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### Efficacy of Supervisor–subordinate Relationships on Work Performance in the South African Retail Sector

Abe Isaac Idowu<sup>1</sup>, Abe Ethel Ndidiamaka<sup>2</sup> and Ziska Fields<sup>3</sup>

<sup>1</sup>Discipline of Management and Entrepreneurship, College of Law and Management, University of KwaZulu Natal, Varsity Road, Westville, Durban South Africa. Email: [abeisaac3@gmail.com](mailto:abeisaac3@gmail.com)

<sup>2</sup>Discipline of Management and Entrepreneurship, College of Law and Management, University of KwaZulu Natal, Westville, Durban South Africa. Email: [ethelabe@gmail.com](mailto:ethelabe@gmail.com)

<sup>3</sup>Prof., Discipline of Management and Entrepreneurship, College of Law and Management, University of KwaZulu Natal, Westville, Durban South Africa. Email: [fields@ukzn.ac.za](mailto:fields@ukzn.ac.za)

#### ABSTRACT

This article reports on a study of the quality of relationships between cadres of employees and the effect on their basic performance at work. A sequential transformative mixed-method was adopted for the data collection and analysis to investigate the bivariate connections among 163 supervisors and 147 subordinate workers in 4 retail companies in South Africa.

The findings of the quantitative analysis revealed that relational influence between supervisors and their performance at work was in the positive direction, but that of the subordinates was insignificant. In the content analysis employees reiterated that communication, listening, friendliness, training, teamwork, respect and information sharing are imperative to interpersonal relationships among employees. This validated the quantitative result and offer alternate explanations and direction for future research.

The result implied that the supervisor's quality of relationship is low; LMX theory says that low quality of relationship is due to low levels of trust, support and self-disclosure. The study challenges existing literature, deepens the understanding of interpersonal relationships at work and makes recommendations to practitioners.

**Keywords:** Employee performance; interpersonal relationships; leader-member exchange (LMX); workplace relationships.

## 1. INTRODUCTION

The associate ones that are developed on the task related activities by which work resources and influences are exchanged are known as workplace relationships. Supervisor-subordinate relationships in the workplace are often explained by the Leader-member exchange (LMX) theory which have been documented extensively (Day, Fleenor, Atwater, Sturm, & McKee, 2014; Gerstner & Day 1997; Graen & Uhl-Bien, 1995). Supervisors and subordinate workers have conflicting behaviours and characters when they interact with one another at work. The interpersonal relationships of this class of employees may be affected by the pattern of behaviour of other employees (Belanger, Pierro & Barbieri, 2015). Past studies have found that interpersonal relationships affect the psychosocial working conditions of employees (Abe & Mason 2016:192; Stoitzer 2010:1). Psychological working condition is the feelings of privacy or crowding, excessive or lacking social interaction, boredom, a sense of status and importance or anonymity (Schutte, Chastang, Malard, Parent-Thirion, Vemeylen & Niedhammer, 2014). It was suggested that family ties, class, ethnic background, race, gender, age, individual experiences, individual or group interests and geographical location influence interactions among employees at work (Levine, Taylor, Nguyen & Chatter 2015:1122). Beyond the context in which relationships occur among employees at work (Voydannof, 2014 & Berscheid, 1998), and the different demographic effects on relationships at work (Nishii, 2013 & Ely, 1995), is the need to open a wider space to consider the cognitive effect of the supervisor and subordinate worker relationship, as a new direction to explore in relationship study.

The aim of this study was to investigate the linkage between two social work groups (supervisors and their subordinate workers) in the same industry and examine the effect that their interactions have on employee basic performance at work. Previous studies have combined the assessment of both employees (Li, Sanders & Frankel, 2012; Liden, Sparrowe & Wayne, 1997). Traditional work on Leader-member exchange have examined the role of supervisor as the leader and the determinant of the relationship among employees in the workplace (Graen &Uhl-bien, 1995: Dinesh & Liden, 1986). Recently, scholars were of the view that while the leadership research abound, the followers have been left behind, however, a theory was proposed to give recognition to the subordinates at work (followership theory). In the theory, subordinates were referred to as the recipients of the leader's influence (Uhl-Bien, Riggio, Lowe, & Carsten, 2014). In this study, the argument is that it takes all the categorised groups (Supervisors and subordinates) to co-create relationships. Therefore, beyond the context in which relationship occurs is the need to investigate the cognitive process and behavioural influences of the quality of relationships among each group. Articles that examine these are very rare in the field of leadership.

