

THE IMPACT OF THE WORK ENVIRONMENT ON THE ACTIVITY OF THE EMPLOYEES WITH LOW QUALITY RELATIONSHIPS

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Abstract: *The paper tries to identify the contextual factors that influence positively the level of work effort made by the employees who have low quality relationships with their hierarchical superiors. According to the control theory regarding the leader-employee relationship we can state that a higher work effort than the expected one is due to the fact that in certain working environments can offer control to those who normally do not have it, thus serving as substitute of the high quality leader-employee relationships. Studies have proven that for the employees that report low quality relationships with their superior, low competence of their superior, decentralized decision making and low perceptions of policies, high levels of the individual work effort are recorded. The paper highlights the theoretical and practical implications of these discoveries and offers directions for further research in this field.*

Keywords: work effort, competence, leader, control, contextual factors.

JEL classification: M12, M20, M21

1. Introduction

Many times leaders favour some employees to the detriment of the others or create advantages for the ones they favour (K.M.Kacman et al, 2007). The favoured employees generally benefit of more attention, support and guidance from their superiors, have easier access to key resources and important task allocation and get better performance scores than their less favoured colleagues (Graen,Novac 1982). Due to the important impact of the condition of favoured employee on career, researchers in the field of management have studied this dynamic for a long time (Liden, Sparrowe, Wayne,1997).

The theory of the leader-employee exchange is at the centre of this research field. This theory states that leadership is based on exchange relationships with subordinates. The central premise of this theory is that leaders develop individual relationships with employees, relationships that vary as far as their quality is concerned. Research studies have investigated the effects of these relationships quality on the work results. High quality relationships are characterized by allocating challenging tasks, emotional support both for decision making and resources exchange. The low quality exchange relationships are limited to the exchange of those resources that are essential for performing tasks (Taylor,Pierce, 1999).

A high quality relationship consists in the feeling of the employee that he belongs to a group. The employee has more responsibilities, more influence on decisions, satisfaction and access to resources. A low quality relationship emerges when the employee does not feel included in a group. The leader offers little support to the

employee, and this has less responsibilities and less capacity of influencing decisions.

So far, the theory of the leader-employee exchange has focused on understanding the antecedents and benefits associated with the high quality exchange relationships. Despite the importance of maximizing all employees' effort, research on the leader-employee exchange showed little interest to the understanding of the variables regarding the level of effort made by employees with a low quality exchange. Therefore, the goal of our research was to contest this generalized research line by concentrating on the contextual conditions in which employees involved in low quality exchanges will make efforts, despite the relatively poor relationships with their superiors. We use the control theory in order to explain the way in which three contextual variables – the perception on the superior's competence, centralization and organizational policies – have an impact on the perceptions of control and the wish to make an effort at the workplace of the employees with low quality exchange relationships.

2. The control theory and the contextual variables

Research in the field of control (Spector, 1987) at the workplace suggests that high levels of perceived control are related to a combination of variables with important results, including high levels of job satisfaction, employment, involvement, performance and motivation and low levels of physical symptoms, emotional suffering, stress, absenteeism intention of leaving the workplace and staff turnover. Although a number of empirical studies have not succeeded in obtaining substantial effects of control interventions, perceived control is theoretically an important anticipator of a variety of work results, including motivation. Moreover, the expectancy theory of motivation (Vroom, 1964) suggests that, control at the workplace is an important anticipator of the employees' motivation and of the corresponding effort made by employees.

The expectancy theory of motivation (Vroom, 1964) suggests that individuals will not make an effort for a task related to something they do not expect to get success or rewards from. It is possible for employees in a low quality relationship with their superior to perceive with difficulty the occasions of acknowledgement of their performances or those of receiving rewards for the performance they achieve, because of the low quality relationship with their superior. Integrating the control theory and the expectancy theory, it results that the employees having high quality exchange relationships with their superior will perceive that they have access to resources, feed-back, support and the necessary communication in order to be successful and be rewarded with a high quality exchange relationship with their superior, so they will be motivated to make an effort. However, the perception of the lack of a quality relationship with the superior and the corresponding perception of losing control can lead to a diminished effort of those involved in low quality relationships.

