

Interestingly LMX theory suggests that having high quality relationships with some group members and low quality relationships with other members is essential for superior group performance. But research on organizational justice suggests that such differentiation will have negative effects on fairness perceptions, and fairness perceptions have been shown to relate positively to many beneficial individual (Colquitt, Conlon, Wesson, Porter, & Ng, 2001) and group (Colquitt, Noe, & Jackson, 2002) outcomes. This can result low efficiency of out-group. Hence, for effectiveness of team out comes and proper Team Member Exchange (TMX) it is required to minimize out group members.

FRIENDSHIP IN TEAM AND TEAM MEMBER EXCHANGE:

Few empirical studies studding the impact of workplace friendship on performance are available but less work has been done to explore the impact of friendship on (TMX) team member exchange.

Ross (1977), states that workplace friendships significantly improve performance. Also, according to Jehn and Shah (1997), found that friendship groups perform significantly better than acquaintance groups on both decision making and motor tasks. Hackman and Lawler (1971), found significant positive relations ($p < .05$) between friendship and job satisfaction.

Sufficient researches show positive impact of workplace friendships on individual and organizational outcomes (Gibbons & Olk, 2003; Lincoln & Miller, 1979; Riordan & Griffith, 1995).

Though few studies identified the negative outcomes of workplace friendships as loss of focus on the task, groupthink, conflict of interest situations, appearance of favoritism (Berman, West & Richter, 2002) but positive effects of workplace friendships are more e.g. stress relief, creativity, motivation, job involvement, job satisfaction, organizational commitment, and turnover (Gibbons & Olk, 2003; Krackhardt & Stern, 1988; Kram & Isabella, 1985; Morrison, 2004; Riordan & Griffith, 1995; Yager, 1997).

METHODOLOGY:

Suitable statistical tools will be selected to find relations of workplace friendship with LMX, TMX, performance of team and proving the hypothesis (propositions). Following structured scale used to find related results:

Leader member exchange: LMX-7 scale developed by Graen & Uhl-Bien, (1995) can be used to measure the relationship quality between leader and members (employees). The alpha reliability for this scale is 0.87.

Workplace friendship: Six items scale developed by Nielsen et al. (2000) to measure frequency of workplace friendship in the team. Seven point Likert scale can be formed for taking responses from strongly disagree to strongly agree. The alpha reliability for this scale is 0.80.

Team member exchange: Ten-items TMX scale developed by Seers (1989) can be used to measure the exchange relationship between an individual employee and team members. Seven point Likert scale can be formed for taking responses from strongly disagree to strongly agree. The alpha reliability for this scale is 0.83.

Team Work Effectiveness: five-item scale developed by Zellmer-Bruhn and Gibson (2006) for capturing goal achievement and effectiveness can be used. Responses will be checked with seven point likert scale varying from "very inaccurate", "very accurate". Reliability (coefficient alpha) is 0.95.

Research Gap:

Sufficient literature is available regarding the impact of workplace friendship on job outcomes but no research has been found that analyzed the impact of friendship within leader and team members for better team member exchange and performance.

Proposed Model:

This proposed model stresses that the leader should decreases out-group employees, encourage and shift these members in in-group and along with this encourage friendship in the team members. These efforts will develop better leader –member –exchange (LMX), team-member –exchange (TMX) and team performance.

