"Examining the relationships between leaders and followers: The factors that influence the quality of the Leader-Member Exchange and the perception of in-group belongingness in the work place"

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Abstract

Leadership has been a broad subject to explore by several researchers since decades. The relationships between the manager and subordinates, however, narrows the topic down to more specific, workplace environment.

This study is to understand the theoretical concept of the Leader-Member Exchange (LMX) and investigate how and what influences such partnership. The author of this body of work conducted five semi-structured interviews and collected relevant information for the subject investigation. Based on the qualitative methods of data collection, this researcher concluded on the attitudes and traits that may impact the process of forming the relationships between the leader and followers and on how, within that process, the perception of being a part of the group may change.

The interviews were organized as face-to-face meetings and the author aimed to get an insight of the manager's experiences that were relevant to the subject of the study and could contribute to the value of this research. This researcher made a great effort to include all opinions, facts and comments expressed by the candidates and summarized it in the chapter dedicated to the research findings.

Based on the field work conducted by this researcher, the LMX theory can be evidently confirmed as valid and applicable in practise. The literature review finds many of its theoretical frameworks and previous studies to be confirmed in the modern career-orientated society. Some literature concepts, however, did not seem to be present in the real-life scenarios. These only illustrate how complex the process of forming the relationships between leaders and followers may be and it will be elaborated on in the further sections of this paper.

Declaration

Submission of Thesis and Dissertation

National College of Ireland

Research Students Declaration Form

(Thesis/Author Declaration Form)

Name: _PAULINA CAMPION_

Student Number: _15015173_

Degree for which thesis is submitted: _MASTERS IN SCIENCE_

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Signature of research student: _Paulina Campion_

Date: _25/08/2017_

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Firstly, I would like to thank my husband for his ongoing support during the duration of this course, for his patience in proof-reading all my writing, motivation and support. I would not do it without your patience and dedication in both daddy's and mammy's duties when I was not around, working on this thesis.

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Finally, I would like to thank all my interviewees for the time they dedicated participating in my study and sharing their real-life experiences that have been a great contribution to my entire research.

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Appendix 2. *Example of Recording Agreement*

Appendix 2. Example of Recording Agreement

National College of Ireland
IFSC
Dublin 2

Name:
Address:
Date:

Tape Recording of Interview for Masters Research

Dear Participant,

Thank you for agreeing to be interviewed as part of my Masters research. The aim of the research is to determine qualities that may influence building the relationship between the leader and followers and impact the perception of the team mates of their belongingness to the group (team).

The information from this interview may be used in the analysis and documentation of study findings.

For the purpose of this research, the interview will be recorded and the most essential, key answers will be documented in the final dissertation that will be submitted and kept in the National College of Ireland.

Please be aware that at any time during the interview, should you wish to stop the recording, please do not hesitate to do so.

Could you please indicate your consent to the interview being recorded for the purpose of this study by signing and dating this letter?

Thank you for your valuable contribution to this research.

Yours sincerely

_____
Paulina Campion

Signed: _____ Date: _____
    (Participant)

List of Abbreviations

ELMX – Economic Leader-Member Exchange

LMX – Leader-Member exchange

SLMX - Social Leader-Member Exchange

USA – United States of America

VDL - Vertical Dyad Linkage

Chapter 1 – INTRODUCTION

1. 1 Introduction and Rationale

Leading and people management is a wide area of interest to many scientists. This research will extend the subject of general management, specifically the challenges of leading a group of people working together. The author will elaborate on several dilemmas related to management. This project will study how the similarities and differences in the personal and work related attitudes may impact the relationship between the manager and subordinates. It will also explore how the process of feeling included in the group (team) works and what influences the general perception of the individuals' belongingness to the in-group. The author of this project will carry out the relevant data collection process, aiming to find the answers to the research questions defined in Chapter Three.

The relationship between the leader and his followers has been of interest to researchers for decades. There is a wide range of the literature that recalls the studies, books and articles that elaborate on the topic. The author's personal experience has become a base on which this research is being conducted. In this particular study, the subject is narrowed into the relationships in the workplace where the leader was a part of the team and now actively manages the group of his own former peers. Liden, Sparrow and Wayne (1997) present a wide analysis of a leader-member exchange theory. They emphasize the importance of the relationship in the workplace and highlight how its quality may impact the quality and effectiveness of the subordinates' performance. This is just a general description of the concept of this theory. It has been described and practiced since the seventies and many researchers have attempted to question the principals of LMX theory and find the explanation and patterns for

certain behaviours in the work place. Graen and Uhl-Bien (1995) have gone through the entire evolution of the LMX theory and explained how it developed.

The research is expected to illustrate how the process of transitioning from the formal interaction with the leader into social exchanges develops and whether sharing resources and information on the professional and personal can improve this relationship. It will aim to show how the relationship between the leader and a follower can drastically improve as a result of such synergy (Graen and Uhl-Bien, 1995). Based on the Graen's and Uhl-Bien's research, there is evidence that creating high-quality leader-follower relationship builds stronger more beneficial interpersonal communication in the organization.

The author will find out how differences and similarities in the work ethic can impact the leader-member exchange (Gerstner and Day, 1997), and how, going further in this analysis, t can influence the employee's overall levels of motivation and work obligations.

There have been other studies that bring up surrounding factors as the influencers of the relationships between the manager and team members, as well as the consequences of such relationships. The organizational values and behaviours have been recognized by researchers as the contributors to the unique social and psychological environment of the organizations (Anand, Liden, Vidyarthi, 2011). Harris, Wheeler and Kacmar (2011) learnt in their study that LMX approach results in job embeddedness that describes the extent to which people feel a part of the organization which often results in increased job satisfaction. This study will allow this researcher to run her independent field work in the Organization X, collect and analyse data and compare the findings with what has been already elaborated on in the current and past literature.

The outcome of this project aims to answer the research question and bring the final, summarizing conclusion on the subject of this dissertation.

1.2 Overview of Company X

All interviewees of this research were employed by the same company. In order to provide an overview of the expectations and general work atmosphere and culture perception of the employees, an overview of the organisation is believed to be found beneficial for the purpose of this study.

Organisation X is a multinational pharmaceutical company with headquarters located in Dublin, Ireland and Parsippany, New Jersey, USA, employing approximately 16,000 people worldwide. Company X is focused on developing, manufacturing and commercializing branded pharmaceuticals and biologic products for patients around the world. The Organization X is known as a manufacturer of the best-in-class products that provide variety of treatments for the eye care, medical aesthetics, therapeutical gastroenterology, women's health, urology and cardiovascular therapeutic categories. With operations spread between approximately 100 countries it is considered as one of the top employers in the pharmaceutical district, with offices in two Irish locations.

The organization X has been described by interviewees as a result driven, dynamically changing, fast-paced environment with a strong emphasis on importance of continuous process improvement in operations and a focus on growth. The Company values high performance and sets ambitious goals that demand achievements' deadlines in order to stay ahead of the competition.

Based on analysis from the two Irish locations of the company there is a fifty-fifty gender split with an employee average age of approximately 37. The organization does not hire on a part time

basis, due to the high demand of the fast- paced environment which requires full employee's capacity.

The Organization X offers flexible working arrangements (flexi times, working from home or remotely, where possible), which is left at the discretion of the managers and is to be decided internally. It is also a cultural aspect of the company to follow several unwritten rules that are informally incorporated into a day-to-day business by managers in order to increase the general work satisfaction of employees. Since the organizations' approach towards human resources is quite laid back it leaves the leaders much flexibility in picking and choosing the treatment for individuals. This problem is going to be broadly explored in the further parts of this paper, as the in- and out- group belongingness implications, according to the LMX theory, will be explained.

Regardless of the high business demands, requiring employees to work overtime, often having to take business trips abroad which impacts on the individuals' personal lives the company was described by the interviewees as having a good work-family balance. It is speculated by the author of this thesis that this conclusion may come from the unwritten rules within the Organization X, which may create a type of a compensational mechanism, that can likely accommodate the employee's need to adapt the work schedule or conditions in unusual circumstances, avoiding stressful negotiations with the bureaucratic system that may be place in other companies.

1.3 Overview of Chapters

This body of work consists of seven chapters which are going to be briefly described in the section below.

1.3.1 Chapter One

Each dissertation needs to clearly describe its objectives. The topic of the thesis must also be well-known, however, firstly, the introduction of the subject to the reader must take place. Chapter one presents the rationale and the reasoning for the authors' interest in the matter. It briefly explains what the topic of the thesis is and allows the author to walk through the Leader-Member Exchange theory which is the key concept on which the entire thesis is based. The phenomenon of the situation behaviour that is the most relevant to the topic chosen by the author of this dissertation. The details found in Chapter one help to understand the type of environment in which the research has been carried out as it may impact the analysis performed by the researcher.

1.3.2 Chapter Two

Chapter Two will examine how current literature presents the relationships between a leader and followers and critically explore the LMX theory which is the main reference of this paper. Additionally, the chapter outlines the evolution of the concept, which is going to be cross-checked with the research findings, further in this body of work, in order to study the theory application and its relevance in the workplace. The literature review also illustrates and compares benefits and downsides of the phenomenon and allows the author to explore the content of the articles and other research literature resources related to the subject.

1.3.3 Chapter Three

It is expected that the ideas in Chapter Three will be bridging point between the concepts of Chapter Two and Chapter Four. The outcome of the literature review should naturally lead to the definition of the research questions which is the main aim of Chapter

Three. This body of work will further seek to answer these questions as   an elaboration on the main subject will continue. The author will present the key objectives that this dissertation will be based on and that are found to be interesting and the most relevant to the entire study.

1.3.4 Chapter Four

Following the literature review and defining research questions in the Chapters Two and Three, Chapter Four defines the research methodology embraced in this study. This section creates an opportunity to rationalize the reasons behind choosing the type of the data collection and research methods to satisfy all research objectives. The writer selects a qualitative viewpoint to enrich data with a better understanding of the complex nature of the leader and follower relationship in the workplace. The details included in this chapter compare, contrast and advocate the qualitative method as the most appropriate to the research subject picked by the author. Furthermore, a detailed picture of how the research was carried out is included in this chapter; any ethical considerations that may be conjoined with qualitative methods will be also discussed.