A number of key environment variables can influence the perception of control that employees with low quality exchanges have on the environment and can, therefore, play a role in the level of effort that they are willing to make at work. Our arguments are in accord with the substitutes of the leadership theory which state that there is a variety of contextual and environment variables that can substitute or neutralize the effects of the various leader behaviours. Based on the control and leader-employee

exchange theories, we have selected three contextual variables of the work environment in order to analyse them in this study, variables that could substitute and/or neutralize the effect that a high quality exchange with the superior has on the effort made by the employee. More precisely, we analyse to what extent the environment characteristics of the superior's competence, decentralization and work policies have an impact on the degree to which an employee with low quality relationships finds reasons to make an effort at work.

Using the control theory as a theoretical framework, we anticipate that, when managers are competent, they are aware of everything that is going on in their environment and its proximity. This fact will limit the control that those with low quality relationships perceive, as they know that the superior is attentive and knows everything that is happening and that should happen. On the other hand, individuals that have an incompetent manager may consider that they have more control on their work, as their manager is not aware of everything that is going on. This reasoning suggests that individuals with low quality exchange relationships and that work for an incompetent superior might be willing to work more if they worked for a competent manager, as their efforts are not monitored or questioned, fact that gives them a feeling of control over their work in the work environment.

Similarly, the decentralized structures, which disseminate the power of making decisions to those who are directly affected by the decision, can be associated with the level of effort made by the employees with low quality exchange relationships. Individuals with low quality relationships that work in a highly centralized environment have to ask for permission before they act. Unfortunately, those with low quality relationships have limited access to their superior, thing that makes the task of getting permission extremely difficult. The combination of the two conditions, the need to ask for permission and the lack of the possibility of asking for it, may determine employees that work in such an environment to perceive a low control or not to find reasons for working harder. On the contrary, those with low quality relationships working in a decentralized environment are able to make decisions regarding the way and moment for achieving their tasks, having control and a reason in order to make an effort.

Individuals with low quality exchange relationships that work in a highly political environment may find few reasons to make an effort. Political environments are full of uncertainty and limit perceptions of control. For example, it is rarely clear for those who are outside the coalition having the power how and why crucial decisions are made, how rewards are given and how tasks are allocated. Working in an environment where there are no clear connections between effort and rewards limits the reasons a person has in order to make an effort. Thus, individuals that work in political environments and have a low quality relationship with their superior will not have the motivation to make an effort at work. However, the same individuals who have a low quality relationship with their superior, when they are in a transparent and apolitical work environment will perceive the connection between effort and rewards and will notice that they have more control over their work and the results they get. Such an environment will motivate employees having low quality relationships with their superiors to make an effort.

The superiors' competence: The superiors' competence has been studied under various aspects, including their skill, ability, managerial skills and managers' competence. Moreover, some researchers have studied the results of the superiors'

competence, including the organization's performance. Little is known about the effect of the superiors' competence on the work effort of the employees. Since one of the main tasks of the superior is managing the work effort of the employees, there is an urgent need for analysing this relationship empirically.

Moreover, the leader-employee exchange theory supports studying the effect that the superiors' competence has on the work effort of the employees. The leader-employee exchange suggests that the work effort of the employee is influenced by the relationship with the superior; employees that have high quality relationships get better results and performance than the employees with low quality relationships. If a superior has very good managerial abilities, he will probably be accustomed with organizing the workflow, delegating, communicating and encouraging participation, monitoring the progress made for achieving goals and offering feed-back. These things are good especially for the employees with high quality exchange relationships that enjoy the benefits of their superior's ability. The superior's increased competence may lead to an increase in effort of those having good exchange relationships with their superior, by increasing the perceptions of those employees that they are likely to receive rewards for their efforts.

However, for the employees with low quality exchange relationships the superior's competence may have opposite effects. We put forward the hypothesis that an individual that does not have a good exchange relationship will work more when he perceives that his superior is less competent. We suspect that if an employee considers his superior as being less competent, others will do the same. Less is expected from superiors with such a reputation. If from the field of an incompetent manager good things emerge, this fact is attributed to somebody else than the manager. Therefore, an individual, having low quality relationships with an incompetent superior, has better chances of being attributed the merits of his work, so he is motivated to work harder. The other way around, if an employee with low quality relationships works for a competent manager, harder work might not bring him the expected reward, because positive results will be attributed to the competent manager.