### *Problem Statement*

On an icy winter day, a group of porcupines decides to cluster together for warmth, but as they move closer, they begin to prick one another with their quills. They immediately move away from one another, only to have the freezing air drive them back together. Again, the painful pricking happens and they step back. This is the porcupine's dilemma. Often called the porcupine problem, it is a metaphor about the challenges of human interactions not only in close relationships, but also at work. Laura Moss (2015:1) citing German philosopher Arthur Schopenhauer outlined that the porcupines "discovered that they would be best off by remaining at a little distance from one another". In other words, the porcupines realise

that while they want to be close, the only way to avoid hurting one another is to avoid getting *too* close (Moss 2015:1).

It is hard to understand the scope of the problems of interpersonal relationships among employees, as people's experiences, background, circumstances, education, exposure, social standing, religion, personality, belief structure, affection, language and many other factors may affect human behaviour positively and negatively (Leon-Perez, Medina, Arena & Munduate 2015: 259). Employees bring these factors to their respective relationships in the workplace. These factors can be the source of differences between supervisors and subordinate workers, and therefore a basis of frustration and demotivation at work.

The problem of interpersonal relationships between employees may increase where the worth of relationship between employees is not determined (Panaccio, Henderson, Liden & Wayne 2015:659). Lee and Jablin (1995:221) are of the view that the quality of relationships determines the strategy to adopt in solving interpersonal issues that could arise among the cadres of employees (Eisenberger, Shoss, Karagonlar Gonzales-Morales, Wickham & Buffardi 2014:636).

## **2. LITERATURE REVIEW**

This part of the article considers workplace relationships, especially supervisor–subordinate relationships. The leader-member exchange (LMX) theory was used in the investigation to measure the presence of interpersonal relationships between supervisors and subordinates. Employee basic performance on the job was used to measure the employees' work environment.

### ***A. Workplace Relationships***

Workplace relationships means all interpersonal relationships in which employees engage themselves in the process of doing their jobs, including customer relationships, workplace friendships, supervisor–subordinate relationships, client professional relationships and romantic relationships (Lutgen-Sandvik & Tracy 2012:6; Methot, Melwani & Rothman 2017:3).

It is important to consider workplace relationships from the multiple perspectives of different scholars and to enhance and broaden understanding of the study and their role in organisational processes (Shapiro, Hom, Shen & Agarwal 2016:485). Each perspective is unique in the concepts of organisations, communication and relationships. Each perspective draws the attention of practitioners to various essentials in an organisational situation (Sias 2008:46). Through, the use of various organising structures, scholars have organised traditions and theoretical perspectives. Craig and Muller (2007:80) addressed theoretical traditions that cover all aspects of communication theory (Reuben 2016:5).

The discipline of Communication has documented an identifiable history that has developed within the traditional thoughts. With respect to organisational communication, Stanley Deetz (2001:39) categorised research perspectives into four, namely post-positivist, interpretive, critical and postmodern. Mumby and May (2005:92) widened Deetz's work by including rhetorical, social construction, globalisation and structuration theory. Sias and Bartoo (2007:460) followed Deetz and May and added post-positivist, interpretive, critical, and postmodern. Mumby and May (2005:92), brought out post-positivist, social construction, critical and structuration theory. For the purpose of this study, the aspect of workplace relationship that is under consideration is supervisor–subordinate relationships (Ruben 2016:6).

## ***B. Supervisor–subordinate Relationships***

The characteristics and value of supervisor–subordinate relationship have effects on individuals in the relationship and organisation, and sometimes on relationships outside the organisation (Kraimer, Seibert & Astrove 2015:244; Xing, Liu, Tarba & Wood 2016:20). The development of useful relationships by supervisors with subordinates means that the supervisor will be informed about issues that are ongoing and can receive important feedback from subordinates (Sias 2013: 375).

Scholarly work on supervisor–subordinate relationships was developed by the introduction of the LMX theory (Graen & Scandura, 1987). However, Liden, Wu, Cao & Wayne (2015:32), in the third measurement of the LMX replaced the word organization with supervisor under the Chinese Quanxi concept that believes in the socio-cultural orientation of employees.

In order to understand the suggestion above, there is the need to acquaint the reader with the LMX historical framework, which dates back to the 1970s, when Graen, Dansereau and Minami (1972:220) discovered the idea of different leader–subordinate interactions. The theory was centred on the belief that supervisors engage in various forms of relationships with different subordinate employees (Uhl-Bien *et al.* 2014:101).