1.3.5 Chapter Five

Chapter five emphasises the importance of analysis and data interpretation in the organisation through primary study. Another purpose of this chapter is to illustrate and discuss the findings from interviews and align them with the research objectives initiated in Chapter Three. It aims to improve understanding and, more importantly, awareness and acknowledgement of varieties of personal and work related qualities that influence the process of creating the leader-member relationships. The author will present all her peripheral and key findings from her research.

1.3.6 Chapter Six

Chapter Six will allow discussion of the main findings and lets the author make conclusions on the results of the conducted research. The writer elaborates on the limitations and gaps that have been identified in the study in comparison with the literature review. This Chapter includes recommendations and personal reflections on how the subject can be explored further and how future researchers could enrich the resources currently available in the literature to make the topic more interesting and better-explored.

1.3.7 Chapter Seven

The final Chapter of this dissertation will bring concluding thoughts of the author and allow a summary of the conducted study and a reflection on the value of the subject. The researcher will, once again, comment on the entire contribution to the already existing research and evaluate the value of the whole learning experience presented in this paper.

Chapter 2. LITERATURE REVIEW

2.1 Introduction

In preparation for this proposal, the author conducted a thorough literature review and its most relevant papers will be discussed in this section. During the review, the author has identified potential gaps in the literature, and these will be addressed in this study. The literature prepared for the purpose of this paper critically explore a number of subjects related to the leader-member exchange theory (LMX), which acts as a starting point for the proposed research to show the different relationships between leaders and subordinates (Lidden, Sparrowe, Wayne, 1997). After the author has completed the project, the leader-exchange theory will be compared and contrasted with the research findings. The author will also further explore the subject of becoming a manager and the challenges that may arise when a group has a leader that was once a part of the collective. These challenges differ, depending on which side we are examining- the leader or the group (Hill, 2007). Despite countless studies and several different research techniques, there is still no definite answer as to what leadership is. None of the theoretical postulations are able to provide absolutes in terms of right or wrong answers. For the purpose of this dissertation, the author will focus on leadership in terms of the relationships between the leader and follower and the impact of such a relationship on the work environment. The literature describes leadership in a variety of concepts, however there is a phenomenon set out by science that is recognized to be the most relevant to this project. Since the mid-seventies, the LMX (Leader-Member Exchange) theory has developed from the Vertical Dyad Linkage (VDL) framework and several theorists have attempted to refine it along the way. In order to gain an understanding of the complete picture of LMX theory

development and to be able to judge whether the concept is applicable in modern society, the full theory analysis, including the critique and controversies, is worth exploring.

The research observes quite close relationships between the leader and former peers. These relationships are often based on respect, trust and emotions that extend beyond the scope of employment (Liden, Sparrowe, Wayne, 1997). While that relationship based approach focuses on both leader and follower, the exchange relationship is meant to impact subordinates' responsibilities, decision making and performance (Deluga, 1998). Therefore, the assumption is that there may be a risk of a potential change of work ethic or impact on the employee's performance if any obstacles are raised up to the personal level, which is going to be investigated in the study conducted by the author of this research proposal.

2.2. LMX phenomenon and previous studies

The theory has been described and practiced since the seventies and many researchers have attempted to question the principals of LMX theory and find the explanation and patterns for certain behaviours in the work place. Graen and Uhl-Bien (1995) have gone through the entire evolution of the LMX theory and explained how it developed through its four stages. It explains the theory journey from a vertical leadership approach through simplistic LMX, becoming more complex and being based on building dyadic relationships, to eventually focus on the systems which govern group networks and relationships. Managing former peers is a challenging task and requires a lot of professionalism, diplomacy and assertiveness. This field is particularly interesting when the leader has previously experienced the challenges and struggles associated with the role of the team-member. The new role, however, comes with its own expectations and burdens, including the expectation

that the leader will make to make decisions based on the best interest of the organization and not allow any emotional aspect of any situation to come into play. The LMX theory is a modern version of its retired version - Vertical Dyad Linkage theory (VDL). VDL theory application, according to the research carried out by Graen,Uhl-Bien (1995) has resulted in a variety of responses from employees, depending on the relationship that was developed between the employee and the supervisor. The literature describes that some managerial processes get set up on a dyadic basis, which guides the leaders into a habit of forming differentiated relationships with the subordinates who report to them. The description of the leaders abilities and work practices can vary greatly and range from being "characterized by a high degree of mutual trust, respect, and obligation" to being described as quite low-quality exchanges with a lack of trust or respect and a high level of demotivation (Graen,Uhl-Bien, 1995). This is the basic understanding of two contrasting perceptions from a group who have been exposed to this theory application. As the model developed, it evolved into a more complex leadership guide that promoted a defined role-making process, and a higher-quality leader-member relationship. It was believed that this role making process may bring very positive outcomes for leaders, followers, teams and the organization as a whole (Graen,Uhl-Bien, 1995). As the theory progressed and the research conducted by Graen and Uhl-Bien was refined, it was noted that making interpersonal, less formal relationships tended to dramatically increase the quality exchanges between subordinates and managers. It encouraged the employees to be actively engaged in the tasks and increased work efficiency. The research illustrated the advantages of transitioning from formal interactions with the leader to social exchanges, sharing resources and information on the professional and personal level. As a result of such social collaboration, the relationship between the leader and a follower

could now be described more as a professional partnership based on loyalty, trust and respect (Graen and Uhl-Bien, 1995). According to the journalists' research, there is an evidence that creating high-quality leader-follower relationship builds stronger more beneficial interpersonal communication in the organization. The research however, seems to be quite limited in presenting the evidence of how this type of relationship between the manager and subordinates (through different leadership models) may impact the individual's work performance. Gerstner and Day (1997) have performed an analysis of LMX theory and have concluded that there is a correlation between LMX and positive work performance. According to the researchers, the approach is also associated with better objective performance, higher overall satisfaction (including the satisfaction with the leader) and stronger commitment to work obligations. Their findings are based on 79 studies and they have found a positive dependency of the member's perceptions of LMX and the leader's scoring of the subordinate's job performance, pointing out that the closer and more developed the relationship between the leader and the follower is, the more positive feedback on the employer's performance (Gerstner and Day, 1997). Although there is scientific evidence of such correlation, the author finds that the impact of these leadership theories in practice is more focused on building relationship between the leader and the follower and its effect on the strength of team values such as trust, commitment and loyalty rather than on the quality of work performance. LMX theory is only the core from which further theoretical elaboration is required to identify the factors that may impact work performance. Other studies have factored in surrounding elements such as the shapers of the relationships between the manager and team members, as well the consequences of such relationships. It was also recognised that organizational values and behaviours act as contributors to the unique social and psychological environment of the organizations

(Anand, Liden, Vidyarthi, 2011). Harris, Wheeler and Kacmar (2011) noted in their study that the LMX approach results in an increased sense of job loyalty, meaning the extent to which people feel a part of the organization. This in turn often results in increased job satisfaction.

2.3 Vertical Dyas Linkage model

Dansereau, Graen and Haga (1975) first came up with an illustration of the theory that was quite primitively based on the type of relationship between the leader and subordinates. The VDL theory can be viewed as the older sister of LMX, however, it is presented from a very different point of view to that of to the LMX that Graen and Uhl-Bien (1995) developed twenty years later.

The authors (1995) explain the Vertical Dyad Linkage model as a three-stage process of establishing the harmony between leaders and followers. In the first stage the leader assesses the individual abilities of each member and allows them to prove themselves. The in-role making stage is the period where the terms of future cooperation between the leader and team members are being established despite none of the parties involved officially or consciously following such processes. As the team establishes a routine, certain patterns are accepted and the relationship between the leader and the member becomes more defined. At this point of time, Graen et.al (1995), refer to "in" or "out" groupings that team members get classified into. The authors describe the diversity of the description of the leader-member relationship, as offered by members. According to their research, the in-group members mention feeling valued, mutual trust and respect, whereas the out-group representatives feel unappreciated, neglected and perceive the relationship with the leader as one that is low in trust, respect, and obligation.

Fisk and Friesen (2012) criticize the VDL originators for describing the model based on the in- and out-group concept of belongingness. The authors disagree with what they see as an inconsistent and discriminative approach towards forming a well-functioning effective team, and point towards a lack of cohesion within the group. In their opinion, a relationship based on favouring one cohort and disregarding the other is at odds with the principles behind a well balanced and efficiently working team. The authors disagree that the leader benefits from having "qualified assistants" within the group and "the others" who meet their basic responsibilities in the work place. Rosse and Kraut (1983) also argue against the entire idea of double-standards and the special treatment that in-group members enjoy in their dealings with the leader. In their concept (1983), the in-group members feel more able to express their opinion, can actively take part in decision making processes and can influence the behaviour of the leader. The out-group members, on the other hand, construct quite contrasting relationships with the leader. These relationships are based on formal interactions and bureaucratically established rules. This group may often suffer from feeling marginalised by the leader and feel left behind, which has been marked as a downside of this approach. Over the years, modern managerial practices have become more inclusive of subordinates. As such, the VDL model had to evolve from its original form, and undergo a process of modernisation.