Our reasoning is also supported from the point of view of the control theory. More precisely, if a manager is competent he will be aware of everything going on. This fact will limit the control perceived by those with low quality relationships, because they know the superior is attentive and knows what is going on or what should be going on. The other way around, individuals who report to an incompetent manager may feel that they have more control over their work, because the superior is not aware of everything going on and the employees do whatever they wish to do whenever they wish to do. Again, this fact would suggest that individuals with low quality exchange relationships working for an incompetent superior would be willing to work more if they worked for a competent superior, as their efforts are not attentively monitored and questioned, thing which gives them a feeling of control over their work environment. For these reasons, we suspect that, the superiors' competence moderates the relationships between the quality of the exchange relationships between the leader and employees and the work effort.

In this context, (K.M.Kcmar et al, 2007) we appreciate that *a perceived competence of the superior will moderate the relationship between the quality of the exchange relationships and the work effort, so that employees that report low quality exchange*

relationships will evaluate the work effort as being higher when the superior's competence is lower.

The decentralized decision making: Centralization refers to the extent to which the power of making decisions comes from the top of the organizational structure. A decentralized structure empowers its employees to make decisions regarding the work goals, the work structure and problem solving. In the highly centralized organizational structures, employees having good quality relationships with their superior will have an advantage due to the increased power of the superior of making decisions and due to the indirect power that they have as a result of the relationship that they have with the superior. However, for the employees that have low quality relationships with the superior, a centralized structure highlights their lack of control. Not only are they discouraged to make decisions, but they also have limited access to the superior who should decide what they have to do. Under highly centralized work circumstances, we suspect that employees with low quality relationships will make little effort.

On the other hand, we cannot make the same statement as far as the employees with low quality relationships working in decentralized environments are concerned. We would rather expect the same employees to make bigger efforts, since the freedom they enjoy by making their own decisions brings them a certain level of control over their life. This theory is supported by the leadership theory, which states that there are a variety of contextual and environment variables that can actually substitute or neutralize the effects of the leader behaviours. Leadership's neutralizers are characteristics that really make it impossible for relational leadership and/or task-oriented leadership to act. Therefore, decentralized structures may serve as neutralizers of leadership. As the leader's direct authority of making decisions is reduced, those having low quality relationships with the leader will be more motivated to make an effort at work, due to the perception that they have control over their environment. As a result, we put forward the hypothesis that for the individuals having low quality exchange relationships, a decentralized decision making structure will increase the efforts made at work.

In this context (M.M.Kacman et al. , 2007), we can state that *centralization will moderate the relationship between the quality of exchange relationships and effort at work, so that employees that report exchange relationships of a reduced quality will evaluate the level of effort made as being higher in a decentralized environment.*

The perceptions of work policies: Organizational policies are actions that are directed toward the goal of promoting the interests of one person, without considering the well-being of others or the organization (Kacman – Baron, 1999). The specific tactics used for committing to a policy and the distinct purposes towards which behaviours are directed vary very much, reflecting, partially, the various reasons from which these behaviours emerge. Examples of the various reasons include pursuing their own interests, not forgiving others for previous injustice or the struggle for getting appreciated rewards. Political behaviours often include activities that are outside the sphere of the job's normal requirements and may involve actions that are not officially approved by the organization. Moreover, the real reasons for committing to these policies are often hidden. Finally, political behaviours regularly emerge when there is competition for limited resources and a lack of clear rules regarding the way of

allocating resources. The final result is the lack of clear reasoning regarding the way of giving rewards.

The lack of clear rules involves ambiguity, inequity and lack of control at the workplace. As it has been shown above, this type of environments can be acceptable and lacking threat for those that enjoy good quality exchange relationships with their superiors, as they are generally protected from negative consequences that emerge in the political work environments. However, not the same can be stated about the employees with low quality relationships. These individuals that are not protected by their superiors may be target of political tactics (e.g. the resources they need are not accessible to them) or may be affected by the consequences of these tactics (e.g. decisions on how they have to perform their tasks may be made, things that might make these tasks much more difficult). Therefore, we expect the work effort of the individuals with low quality relationships and who work in political environments to be reduced. However, apolitical work environments are characterized by highly popularized and strictly followed rules and regulations, things that bring order and control at the workplace (Kacman, 1991). Employees that work in such environments will have a feeling of control and through this they will see the connection between effort and rewards, so they will increase their work efforts struggling to get favourable results. This reasoning suggests that the political perceptions moderate the relationships between the quality of the exchange relationships and the work effort. Starting from this thing we (K.M.Kacman et al., 2007) consider that *policies at the workplace will moderate the relationship between the quality of exchange relationships and the work effort of the employee, so that employees that report low quality exchange relationships will evaluate the level of effort as being higher in the less political work environments.*