Researchers have sought to know the reasons for the different degrees in the way supervisors relate with subordinates and the processes by which the relationships graduate from stranger to acquaintance and to maturity status (Graen *et al.*1995:240). When the relationship is at the stranger level, the nature of the relationship is role taking, where a boundary is drawn and supervisor and subordinate behave according to the dictates of their jobs. With time, either of them offers an opportunity to take the relationship further.

The role taking was intended to transform to role making, where the relationship moves from the stranger to the acquaintance phase. Growth in the relationship from this level suggests that it has entered into the maturity or role reutilisation phase, where emotions are developed. At the maturity phase, support, mutual trust and respect are displayed for one another (Choy, McCormack & Djurkovic 2016:111).

However, the attention of this study is not on the socio-cultural orientation of the supervisors and subordinates, but on the quality of relationships that exist in each group, which means the second phase of the LMX theory is ideal for this investigation.

## ***C. Leader-member Exchange Theory***

Since its adoption in 1975, the LMX theory has gone through four stages of development. Each stage builds on the previous stage as follows: Stage 1 was about leaders developing different relationships with their subordinates, which is not the same with the former assumption that leaders displayed towards all subordinates in the workplace, this is called “*Average Leadership style*” (ALS) model. Stage 2 focused on the different relationships that the leader had within the workplace.

The study of the network around the LMX construct (Graen & Uhl-Bien 1995:219) confirmed that most researchers focused on Stage 2. Stage 3 was the leadership-making model (Graen & Uhl-Bien 1995:230), which shifted attention from the leader’s perspective of the subordinate to how the leader may work with each individual to develop a partnership with each individual (Graen *et al.* 1995:233). Stage 4 widened the scope from two people to a larger number of people and organisations, discovering

ways in which interpersonal relationships are organised within and outside the organisation (Ahmed 2015:270).

Much concern arose because of the fact that the concept of the theory and measurement of the operation of the LMX construct evolved from its beginning (Portugal & Yuki 1994:272). The fact is that the development of the LMX theory has been orderly and in sequence, according to Graen and Uhl-Bien (1995:220). Despite the categorisation of LMX studies, it is not easy to follow the development of the construct from their presentations (Day, Fleenor, Atwater, Sturm & McKee 2014:79).

LMX theory contends that leaders develop different relationships with their subordinates via different exchanges that can be called high and low quality (Graen *et al.* 1995:230). When the quality of relationship is high, the exchanges (interactions) between the supervisors and subordinates have mutual obligations and trust in a way that permits reciprocation of interaction between the supervisor and subordinates (Graen *et al.* 1995:230).

By virtue of negotiating the role of subordinates over the years, the subordinates engage in decision-making processes that enhance their status as ‘in-group’ members (Abe & Mason, 2016:6). This happens when a subordinate has earned the trust of the supervisor to be able to handle specific tasks and serve as assistants. The out-going groups include those subordinates that fall within the exchange parameters of role requirements, job descriptions and contract of employment. Such out-going information stems from the supervisor to them unilaterally (Liao, Wayne, Liden & Meuser 2016:5).

Leaders in LMX use resources to meet the needs of the subordinates, with the expectation that the subordinate will respond through services. Dienesch and Liden (1986:627) listed the factors of currencies of exchange as affect, loyalty, contribution and professional respect.

Therefore, this article is in agreement with other scholars that the LMX approach to leadership occurrences has contributed to deepening the understanding of learning and there is room for positive improvement in the future studies. From the literature, the levels of the scope of interactions within and between organisations have to be determined in future studies. This article considered the quality of interpersonal relationships between supervisors and their subordinate workers in the South African retail sector.

#### ***D. Employee job performance and Leader Member Exchange***

Research has demonstrated that managers who are leaders or supervisors can affect employees’ job motivation and job performance (Chen, Eberly, Chiang, Farh & Cheng 2014:800). Li, Sanders and Frenkel (2012:1063) used LMX theory to examine the effect of the supervisor. Their argument was that supervisors’ support, as perceived by employees, encourages employee engagement, which contributes to job performance. LMX is the quality of interaction between supervisors and subordinates (Eisenberger, Shoss, Karagonla, Gonzalez-Morales, Wickham & Buffardi 2014:640). The assumption of LMX is that supervisors use uncommon approaches with each of their subordinates.