2.4 Theory development

VDL theory has often been called the first stage of LMX theory development, or the intial investigation into Leader-Member exchange theory. Emphasis is placed on work socialisation and the differences between work units (Graen, Cashman, 1975; Graen, Cashman, Ginsburgh, Schiemann, 1977; Vecchio, 1982). The

researchers refer to this point of theory development as the role taking phase. The peers join the group and the manager reviews the capabilities of each individual. The talents are evaluated and based on the leader's judgment, opportunities are presented and employers assess the skills and abilities within the group. When VDL was first brought up first by Dansereau et al. (1975), the focus was directed towards differentiated relationships between the leader and direct followers. The same research observed that there was no dominant leadership style, which had been an assumption of the studies on effective supervision previously carried out at Ohio State and Michigan (Graen et al., 1976; Graen, Liden and Hoel, 1982; Graen, Novak and Sommerkamp, 1982). According to Graen, Cashman, Ginsburgh and Schiemann (1977), since no average leadership style was evidenced, the managerial activities seemed to be inconsistently handled by the leaders. This also illustrated a variety in the relationship between them and their subordinates. The role taking phase had seemingly been transformed into a relationship based arrangement in the workplace, and further research was warranted. The managerial studies carried out by Graen and Wakabayashi (1994) looked at the leaders' and followers' descriptions of their working relationships and their classification of different behaviours. The findings have clearly indicated quite contrasting emotions within the teams. Graen and Wakabayashi (1994) declare that the research has categorized two extremely dissimilar interpretations of the leader-follower interconnections. One is described as being low quality while the other is high-quality exchange. Similarly, when it comes to trust, obligation and mutual respect within that relationship, the outcomes can be both extremely positive or negative.

Zalesny and Graen (1987) explore this pattern and label these differing emotional outcomes as coming from "in-group" members, who are treated as trusted assistants and afforded a lot of trust, and

"out-group" members, who are considered only as workers hired to perform daily duties and comply with their job specifications. In the same research, Zalesny and Graen (1987) criticize the idea of the VDL approach, which targets having a split team structure that would create organisational support for the creation of a group of leader's assistants, and another group of hired workers who have low interaction levels with their managers. The future of this approach has been questioned, considering the significant time needed to maintain fruitful social exchanges with in-group members. As a result of this, the consensus is that VDL theory may be unsustainable.

2.5 In-group belongingness focus

The flow of academic research shifted away from the Vertical Dyadic Linkage and directed towards the studies of the bond between leaders and subordinates. Over time, the VDL was shaped into becoming the Leader-Member Exchange theory and the mutual interactions within this unit have become the subject of future literature interest.

The area within the theory concerned with the interactions between leader and follower is the most crucial part for the research for the author of this dissertation. It investigates the characteristics of the relationship and tests the impact of such relationships on the organisation, both individually and as a team. The theory tries to harmonize the efforts of the individuals to create an efficiently functioning, well performing organisation, which correlates to the field work study chosen by the author. The reasoning behind the split between favoured in-group members and ignored out-group members is discussed by Graen, Scandura, and Graen (1986), who explain the causes behind selectively chosen group members who could benefit from high quality partnership with the leaders. The

researchers conclude that high quality relationships between leaders and members evidently happen when subordinates share some personal commonalities with the managers as well as having similar values and priorities associated with their career views. Graen, Scandura, and Graen (1986) described the in-group personalities as loyal and compatible with the working principles and leadership styles represented by the managers. The same group also seem to share a focus on their career, and enjoyed being a part of a team dynamic. Furthermore, they recognized and appreciated the diversity of the team. They frequently showcased their ability when it came to long-term planning and showed enthusiasm about their roles and future opportunities (Vasudevan, 1993). Finally, they present a willingness to personally and professionally grow and improve their abilities (Graen et al., 1982; Graen, Scandura, 1986).

2.5.1 Personality diversities and impact on LMX

Barrick and Mount (1991) discuss the connection between the levels of conscientiousness in employees and the supervisors and the also the subordinates' belongingness to the in-group. In their opinion, the team members who are loyal, persistent, reliable and hard-working are more likely to be given the challenging task, exposing them to professional recognition. They benefit from a high quality leader-member exchange (LMX), provided, the manager shares a similar level of work ethic or work conscientiousness. Deluga (1998) continues this discussion and confirms that the similarities between the supervisor's and subordinate's conscientiousness may impact the follower's behaviour. However, other scientists highlight how discrepancies in the level of the work ethic negatively influences the overall team performance (Kichuk and Wiesner, 1997). Once again, similarities in such traits evidently contribute to the success within the group and increase work commitment and job satisfaction

(Meglino, Ravlin and Adkins, 1989). The group dynamics observed by the journalists are characterised by the leader-member relationship exchange. The individuals who are well-organized and hard-working get frustrated with the ones who represent a more relaxed approach towards professional activities. These negative feelings may come from both sides of the interpersonal exchange, either from a manager or from a subordinate, and can lead to problems if such differences in work conscientiousness are sustained (Kichuk and Wiesner, 1997). Bernerth, Armenakis and Walker (2008) categorizes individuals' character differences and outlines the impact they have on the LMX. In their studies, they take into consideration the individuals' extraversion, agreeableness, intellectual abilities and emotional stability as the factors that decide the quality of an interpersonal exchange between the manager and subordinates. In the article they link a high leader-member exchange with personal similarities, and in-group belongingness (Bernerth et al., 2008).

2.5.2 Communication and knowledge sharing

The literature refers to a knowledge sharing process from a variety of perspectives. Leadership theories explain some of the patterns of knowledge donation and collection, however, the author is more interested in assessing the quality of relationship exchanges and gaining a deeper understanding of how leader-member exchanges impact the motivation for sharing information and knowledge with the immediate manager.

Dysvik, Buch and Kuvaas (2013) conducted research that tested how different qualities of the relationship may be reflected in internal communications between the leader and follower. In their study, they suggested that the quality of the relationship in such a professional setting directly impacts the willingness of subordinates to share knowledge. The better the relationship, the better the lines

of vertical communication within the organisation. For the purpose of differentiating relationships with different qualities and relationships with different levels of quality, Kuvaas (2012) developed sub sections to the LMX theory. These sub theories are called the Social Leader-Member Exchange (SLMX) and Economic Leader-Member Exchange (ELMX), and are believed to qualitatively characterize different systems of relationships (Shore et al., 2006).

The authors go on to describe different form of relationships, in terms of social (SLMX) and economic (ELMX) exchange. They make a point that the qualities of these exchanges are quite different to those seen in a classic LMX. Shore et al., (2006) discuss how the quality of these types of relationship impact the employee's motivation to share knowledge. Wang and Noe (2010) contribute to this debate, claiming that the donation of information is directly proportional to perceiving justice and levels of trust towards the leader as well as feeling a sense of trust from them (Salamon and Robinson, 2008)

Other researchers mention the importance of another aspect of SLMX and its contribution to a motivation to share the facts. The SLMX is considered a long-term approach and it is built between the units that are exposed to ongoing changes, which may take place in the leader and team orientation (Blau, 1964; Buch et al., 2011; Cropanzano et al., 2001; Shore et al., 2006; Walumbwa et al., 2011). This phenomenon can be well-observed within a group of people who have been working together for a long time where the interpersonal relationship turns into a partnership with high levels of trust and no immediate need for emotional exchange. The emotional and social needs of this setting are well serviced on a daily basis. SLMX is a higher level of exchange between the leader and a follower, based on solid qualities such as trust and empowerment. As such, a positive SLMX could improve the relationship between the

manager and employees and encourage the sharing of knowledge from the subordinate to the leader. The ELMX (so called economic exchange), on the other hand, is a contrasting type of LMX approach, still focused on the interpersonal exchange. Despite this, the literature refers to it as more instrumental (Kuvaas, Buch, Dysvik, Haerem, 2012). The focus of this exchange is directed towards immediate "pay-offs" in behaviours. It is based on formal agreements and involves clearly defined roles within the leader-member unit. However, it was found that ELMX may weaken the relationship between the manager and subordinates and negatively impact knowledge sharing within the unit.

2.6 Summary

As documented in this chapter, the literature broadly describes factors that may influence the relationships between the leader and the followers. Different authors have elaborated on the reasons for which such relationships are or are not well-established. The purpose of this section was to explore the available sources that would describe the phenomenon of the LMX theory in the process of building the relationships between a manager and subordinates. It also aimed to allow a better understanding of how the personal and professional attitude within the leader-member setting may differentiate and be reflected in forming the in-group belongingness.

After critically exploring the literature, this researcher found out about traits that may impact the process of forming the relationships between the leader and followers. Based on previously documented studies, the author could understand that there are personal qualities that may influence the perception of being a part of the team. The details of the research objectives will be revealed in the next chapter.

Chapter 3. RESEARCH QUESTION

The previous chapter critically explored the LMX theory seen by the scientists in their theoretical work and researchers who have conducted the studies around the subject. The author of this body of work compared and contrasted the findings to reflect on the opportunities to discover more insights of the topic. This researcher conducted the study expecting that the research outcomes may reveal the facts that have not been previously found in the literature review.

The journalists discussed, based on their own studies and theoretical assumptions, how the leader-member exchange process works and what behaviours are observed to be formed between the manager and subordinates. The author of this thesis, however, is willing to perform in-depth analysis of how varieties of qualities, traits and attitudes can impact these two-way interpersonal bonds. The other aspect that seems worth giving attention in this study is how, during the process of establishing leader-member exchange, the team members get categorised in between 2 sub-groups in the team. The literature review provided with a limited explanation and the author of this paper hopes that the field work findings and analysis will present with more conclusions.

The literature review has allowed to form the key objectives that that this body of work will aim to answer as the research continues. The purpose of defining the research objectives is to ensure that these will describe the areas of the study that would be explored in order to answer the main research question: ***"How do the differences and similarities of personal and professional attitudes shape up the relationship between a manager and***

***the followers and impact the subordinates' belongingness to
the in-group?".***

The leader-follower relationships will be illustrated and the
investigation of the process of forming the relationship between the
team member and the direct supervisor in a very specific situation
when the leader used to be a part of the team that he currently
manages was carried out. The idea for this body of work comes from
the author's personal experience and further willingness to deepen
the knowledge around the topic.

- The main objective of this study is for the author of this study
  *to engage in a data collection process in the manner that
  would allow the study findings to answer the research
  question*. This researcher made all efforts to design the
  research in the way that would allow her the critical subject
  exploration. Data collection process is an important step and
  only if carefully planned and well thought-through, it can bring
  the adequate results that can be analysed, concluded on and
  answer the main research question defined at the beginning
  of this chapter. In this paper, research question has been
  formulated after reviewing the subject related literature when
  this researcher felt that the further investigation of the LMX
  theory may to worth and it can result in revealing some
  interesting facts related to practising the leader-member
  exchange theory.