3. Conclusions

The interest for exchanges between leader and employee continues to increase. Employees having low quality exchange relationships have a distinct disadvantage, both regarding career development and their potential of contributing to the organization's results. It is extremely important to understand how an environment can be created, one in which individuals with low quality relationships are willing to make an effort at work, but still the aspect has rarely been studied.

The results of our study show that the superior's competence, the centralized decision making and the perceptions of a political work environment moderate the relationship between the quality of the exchange relationship between leader and employee and the work effort of the employee. The form of these relationships indicates the fact that all of them serve as substitutes for a leader-employee exchange relationship of a low quality. Specifically, these variables, when they are present, can create a work environment that motivates individuals in leader-employee exchange relationships of a low quality to make more effort at work than the leader-employee exchange theory anticipated.

When employees with low quality exchange relationships understand that their superior is less than competent, they could have more control over their work, as the superior is not aware of everything going on and employees could do everything they wanted, as their superior's supervision capacity is low. The freedom of doing what you are asked to at the workplace without any interference from your superior may encourage the employee to make a bigger effort who would otherwise make a

minimum effort. Similarly, individuals with low quality leader-employee exchange relationships that work in a decentralized environment feel that they have more control over their work and, as they can make decisions on what and how to do, are willing to make a bigger effort at work than individuals in a similar situation, but in a centralized environment. In the end, if the work environment lacks policy, the work effort made by employees with low quality relationships may be bigger than that of the individuals in similar situations, but in a political environment. Again, using the control theory as explanation suggests that apolitical environments induce control feelings, that strengthen an individual's willingness to make an effort, because praises and rewards generated by his efforts are more likely to appear here than in a work environment.

The results of this study could be improved by including an estimation of the work effort of another person than the one who makes an effort. Collecting data on the effort made by the analysed employees by superiors and colleagues could lead to a more accurate evaluation.

Despite the limitations, this study may bring some contributions to the specialist literature and can have implications on the human resource departments. Our results indicate the fact that environment factors, the perceived competence of the superior, the centralized decision making and the low level of politics are positively related to the auto-estimated work effort of the employees that have low quality exchange relationships with their superior. These results suggest that efforts made by management to increase employees' control perceptions that do not have a good quality exchange relationship with their superior will be beneficial for the efforts these employees make at work. In order to achieve that, managers have to minimize policy behaviours at the workplace by implementing and adhering to work policies. Making these decisions will help employees to convince themselves that their performance will be rewarded, thus motivating them to maximize their efforts. Moreover, we discovered that it is important for the management to make sure that employees with low quality relationships have the autonomy to make decisions, in such a way that they should feel a certain control over their work environment. Therefore, managers ought to think at creating some operating motivation systems, which would support decentralized decision making. Such an action would bring an enormous contribution to the performance of employees with low quality exchange relationships, without diminishing the good performance of their colleagues with high quality exchange relationships.

Our results indicate that further investigation on the methods of maximizing the work efforts of the employees with low quality exchange relationships constitutes a promising research area. If our study is an initial viable analysis of this phenomenon, the next step would be carrying out a more sophisticated study in order to test key relationships. Some variations in data collecting and analysis could offer interesting results. Further studies could compare results using evaluations of the independent performance and self-evaluations. Moreover, the quality of the relationships could be independently evaluated by the hierarchical superior or collectively, using the leader-employee interaction. Finally, the moderators could be treated as group variables in the analysis. Although some researchers could sentence employees to stagnant careers and low evaluations of performance, our discoveries suggest that not everything is lost for these employees. Creating a work environment that would compensate the lack of leadership in their low quality exchange relationships is

possible by offering control over the work environment and by motivating them to make an effort at the workplace.

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