Conceptual Model of 'Workplace Friendship to Boost TMX, LMX and Performance'
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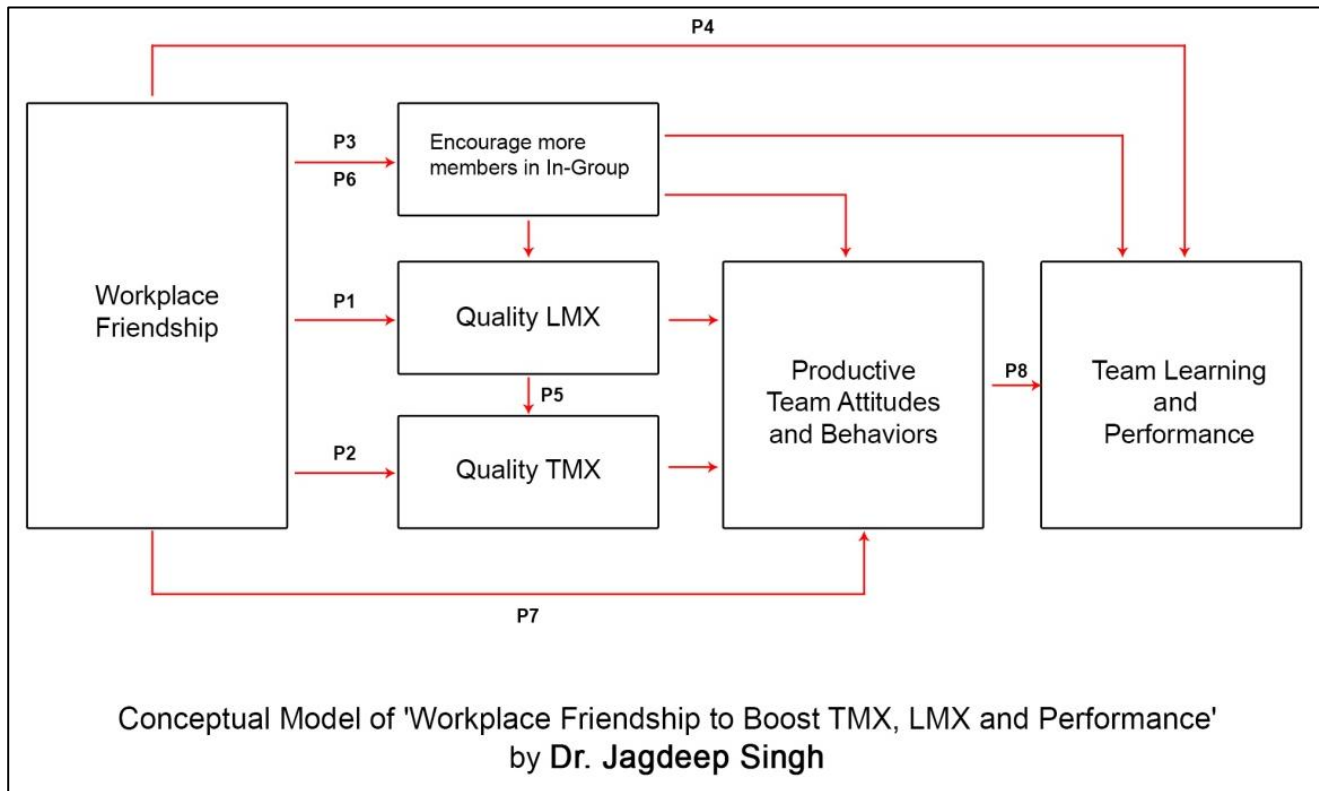
On the basis of above conceptual model we can draw following propositions that will be proved when empirical study will be conducted:

Propositions:

P1-Workplace friendship will be positively related to Leader Member Exchange (LMX).

P2-Workplace friendship will be positively related to Team Member Exchange (TMX).

P3-Workplace friendship will have positive impact on attitude of out-group employees.

P4-Workplace friendship will be positively related with team performance.

P5-Workplace friendship will be positively mediate between LMX and TMX.

P6-Workplace friendship can increase in-group employees.

P7-There will be positive change in attitude of in-group employees and out-group employees.

P8-There will be enhancement of learning and performance in in-group employees and out-group employees.

CONCLUSION:

The research has consistently proved the positive relationship between friendship and happiness across cultures. This is already proved that employees who maintain friendship at the workplace have advantage of personal and professional growth (Elsesser et al , 2006 ; Morrison, 2009).

In this paper, we tried to propose a model (to be tested later on) that if the leader encourage friendship at workplace, this will result in more members in the in-group with positive attitude and behavior along with this there will be better leader member exchange and team member exchange. With workplace friendship encouragement there will be better team leaning, performance, outcomes and growth.

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