- Precisely chosen candidates who answered interview
  questions, are believed to help to meet this researcher's
  another objective, which is *to recognize whether the LMX
  theory presented in the literature in a classic leader-member
  exchange scenario describes similar behaviours in comparison*

to a quite specific team organization where the manager used to be a peer of the team that he currently supervises.

The LMX theory described in the literature by many researchers (Lidden, Sparrowe, Wayne, 1997; Graen, Uhl-Bien, 1995; Gerstner and Day, 1997), broadly referred to the process of building relationships between manager and the peers and implication of such exchanges on different aspect of professional environment, such as job satisfaction and loyalty and general feeling of being a part of the organization (Harris, Wheeler and Kacmar, 2011). The available literature references to the studies that were focused on the relationship process and did not put much emphasis on investigation of the circumstances in which the process developed. The purpose of this project is to conduct the study in the specific professional surroundings where the manager used to be a part of the team that he currently supervises, compare the findings with the literature review and conclude on the matter. This researcher will also aim to develop the LMX theory and enrich it with the findings that have not been documented in the literature just yet. This sub-objective may be difficult to be met, however the author of this study will ensure that all efforts are put into a proper design of the research in order to collect the data which analysis can bring something new to the science.

- As evidently present in the literature, one of the processes described by the LMX theory is group formation and categorisation between in and out group members (Graen and Uhl-Bien, 1995). This concept, criticized by Fisk and Friesen (2012) as the approach that is against promoting team cohesiveness, was identified to be worth giving more attention in this study. This researcher's yet another objective is *to understand how the categorisation of being an in and out*

group member takes place in the workplace. The author wants to investigate the circumstances of such socio-cultural split and reflect on the reasons that could contribute to this process. The author of this body of work finds this objective to be crucial to be met, since the entire research is focused of the quality of the relationships and discussion on the interpersonal exchanges between the leader and the followers. Once the study explains this phenomenon and presents the evidence of in and out group belongingness process existence, a full discussion on how this formation happens can happen and the objective can be met.

- Once the reasons for the in and out group categorisations are discussed, the last objective of the author of this body of work is *to focus on the qualities that may positively or negatively impact the relationship between the leader and the followers*. The literature already describes some behavioural dependencies and how discrepancies in work approach and personalities of the leader and the followers may impact the process of forming a group (Kichuk and Wiesner, 1997). Regardless the literature findings, this researcher, based on all data collected during the study, will aim to document his results and conclude on the difference between the process described in the theory and what was observed in the field work.

It is important for the conduction and validity of the study that the objectives above are met and the research question is answered when data for the project is collected and analysed. The author, however, is aware of the limitation of data collection and any difficulties in gathering information from the field work is

documented and escalated in the research findings.   The field work findings, based on collected evidence and the final conclusion on the studied matter will be recognized in the further chapters of this thesis.

Chapter 4. RESEARCH DESIGN

4.1 Introduction

This chapter aims to define the research design taken on in this study and to discuss the best way to collect and utilize the most relevant resources for that purpose. All these activities must be organized around the subject of building the relationship between the manager and subordinates in the specific work situation where the leader used to be a part of the team that he or she currently supervises.

This Chapter will put emphasis on defining research methodology and as the further parts of the chapter develop, all stages of the research are going to be explained and will also include the author's elaboration of the rationale behind choosing the data collection methods and analysis.

4.2 Research Thought and Perspective

To give the study its shape, it needs to be well planned. The scientists, Saunders, Lewis and Thornhill (2012), refer to research of the entire process as if it was an onion, and as if every step that needs to be taken in order to successfully complete the entire study, is a layer. The researchers explain how layers represent planning stages within the study field. Saunders et.al (2012) elaborate on how research presents the opportunity to select the right methodology for every step of the experimentation that ultimately is going to bring the researcher to successful completion of the project and will meet its goals and objectives.

Figure 1. The Research "Onion"
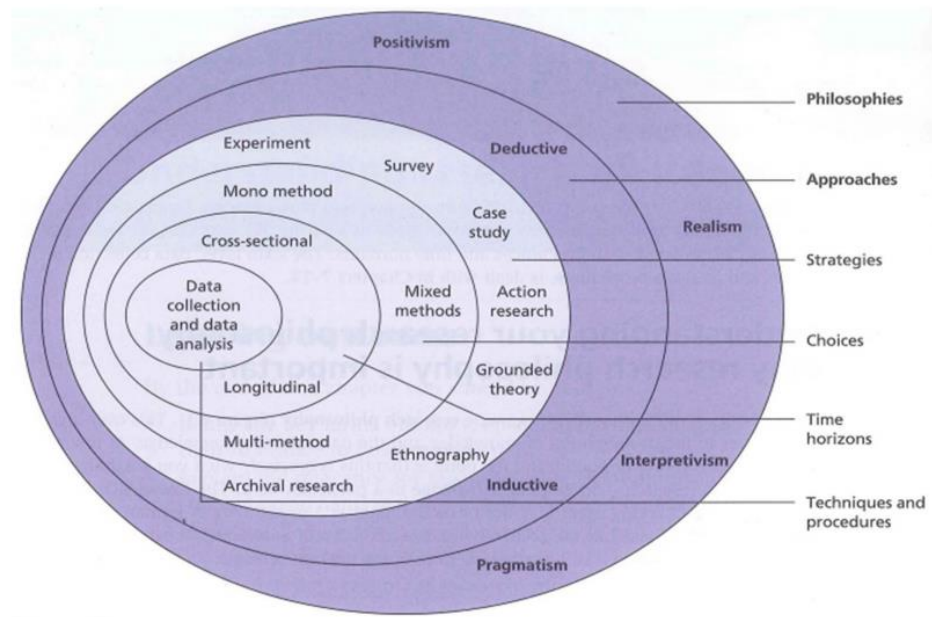
Source: *Saunders, Lewis and Thornhill, 2012*

Design of the research is often shaped by author's personal impressions and perception of the characterising of a problem that is going to be investigated. The outer layer of the "onion" is understood as the first step in research planning and represents research philosophy that can be chosen, depending on the nature of study (Saunders et al., 2012). The main goal of the onion layering, as an expression, is to illustrate the phases of the study that will need to be completed to bring the project to completion. Its other function in the research is to illustrate different options for each study part and to present the different types of approach available to the researcher. It is used for data collection and the methods of data analysis that can be applied at the further parts of the study (Creswell, 2009; Saunders et al., 2012). Easterby-Smith, Thorpe and Jackson (2012) highlight the importance of understanding that each approach presented at the layers of the "onion" may have its limitations and it is worth identifying and documenting them as the

study progresses, allowing the necessity of using combined methods of data collection to meet the research goal.

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4.3 Research philosophy

According to Saunders et al. (2012), every author has a choice of philosophy which influences the research design and often is in line with his values and beliefs. Easterby-Smith et al.(2012) distinguish two main approaches that will be described by the author of this body of work in the following sections.

Amongst the major philosophies that can be appropriately applicable to the qualitatively conducted research, the epistemological approach is identified as the most relevant to this project. This researcher highlights in the study that the process of building the relationships is influenced by the qualities, traits and attitudes, both from the personal and professional level and are related the interviewed individuals. This factors were discussed at the data collection process and came from the personal experience and opinion of managers who participated in the study. As the result of the above activity, this researcher believed that interpretivism is the best fitting epistemological thought which suits this study. The subjective nature of the project allowed this researcher to conduct a thorough analysis of the topic. This would have not been possible if the research was based on objectivity such as realism that would have not allowed the insights and opinions to influence the main research subject.

The interpretivism explains that reality is constructed by individuals and consists of social activities and these are being studied in order to understand how they function in the world, rather than being presented as they are, like in objectivism (Creswell, 2009; Easterby-Smith et al., 2012).

4.4 Research Methodology

It is important that the research methodology is chosen wisely and in line with the research objectives. There are 3 main research methodologies.

Since the author's goal is to deepen the knowledge around the study subject, to find and explore different interviewed candidate's viewpoints, the grounded theory has been eliminated as the methodology to be followed in this instance. Grounded theory is found to be more relevant in the high-volume studies, where the conclusions can be built based on the collected data, rather than on a chosen phenomenon (Chesebro and Borisoff, 2007) and where the research focus is directed on data categorisation, comparison and coding, rather than broad understanding of an existing concept. It is focused on identifying concerns and finding the solutions (Glaser, 1992) and may be understood as a "down to the point" approach, not leaving the researcher with many opportunities to ask study-relevant follow-up questions.

Ethnography is another type of the research methodology that puts emphasis on subject investigation using study tools such as participant observation and interviews (Bryman, Bell, 2007). The author's workplace could be a research friendly place to conduct the participant observation – to gain an easy access to the study group and be able to document a considerable amount of time spent uncovering the enquiry group which could bring a valuable contribution to the entire field work. However, since this methodology is more applicable to discover the subject broadly rather than to narrow it down to the particular phenomenon, like in this dissertation, the case study is selected as the most relevant research methodology.

Ethnography and the case studies are quite often comparable and some writers often refer to these as being interchangeable. Taft (1997) mentions ethnography as a case study method, however, to avoid confusion in the approach taken in this body of work, the author of this paper chooses to highlight between these two methods. In order to investigate the phenomenon described in Chapter Two in depth, the case study has been decided to be the most relevant research methodology that the author has applied. The purpose of the research is to investigate and understand the concept of interpersonal exchange between the leader and the follower and illustrate how and if it may impact the professional environment. This will be examined in the real-life scenario, in the particular workplace situation within the Organization X. Another aim of this study is to investigate whether data collected by the interviewer corresponds to the arguments gathered from the LMX theory described in the literature (Bryman, Bell, 2007). The author of this thesis believes that the case study fits the purpose of the research- it presents an insight into the studied phenomenon and helps evaluate to what extent the researched spectacle has been practised in the chosen place of business. Intrinsic case study is the in-depth form of a case study methodology that the author recognized as the perfect fit for the whole learning, which is also based on the journalist's personal interests and experience. There are some distinctive advantages that may reconfirm the relevance of this methodology to the subject proposed by the author.

Firstly, the field work may allow the researcher to expand the meaning of the LMX theory and offer more descriptive definitions of how the phenomenon can be present itself in society (Stake, 2005). The semi-structured interviews will also open the channel for follow up questions that can cover additional aspects of the theory beyond the scope of the literature

The varieties of different types of either qualitative or quantitative methods as standalone or mixed (both types together) in literature are referenced as research strategies. Their main function in the study is to provide a guide for process development in a research design (Creswell, 2009; Saunders et al., 2012). The same authors describe quantitative ways of analysis as the ones that that focus on numerical data within the research. They gather and investigate the relationship between variable and statistical mathematics and this forms the basis of their research.

Should the author of the study aim to analyse the result of the investigation as the meaning of the opinions expressed by the participants and include their elaboration on the subject, the numerical analysis of the collected data may be inappropriate. Anderson (2009) suggests using contrasting, qualitative techniques for such scenarios. These nonnumerical methods deepen the meaning of descriptive responses in the conducted study and explore the relationship between the opinions in order to shape up a conclusive framework.

Both methods outlined above have their individual limitations, therefore in some instances, the combination of two of them within the same study may be beneficial to understand the bigger picture of the studied field (Saunders et al., 2012).

4.5 Data Collection and analysis

Mack, Woodsong, MacQueen, Guest and Namey (2005) have illustrated the advantages and disadvantages of quantitative and qualitative methods of data collection in a constructive way, shown in Figure X. The major dominance of that qualitative methods provides the research with over quantitative approach is the

flexibility in gathering the material for the study. The questions asked and answers collected in the quantitative methods are fixed – this path does not allow follow up questions and all data collected that way can be only analysed based on responses given and limited to the options that the researchers presented the interviewees with (Mack, Woodsong, MacQueen, Guest and Namey, 2005). The quantitative studies may be particularly challenging in the subjects that require exploration of the viewpoints and where the research could particularly benefit from the participants elaborating on the matter. On the other hand, where the quantitative approach may not be to appropriate to the type of the study, the qualitative methods of inquiry could be applied. The author can use unconstrained questions and guide the conversation in the manner that would encourage participants to adequately detail the statement and generate more meaningful understanding (Mack et al., 2005).

Table 1. The outline of quantitative and qualitative research approaches

	Quantitative	Qualitative
General framework	Seek to confirm hypotheses about phenomena	Seek to explore phenomena
	Instruments use more rigid style of eliciting and categorizing responses to questions	Instruments use more flexible, iterative style of eliciting and categorizing responses to questions
	Use highly structured methods such as questionnaires, surveys, and structured observation	Use semi-structured methods such as in-depth interviews, focus groups, and participant observation
Analytical objectives	To quantify variation	To describe variation
	To predict causal relationships	To describe and explain relationships
	To describe characteristics of a population	To describe individual experiences
		To describe group norms
Question format	Closed-ended	Open-ended
Data format	Numerical (obtained by assigning numerical values to responses)	Textual (obtained from audiotapes, videotapes, and field notes)
Flexibility in study design	Study design is stable from beginning to end	Some aspects of the study are flexible (for example, the addition, exclusion, or wording of particular interview questions)
	Participant responses do not influence or determine how and which questions researchers ask next	Participant responses affect how and which questions researchers ask next
	Study design is subject to statistical assumptions and conditions	Study design is iterative, that is, data collection and research questions are adjusted according to what is learned

Source: *Mack, Woodsong, MacQueen, Guest and Namey, 2005*

Anderson (2009) describes several types of qualitative approaches of data collection and analysis. These can be grouped between different types of interviews or meetings: one-to-ones arrangement or group set ups, such as focus groups or group interviews. The individual nature of the one-to-one interview could be quite beneficial for the research. It can be handled in a semi-structured manner, where the researcher can engage in the conversation and focus on the details that bring the value to a study, however a highly-structured approach may be relevant if the study seeks to find precise answers based on a higher volume of the interviewees. This is useful when the research questions would not qualify to be answered through the quantitative methods of data analysis (Easterby-Smith et al., 2012; Saunders et al., 2012).

For the purpose of investigating the application of different managerial theories and behaviours and their impact on the job performance, general work satisfaction and to help to understand the challenges of transitioning to a leader position from being a former peer of the team who reports to the current managing individual, the semi-structured interview technique will be hires as a chief data collection methodology. Semi-structure interview is a great type of conducting the research where the author is in a possession of predefined questions, however, due to the open nature of some of them, the follow-up questions may be required to be asked. Depending on how the dialog develops, the final interview layout may not be the same for all interviewees and it may consist of slightly different final set of questions (Anderson, 2009; Saunders et al., 2012).

4.6 Research Ethics

Every study, properly conducted by the author, should consist of the research ethics. The purpose of that is for the researcher and the entire study to ensure that the subject that has been discussed and questionnaires or interviews that the parties have engaged in, have not exposed any of the participants to any source of psychological or physical pain, emotional or material damage (Saunders et al., 2012). Research ethics establish the rules and describes the standards of behaviour that is expected towards the individuals being interviewed and shape up the research directions to avoid the author to risk putting any individuals through forced or shameful circumstances or situations during the course of the study (Easterby-Smith et al., 2012; Saunders et al., 2012).

There is a legal obligation between the author of this body of work and the Organization X not to disclose any of information on the above; an agreement was signed between the parties to confirm such conditions. This is believed to guarantee confidentiality of the information shared by participants of the study and to ensure the anonymous nature of the entire research.

4.7 Data Quality

When the qualitative method of the research is selected as the study approach, there is a number of considerations that may need to be outlined by the author. Since this type of research could be subjectively analysed, it is important that generalisations or bias are avoided completely. The researcher must also ensure that data reliability is sustained as much as possible. Saunders et al. explain data reliability as the way similar results may be gathered by different scientists (Saunders et al., 2012). According to them, there

are risks of maintaining reliability of data when the follow-up questions are asked in the type of interviews conducted in this study. The researchers elaborate on the challenge that presents itself when the research originator enter such a dynamically changing conversation that is maintained during the semi-structured interview and make the point that due to the complexity of the questions and answers, all collected data may not be possible to be duplicated by other authors.

Easterby-Smith, et al., 2012 and Saunders et al., 2012 elaborate on importance of avoiding bias in the semi-structured research. There are types of bias that the researchers understand as specifically important to avoid. There are types of non-verbal behaviour that may be considered as interviewer bias, it may be the interviewer tone of a voice or comment that could be understood as inappropriate. All the above could be considered as suggestive methods of communication and, often subconsciously, influence the way how the interview candidates answer the questions (Saunders et al., 2012). There are some interviewee bias that may happen as a result of the subjective perceptions of the person conducting the interview. If the interviewee feels threatened or there are any other negative emotions associated with the process, he may not feel like revealing his true feelings and may hide facts that may be important for the research (Easterby-Smith, et al., 2012). Saunder et al. suggest watching the body language and conducting the interview process in an open and two-way manner. This is so the interviewer is not tempted to lead the direction in which the answer would go. The researcher is advised also to avoid making personal comments or sharing his beliefs during the process of data collection. Should any follow-up questions be asked, this is crucial that they are asked in a neutral tone of voice and avoid sharing any kind of influencing opinions during the process.

All five interviewees knew the researcher at the time of the interviews. This researcher was aware that this could be an issue and that the presence of the interviewer may impact the answers provided in the process and as a result of that, data quality could be negatively impacted. To avoid such complications, the author of the study ensured the candidate about the anonymity and confidential nature of the meeting to encourage obtaining honest and honest comments and opinions.

Another concern that can be raised in the qualitative study is generalisation of collected data. This describes to what level the collected data can apply to other circumstances or settings (Saunders et al., 2012). The sample size for the field work in this study was relatively small and the results of data collection is not sufficient to represent the values for the whole population. However, since the group of participants worked in the same Organization X, and the outcome of the interview process can be valuable for the environment in which this research was carried out.

This researcher made the best effort to design the interview questions and collect data that would support data validity and obtain the answer that would be relevant to the study topic and answer the research question. The author of the project, guided by the recommendations from the literature, aimed to collect data in the manner that would eliminate data limitations as much as possible and that would increase data credibility (Anderson, 2009). The researcher carefully designed research questions and asked follow up questions where it was appropriate to maximize the amount of data that could have been collected as the candidates shared their thoughts and opinions.

4.8 Summary

The main goal of this Chapter Four was to present the methodology taken up within this research. This was to recognize and discuss how different leadership theories in conjunction with the research carried out may impact the overall performance in the work place and general job satisfaction in the teams, where the leader is a former peer.

Since the current studies on this specific matter are quite limited, the author employed the qualitative method of data analysis in this study.   This allowed follow up questions at the interviews and as a result of that, the situational answers given by the interviewees provided the researcher with a better understanding of factors influencing the relationship between leaders and members.

The author of this body of work organized five semi-structured interviews (based on face to face experience or as a form of a phone conference) within a sample of population working in the same Organization X and its finding will be described in details in the next Chapter.

At the end of that section, the researcher outlined the ethical considerations accompanying the study, to avoid deviating from any of the research guidelines.

Chapter 5. RESEARCH FINDINGS AND ANALYSIS

5.1. Introduction

The idea of the research subject comes from the author's personal experience. This choice was also influenced by a high percentage of jobs appointed internally within the Organization X, where this researcher currently works, in comparison to the ones appointed externally. As the result of such work practices, a lot of former members of particular groups become the leaders. No similar research has ever been carried out in The Organization X in the past and the outcomes of this study and knowledge from it is hoped to help to understand the process of building the relationships between the managers and subordinates in the workplace.

In the previous Chapter the author explored available literature and viewpoints of the researchers that have been interested in the similar matter in the past.

The author of this thesis has conducted the interviews using the contacts from the Organization X which has been briefly described in one of the previous section of this paper. The meetings with the study participants were organized as face to face discussions. The author of this dissertation designed an overview of the study based on the interest in exploring the subject of creating the relationship between the leader and the followers. A set of relevant interview questions was defined. This researcher confirmed with the HR department that there were no obstacles in using the data from the interviews, provided that the interviewees' and the name of the Organization X will not be published at any point of the study.

Prior to commencing the study, this researcher had informed all parties involved in the interviews about the voluntary nature of the activity. Moreover, every participant was ensured that at any stage of the process, the conversation could be paused and the interviewee could withdraw from the process without providing the reason. The additional documents, such as Recording Agreement (Appendix 2), protecting the rights of both parties involved in the study, have been signed prior the meetings kick-off.

The well-known work environment (Organization X) and comfortable atmosphere during the interview was trusted to increase the likelihood of an open and honest two-way conversation. The researcher took care of the friendly, welcoming and safe setting during the entire interview process. The writer ensured that all participants' answers and opinions expressed at the meetings were respected, listened to, given attention and where they could bring specific value to the study. Where the answers seemed to be particularly valuable to the study, this researcher asked for elaboration of the subject, which is allowed in the semi-structured type of interviews that was introduced in this instance.

5.2. Semi-structured interviews

Semi-structure interview is a great type of conducting the research where the author is in a possession of predefine questions, however, due to the open nature of some of them, the follow-up questions can be asked. Depending on how the dialog develops, the final interview layout may not be the same for all interviewees and it may consist of slightly different final set of questions (Anderson, 2009; Saunders et al., 2012).

The use of open-ended questions allowed the interviewer to obtain relevant data this researcher did not seek for planning the study.

The key topics of the study were covered by the interview guide (questions). These, however, were not strictly followed, as the nature of the interview was kept as open-ended and the predefined questions were used more as a tool to ensure that the objectives of the research were met.

In general, the structure of the interview was built-up of the following sections:

- Welcome of participants and quick discussion about the confidential nature of the interview and reaching agreement to record the entire discussion
- Preparation questions, not related to the project – these helped the participant to relax and encourage them to openly share their opinions in the further part of the field work
- The main interview section where the candidates answer the questions that aimed to give this researcher to an insight of the study subject and help meeting the objectives
- Closing part of the meeting, which allowed the random discussion, showing the interviewer's genuine interest in participant's life and allowed two-way questions or comments.

All interviews were conducted using a smart phone application which enable this researcher to concentrate of active interviewing, listening and fully engaging in the conversation without being distracted taking notes.

5.3 Selection criteria

The non-probability sampling was chosen as the best method to select candidates relevant to this study (Saunders et al., 2012). The way of choosing the interviewees allows subjective judgement to pick the most appropriate candidates who can make their contribution to the whole study.

The author of this thesis approached five individuals, working in the same Organization X as this researcher and who whose participation was predicted to provide the most adequate insight that could be beneficial in the study and that could meet the research objectives.

5.4 Interview findings

5.4.1. Introduction

The interviewer conducted five meetings with the individuals working in the Organization X. All collected data was reviewed and filtered so the most essential and valuable details were kept and categorised, allowing the researcher to perform analysis of the findings.

This researcher collected and sorted data from each candidate, extracted and will discuss the most meaningful details from all given answers. These can be reviewed in the Table 2, Interview Summary, Table 3, Interview Summary. and Table 4, Interview Summary, shown below. The list of the questions that designed the interview are available as Appendix 1.

In addition to data collected at the interview process, this researcher attached the summary of the Communication in Colour course (Figure 1), which was completed by all team members who interviewed individuals manage. The course taught the participants how important it is to understand different personalities and ways how people work and communicate. The results of such training will be discussed in the further section of this chapter.

5.4.2. Interview findings and analysis

As defined in the research methodology, the main tool used to collect data in this study was a semi-structure interview. The unit of

analysis in this research is the process of building the relationship between the leader and the followers. Five individuals working in the same Organization X were interviewed and asked to describe their working experiences with subordinates. The author of this thesis categorised the field work findings and will categorised the outcomes in the manner that would logically present the participants' opinions and allow further conclusions.

Numerical values

This researcher asked the participants 15 main questions. Where the value of the study could be increased, the additional enquiries were made. All individuals have been working in the same organization for several years (between 7 and 17, which results in the average time serving in the Organization X of 8,8 years). This researcher conducted 5 interviews, each of them has taken between 25 and 41 minutes and took place between 10th of July and 15th of August 2017. All these meetings were arranged in the workplace.

The average age of the all participant is 39.8, with the interviewees being as young as 30 years old and the eldest was 66. Each of the field work participant has been a manager, working in the Organization X, for the length of time between 1 and 6 years, which presents the average interviewee to have 2.8 years of experience as a manager within the Organization X. The team members that are supervised by the research participants, have been in the Company for the length of time between 6 months and 12 years.

The statistics above were recognized by the author of this project as important for the study. They illustrated significant time that that all participants have been working in the Organization X for, it demonstrates their good understanding of company practises and makes them reliable candidates to discuss the subject of this research.

Quality finings

The middle part of each meeting was dedicated the topics that required more elaboration and examples to be given to the author of this study. The participants were asked who they felt they work best with in the team and why. This researcher could notice some level of similarities in data collected from 2 individuals from the study and for that reason the analysis with be performed based on comparing the answers of these two interviewees.

As shown in the Interview Summary Table 3., 2 out of 5 managers (Manager 1 and Manager 4) mentioned positive work experience with the ones who "do not waste the time complaining about others". It has been described as one of the behaviours that is negatively reflecting on the employee's profile. Both leaders (Manager 1 and Manager 4) liked working with people who focus on what they should achieve, instead of paying attention to their college's faults. On the other hand, the leaders recognized that "everyone is different" and the role of a direct supervisor is to be able to handle diversity of people. Manager 1, however, considered working with negative-mindset people as "challenging" and admitted struggling to patiently respond to ongoing complains in the workplace. Working with such type of personalities, Manager 4 recommended to "tolerate and listen to them, however, not to intend to build any relationship on the personal level".

Manager 1 confirmed that in his opinion the differences of the personalities or work ethics may impact the way how manager choose to delegate the tasks to subordinates. He admitted that if all team members were equally experienced, he would have given the most complex task to someone who is the easiest to manage. That would ideally be someone, who he had the best relationship with. This behaviour was mentioned to aim to avoid having to spend extra

time either micro-managing the task executor, if he or she could not be trusted (in the opinion of the manager) or having to deal with many additional questions (if a person was not competent enough). Manager 4, in contrast, said that he would have chosen the rational approach. In his opinion the best way to get all tasks completed is to distribute these by urgency and assign them to whoever is available at the time. He did not see how qualities of personality or work ethic should be taken into consideration when important tasks are split between everyone in the team.

Both Managers 1 and 4 admitted that they do socialize with their peers outside of work sometimes. One of them did think that the closer the outside of work the relationship between the leader and the team member is, the more "included" that peer seemed to feel in the group (as subjectively assessed by the Manager 1). Manager 4, on the other hand, did not see the link between the relationship and the way how he could see the team member would demonstrate his/her belongingness to the group. It is important to notice the difference between the Question 13 and Question 14 (Table 4. Interview Summary). Question 13 verifies whether team members spending any social time with their leader are any more engaged in the work tasks in comparison to the ones who do not, and Question 14 analyses the perception of in-group belongingness seen by managers. None of the two managers (1 and 4), did see any dependencies between socializing with their teams and the team individuals' level of engagement in the work tasks.

Data collected from the Manager 2 and 5 were quite contrasting. It represented noticeable viewpoints varieties and work expectations. The 32 year-old Manager 2 valued the ability of detaching personal exchanges from professional relationships. She admitted considering the ones who have the same viewpoint as the easiest to work with. In the manager's opinion, when employee can focus on work and

put personal feelings aside, the tasks can be performed more efficiently. With less personal influences, the focus is on work - what and how it should be done for the best result. When this is completed, Manager 2 believed in rewording system, explained as when the work is done, it is "the time to have fun". Manager 2 did not support this attitude, however, could identify that people "take work personally" (Question 14, Table 4. Interview Summary). She noticed that the more positive the relationship is, the happier people seem to be around the work tasks and she agree that it felt like team members are perceived to be more a part of the group, the more they socialize with the leader. According to the opinion of Manager 2, the ones who do participate in social events and build the somewhat personal relationship with the leader, do seem to be more engaged in work task performance. Manager 2 seemed to find it the entire interaction with the peers who mix professional and personal relationships up quite challenging. She did not find this quality much appealing and described the attitude towards this exchange as " would not talk about non-work related matters much". All data collected from Manager 2 seems to be representing the strong value for work and personal life separation. The Manager 2 confirmed also that she did not see how personal qualities or work ethic could influence the managerial decision on splitting the tasks amongst the team. She would have split them randomly and put the rotation system in place, if all members were equally experienced.

Manager 5 is represented by an experienced individual who values hard work and appreciate when the team member takes the ownership of work that he or she does. Manager 5 expressed that the best who she worked with are "the ones who are responsible, punctual and reliable and do not need to be reminded their responsibilities" (Question 6, Table 3. Interview Summary). In the manager's opinion, "careless and forgetful" individuals and "trouble

makers" (described as the ones who look for blaming others for errors and faults) are the employees who Manager 5 admits not to build the most beneficial relationships with. In her answers, the leader sounded convinced that these "do not take work seriously" and "their focus is not on work performance" (Question 8, Table 3. Interview Summary). In relation to work delegation, the manager confirmed that the tasks are split based on the leader's subjective opinion of who the best person to perform the job is. Manager 5 admitted to be influenced by peer's work ethics and personality type when assigning the work tasks. She believed that personal qualities may reflect on the approach towards the work responsibilities. Manager 5 did not involve herself much in the social events and was not able to comment on whether the task engagement is anyhow related to the social time that the team members spend with the manager. She assumed, however, that the closer the relationship, the more of "better work" may be seen.

The last interviewed Manager 3 admitted to have quite instrumental work approach. He was self-critical and aware of poor relationships that he managed with his team members. He advised that he found the easier to work with "the ones who work fast and get to the point rather than talk a lot and do not much work" (Question 6, Table 3. Interview Summary). He said "there would not be a lot of interactions rather than related to what must be done in work", when asked to describe the relationship with someone from the team that he could admit he did not work the best with. When splitting the task, provided hypothetical situation that all team members are equally trained and experienced, Manager 3 presented practical approach and admitted "using personal judgement" and "select the "faster" ones get more complex work and the "slower" ones - the regular, non-urgent duties" (Question 10, Table 3. Interview Summary). In the opinion of the manager, the personal qualities

would have been the turning point when deciding on a type of a task to be given to a member in the team, as he believed that not everyone works in the same way. Since the Manager 3 was not able to demonstrate much personal exchanges with his team and recognized it as his managerial weakness, he could not comment much on whether socializing with the leader can make the team members feel more as a part of the group (team). He mentioned that they "probably feel more included" (Question 14, Table 4. Interview Summary). Manager 3, however made a statement that he did not think that maintaining social relationship with leaders impact the employee's engagement in the work tasks.

All managers involved in this study have experienced the major work transition. All 5 of them were a part of the team that they now manage. These may be quite challenging circumstances and the newly promoted manager may experience some difficulties on the way of establishing the new relationships with subordinates. When asked whether any interpersonal difficulties with anyone with their teams are believed to have anything to do with their promotion, 4 out if 5 answered "no" and confirmed they had seen no connection. Manager 2, however, did see the situational difficulty with one individual specifically. In her comments, she mentioned what the reason for occasional disagreements could have been. In the opinion of the Manager 2, that individual has served a longer time in the company that the leader who was interviewed in this study and did experience an ongoing disappointment after not getting the manager's role.

Table 2. Interview Summary

Manager #	Q1 What is your age?	Q2 How long had you been working in the company and how long have you been at the position of a manager?	Q3 How many people do you currently manage?	Q4 How many of those people you had you been working with before you got promoted?	Q5 How long have your team members been working in the company for?
Manager 1	30	7, 2 as a manager	5	4 and 1 is a "new" employee	Between 6 months and 5 years
Manager 2	32	8, 2 as a manager	4	All of them	Between 2 and 10 years
Manager 3	37	12, 3 as a manager	7	5 and 2 "new" employees	Between 2 and 9 years
Manager 4	34	10, 1 as a manager	5	3 and 2 "new" employees	Between 8 months and 7 years
Manager 5	66	17, 6 as a manager	6	2 and 4 "new" employees	Between 2 and 12 years

Table 3. Interview Summary

Manager #	Q6 **Who of your team members you think you work the best and why?**	Q7 **Can you describe the relationship with someone from your team that you could admit you do not work the best with?**	Q8 **Can you think of what may be causing such situation?**	Q9 **Do you think any interpersonal difficulties between you and any of subordinated may be related with your promotion?**	Q10 **If you had equally experienced team members, how would you divide work between them?**
Manager 1	The ones that do not "waste the time complaining"	Struggle with the patience with the ones who complain a lot	Differences in personalities	no	Based on complexity - the most difficult tasks to for the "easiest" to manage
Manager 2	The ones who can detach work from any personal interactions	" would not talk about non-work related matters much"	Mixing professional and personal relationship in the workplace	yes	Randomly and rotate the tasks
Manager 3	The ones who work fast and get to the point rather than talk a lot and not do much work	There would not be a lot of interactions rather than related to what must be done in work	Not much time and effort invested by a manger to build such non-work related relationship	no	"Using personal judgement". The "faster" ones get more complex work and the "slower" ones - the regular, non-urgent duties
Manager 4	the ones that do not complain much but focus on work rather than their colleges who in their opinion do not work as much as they should	"They are being listened to and tolerated" in work, not much interest towards maintaining any relationship outside of work	"Just different"	no	By urgency, whoever is available
Manager 5	The ones that are responsible, punctual and reliable and do not need to be reminded their responsibilities	"Careless and forgetfull", "trouble maker"	Not taking work seriously	no	Based on who is the best for the job

Table 4. Interview Summary

Manager #	Q11	Q12	Q13	Q14
	Do you think that your task splitting decision may be influenced by your perception of the individual's personality or work ethic?	Do you maintain any sort of personal relationships with your subordinates, either at the workplace or outside of work?	Can you see that the member that you maintain relationships outside of work are more engaged in the work tasks than the ones that you do not spend any social time with?	Can you describe any influence of the relationship that you have with your work subordinates on their perception of being a part of the group that you are aware of?
Manager 1	yes	Occasionally going to the pub	no	"More engaged" id relationship is closer
Manager 2	no	Pub, twice a month	yes	Employees "take work personally". The more positive the relationship is, the happier they seem to be around the work tasks
Manager 3	yes	Rarely, e.g. Christmas Party, Fun day out	no	The ones given more attention "probably feel more included"
Manager 4	no	"Every now and then", usually the pub	no	Does not see any link
Manager 5	yes	Team or work events only, e.g. Lunch, celebration dinners	cannot say	The closer with the employee, the "better work" is seen

5.4.3 Communication in colours

As mentioned by this researcher at the beginning of this chapter, all employees hired by the Organization X are required to complete the Communication in Colours course. As it was displayed in the Figure 1, the aim of completing such training is to understand different personalities and develop the awareness of variety of styles and approaches in the workplace. This knowledge is specifically important for the managers, so they can be taught how to apply different leadership style when working with people, whose qualities are represented by different colours.

All 5 managers involved in this study have completed the course. The overview of the personality types, matches and possibly challenging interactions between some types will be contributing to final conclusions. It is expected that on top of comparison the literature review with the study findings, the communication in colours principals are going to bring a value to the entire research.

Chapter 6. NARRATIVE AND DISCUSSION

In the Chapter 2 of this body of work, the author presented other researcher' study results. The LMX phenomenon was described and shown as a pattern in an interpersonal exchange between the leader and the follower in the workplace. The purpose of this chapter is to compare the findings from the study documented in the Chapter 5 and compare them with the existing literature review.
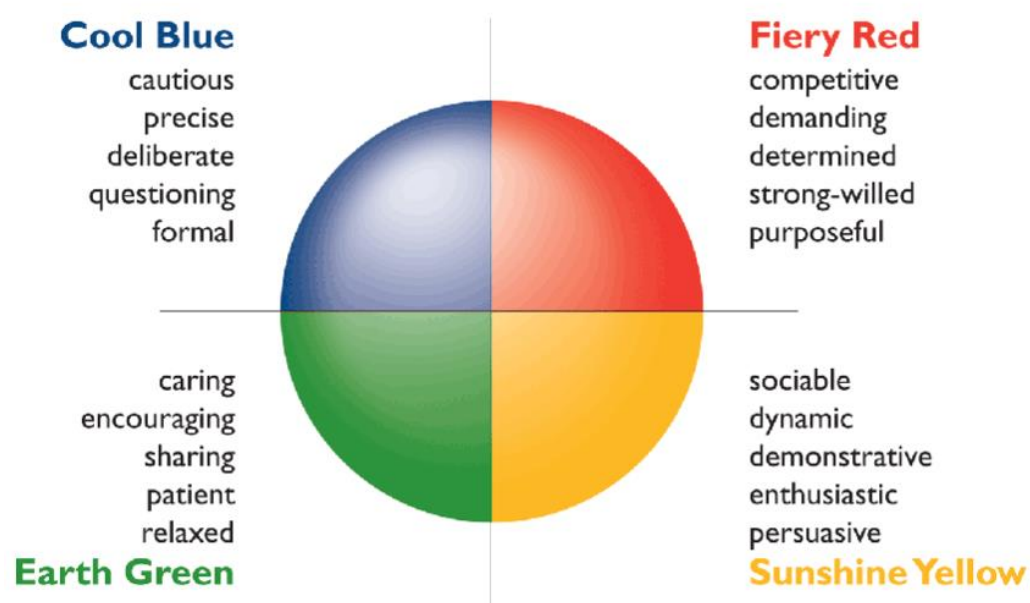
6.1 Communication in Colours

Every employee within the Organization X was obliged to complete the Communication in Colours course. The principal of it was to encourage the staff to understand other people's needs and thoughts processes. It was also beneficial for individual's awareness of their own personality strengths and weaknesses. This researcher works in the same company as the interviewed participants for the past 10 years. Therefore, this researcher can make a personal contribution to the study. Based on this researcher's work experience with people in the Organization X this researcher observed that the more similar the personalities, the closer the relationship between people (including leader-member exchanges). In the literature, this issue is addressed by Graen, Scandura and Graen (1986), who agree that the high-quality relations between the manager and subordinates happen then these individuals share some personal commonalities with the manager.

This dependency, however, is not always seen in the workplace. It is noticed that the "same colour" people often fall into disagreements (especially within Red – Red arrangement). In the opinion on this researcher this situation is caused by a lack of balance in the

interaction, no input from contrasting viewpoint and constant need for interpersonal competition. Moreover, from author's perspective, the individuals whose personalities are contrasting (e.g. Red and Blue), tend to develop issues on the professional or/and personal level. It is believed that the colour of the group that people belong to, reflects on the work ethics and quality of human interaction in the workplace. Individuals who represent totally different traits may find it too challenging to compromise their opinion and frequently must adjust their behaviour to the acceptable standard, which consequences in lack of close relationships, including the ones between a leader and the followers.

The author of this study has not come across the literature that would provide with the sufficient evidence that could support this viewpoint.

Figure 2. Personalities by colour

Source: Communication in Colours. Personalities traits. Organization X

6.2 Empirical findings vs. literature review

The main target of the whole research is to answer the research question and to meet the research objectives defined in the early stages of this project.

In the previous chapter, this researcher summarized all data collected during the interview process. There were 14 open-ended questions asked and 5 interview participants. The author aimed to construct every question in the way that would avoid bias. This researcher also aimed to get the answers that would provide with desired data that could be efficiently analysed and which would enrich the findings.

The biggest focus was on finding descriptions of the differences and similarities of the personal and professional attitudes that could shape up the relationship between a manager and the followers and that could impact the subordinates' belongingness to the in-group.

The unit of analysis in this study is the process of building the relationships between the leader and the followers.

6.3 The Leader-Member Exchange process

This researcher conducted the investigation of the reasons for which the leaders considered working with some of their teams' individuals better than with the others. It is evident that the leaders value the subordinates who are reliable, have a positive attitude towards work duties, are focused on their responsibilities and rigidly follow their duties. This researcher perceives that the managers apply the same work ethic standards to themselves. This explains why the individuals who demonstrate negative, contrasting attitudes towards work in comparison to their leaders (lacking in work focus and "wasting the time") do not benefit from high quality exchanges with

the leader (Graen and Wakabayashi, 1994). As the result of such poor relationships, the leaders actively avoid engaging in the social, work and non- work related interactions with those individuals. Such negative arrangements do not contribute to building a strong and cohesively functioning team and makes the manager choose not to include this employee in the in-group circle, which has been widely criticized by other researchers in the past already (Fisk and Friesen, 2012).

The author of this dissertation observes the way the managers treat their subordinates as inconsistent and based on the personal perception of the employees' attitudes (Graen, Cashman, Ginsburgh and Schiemann, 1977). In the opinion of the author of this body of work, this observation confirms that a categorisation to the in-group circle is a subjective judgment made by the leader. This judgement is based on the decision to pick people who demonstrate the attitudes and believes like the ones that leader does. On the other side of such exchange, by the followers choose to include or exclude themselves from the in-group, however, such emotional belonginess is believed to be dictated by the subordinate's internal feelings.

The above analysis corresponds well to the literature findings, where some journalists elaborate on negative feelings associated with interpersonal exchange. Such difficult exchange can lead to problems if differences in work conscientiousness are sustained and is never worked out (Kichuk and Wiesner, 1997). The research participants (managers) evidently point out that the personality differences are the reasons for which some leader-member relationships are not represented by a high-quality exchange.

In contrast, the leaders comment on the work ethic and personal attitudes that are identified as similar to theirs. In their opinion, such match results in more complex tasks being assigned to these

employees and more challenging opportunities are being presented to them in the work place. These team members are recognized as the employees who are compatible with the working principles and leadership styles represented by the managers (Graen, Scandura and Graen, 1986). They benefit from high-quality manager-member exchanges which often gets upgraded into a partnership, based on loyalty and trust (Graen and Uhl-Bien, 1995). Further study results show that the leaders consciously distribute high-complexity work tasks using their personal judgement and most often choosing the individuals who are more similar to themselves to perform such duty. It is less likely that the work will be decided to be split randomly or based on individual's experience. The preferable target employees for high-importance tasks are the ones who are considered efficient and "easy" to work with, which, again, make this researcher to conclude that the team members who share some similarities with the leaders, seems to be treated as favourites, or, as literature recalls "trusted assistants "(Zalesny and Graen, 1987). The traits similarities evidently contribute to the success within the group and increase work commitment and job satisfaction, according to Meglino, Ravlin and Adkins (1989). The author, however, cannot agree with this statement. The study was not directed to investigate the impact of traits similarities on job satisfaction but rather looked at the influence of different personal and work related qualities on building the leader-member exchanges in the team.

The group inclusion described above significantly differs from the other, contrasting approach of leaving the other team members out of the group. According to the literature findings, the out-group individuals are considered only as workers hired to perform daily duties and comply with their job specifications (Zalesny et al., 1987). This is evident in the study where the managers avoid

building any other relationship with out-group members and limit the work responsibilities to basic ones that would not require any in-depth interactions with the leader.

The managers from the Organization X evidently agree to observe the team members' feeling more a part of the group when the social interactions and leader-member exchanges are improved. Gerstner and Day (1997) suggest that there is a relation between the LMX and work commitment, where the employees feel stronger obligations towards work duties. Nevertheless, there is not enough consistent evidence from data collected in the research to support the statement that the more high-quality exchanges, the more engaged in the task performance the employee becomes, when compared with the individual who does not receive such treatment. The existence of dependency between interpersonal and less formal high- quality relationships and the increase in task engagement and work efficiency (Graen,Uhl-Bien, 1995) is not present in the study.

6.4 Research limitations

This researcher recognizes several limitations in the study that was conducted.

The field work included 5 participants who went through the process of interview, which is quite a low number to be able to make solid conclusion on the population in which the subject is studied. The author of this thesis, however, carried out this project using qualitative methods of data analysis to discuss and observe patterns and behaviours in the leader-member exchange process. The focus of this research was on the quality of collected data and for that reason the sample size in this study is considered as sufficient.

Another research limitation that the author of this dissertation can notice is the LMX phenomenon complexity. The topic is understood as being broad and multi-layered. This resulted in selectively chosen topics and qualities only, as the subject of exchange between the leader and followers is endless and the level within which the study was conducted could not cover it entirely.

6.5 Summary

The author of this study has initially collected, in her opinion, the literature reference points that were recognized as the most relevant to the subject of this dissertation.

The semi-structured interviews gathered information that was compared and contrasted with the literature findings. The Leader-Member Exchange theory is a broad topic and, for that reason, at the early stages of the project, the author focused and selectively chose only the factors that may shape the process as building the relationships between manager and the followers. What this researcher believed was going to be important for the field work at the beginning of the study, was later confirmed not be the drive of the interview questions, which were only defined as the project matured. This researcher did not explore the topic of knowledge sharing in her study (as referred in the Literature Review, Chapter 2.5.2). The literature clearly pointed out that there was a dependency between the positive relationship between the leader and subordinate and the follower willingness to communicate and share knowledge (Dysvik, Buch and Kuvaas, 2015). This researcher recognizes that this aspect of the subject could have added into the scope of the field work and included in the entire study.

It is recommended for any other study that selects a subject as broad as LMX, to define the specific parts on the theory that are going to be studied and ensure that these will be actively researched and compared with the literature in the course of the project.

This researcher also recognizes that the circumstances of the promotion process of the participants of the study where not as crucial in the whole process as it was originally estimated. All the interviewees used to be a part of the teams that they currently manage. When the research question was being designed and the plan for data collection was being established, the circumstances of the promotion seemed to be vital for the project. However, it turned out that it brought no value to the final results. As the research developed and the interviews were being conducted, it became transparent that more emphasis was put on other aspects of the LMX theory, such as a need for acceptance and being a part of the group and to feel included in the team. Data collection process and its analysis still allowed the author to answer the research question and meet the project objectives. It became obvious that discussions related to the building relationships between a leader and the followers, in general, were sufficiently elaborated on. There was no indication of necessity to discuss the research findings in any specific scenario, as it would have not brought any worth to the project. Semi-structure interviews allowed this researcher to ask open questions and as a result of this, much of the process of in-group categorisation was described in the field work in a greater detail than it was originally intended.

Chapter 7. CONCLUSION

When this study was planned by the researcher and the first strategies were drafted, the overview of above activities looked relatively different from the final findings and analysis of this research. What the authors found the most interesting at the beginning, turned out not to be so crucial for the entire process. The original idea for the topic of this thesis came from the personal situation of the author and the curiosity in developing the knowledge within the subject of establishing the relationship between the leader and the followers. The author, however, believed in the importance of specifying the particular circumstances where phenomenon of leader-member exchange was planned to be discussed in. This researcher targeted the leaders working in the Organzation X as the best candidates for the study. All these participants shared one commonality – they have all used to be the peers with the members of the team that their supervised at the time when the research was conducted. Relatively soon after the entire project started, it was evident, that the LMX theory is significantly more complex than the author realized when the project commenced.

As the study developed, the focus was shifted from the circumstances around which the managers were promoted and was directed on the entire process of the leader-member exchange. The main goal of the research was to answer the research question and to meet the research objectives. The author was able to discuss, analyse and describe how personal and professional attitudes may shape up the quality of the leader-follower relationships. The "follow-up research question" that the author was willing to find the answer to was how the personal and work related qualities and traits may influence the perception of belonginess to the group. The study

conducted by this researcher showed the evidence that the relationship between a manger and his subordinates is often influence by the similarities in the individuals' viewpoints, shared believes and work ethics. It was confirmed by the study participants that the employees who represent similar values to the ones that their leader do, can benefit from more work opportunities and challenges being presented to them. The leaders also admitted that the higher-quality the exchanges between them and the employees are, the more likely that the entire work partnership will be established successfully. The findings from the field work also presented that in the contrasting circumstances, where the personal qualities and work ethics of subordinates significantly differ from the ones represented by their leaders, the quality of the leader-followers exchange drastically decreases. The managers have reportedly avoided any involvement in discussions and non-work related activities with the individuals whom they did not have much common with. It was discussed in the study that the ongoing, unresolved incompatibilities eventually impact the team member being perceived as out-group member and not benefit from the partnership that could have developed if the such diversities were managed in the effective manner.

What the author recognizes that could have been included in the study is the relationships between in and out group members in the same team. This topic was not in the scope of the research question; however, this researcher recommends that for the future studies on LMX theory include both viewpoints – the managers' and the peers and analyse the intrarelationship dependencies – between the team members themselves.

The entire study, did cover the main topic and answered the research question. The study limitations have been mentioned in Chapter 6. It is believed that publication of this body of work may

help other researchers to benefit from its findings and learn from the minor slip-ups in the process that the researcher pointed out in the concluding thoughts.

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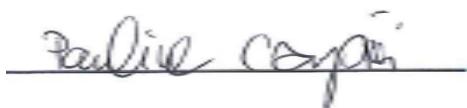School: School of Business   Course: Management

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