The relationships between supervisors and subordinates are influenced across different cultures by the following factors: respect, trust and obligation (Graen *et al.* 1995:220). Law, Wang and Hui (2010:640), in two studies, reported that LMX was positively linked with job performance and organisational citizenship



behaviours in the initial study, while the second study indicated that LMX was linked with contextual performance. LMX affects job outputs through various factors such as organisational job embeddedness (Harris, Wheeler & Kacmar 2009:378), supervisor trust (Wat & Shaffer 2005:418) and avoiding feedback behaviour (Dwertmann & Boehm 2016:46).

A study that examined the effect of LMX on service employees' emotions Huang, Chan, Lam and Nan (2010:1140) discovered that LMX was negatively linked to organisational performance. Li, Sanders and Frenkel (2012:1061) examined work engagement by combining emotion and cognitive disposition as mediators between LMX and employee job performance. Organisations in the service sector should seek to engage individuals who are more proactive on their jobs and feel more responsible to offer quality outcomes (Mosadeghrad 2014:80). Li, Sanders & Frenkel. (2012:1060) studied to integrate LMX with human resource management system.

David Bowen and Cheri Ostroff (2004:201) noted that attention of practitioners has shifted from recruitment, selection and performance appraisal (HRM practices) to implementation of HRM practices by line managers and interpretation by employees with organizational performance (Bowen & Ostroff 2004:217). Therefore, the more employees perceive consistent policies on the purpose of HR practices, the stronger the LMX effects on work engagement and employee job performance (Li *et al.* 2012:1060).

Earlier work has examined LMX outcome relationship contingencies like, style of leadership Harris, Wheeler & Kacmar (2009:78), Task features (Dunegan, Uhl-Bien & Duchon 2002:278), personality of employees (Harris *et al.* 2009:79), support of the top management (Erdogan & Enders 2007:325), and psychological climate of employees (Lee 2015:91). The study of LMX has shown the significance of the role of supervisors in fashioning employees' job attitudes and performance.

High quality exchange associations between supervisors and subordinates include, mutual influence and respect, and the low quality exchange associations are identified by contract exchanges and one-way downward effect. When the quality of exchange in association is high, the supervisor supports the subordinate by offering trust and emotional support; this is called in-group support (Liden *et al.* 2015:30). Where the quality of exchange in association is low, both the supervisor and subordinate offer nothing extra outside their job requirements; this is called out-group support (Zimmerman 2015:120).

### **3. RESEARCH DESIGN AND METHOD**

The philosophy adopted by this study is pragmatic approach as the most suitable to support the objective of the study. Pragmatism because it studies the problems and questions instead of observing information or reality about the study (Creswell 2014:18).

In designing this research work, this study employed different strategies to probe the influence of supervisor and subordinate relationships on employee work performance. The study used techniques, instruments and tools to translate the research problems into meaningful understanding. The framework was supported by the use of integrated approach to investigate the link between the variables, because it was in line with the pragmatic approach adopted (Creswell & Clark, 2011). The integrated approach makes answers that relates to the gap (in the variables) available to the researcher (Guest, 2011). Integrated framework has assumed a wide acceptance because of its ability to make quality results available (Leech, 2016:35).

Two integrated approaches were used (quantitative and qualitative methods) both for data collection procedures and for analysing the data consecutively. Sequential transformative method was adopted to collect and analyse the numerical and non-numerical data (Creswell 2014). Sequential in the sense that respondents answered the questionnaire first before answering the structured questions. Four hundred copies of the questionnaires were printed and distributed at the retail shops of four retail companies (used as case study) spread all over the KwaZulu Natal province of South Africa. The study observed the principles of convenience sampling, in making the questionnaire. The questionnaires were distributed to participants during the office hours by the researcher and the assistance of the managers on duty at the retail shops. 312 questionnaires were returned and two of them were not usable.

Four structured questions that was to bring out the non-numerical data simultaneously with the quantitative data collection were distributed along with the questionnaires. The reason for the open-ended questions were to establish the view of participants on the connection between employee's interpersonal relationships and their basic work performance in the retail sector. The open-ended questions were analysed by the use of content analysis as a way of validating the recommendations of the research.

In order to provide a basis for discussion and to ensure that the characteristics of the variables under investigation are properly defined the study used descriptive research. The study makes a descriptive analysis of the influence of supervisor and subordinate relationships on individual performance at work.

#### **4. OBJECTIVES OF THE STUDY**

Scholars hold opposing views on the complications of workplace relationships among employees; some are of the opinion that most interpersonal problems are initiated by the supervisors (Odermatt, Köni, Kleinmann, Nussbaumer, Rosenbaum, Olien & Rogelberg 2016:4); while others hold the belief that it takes both of them to co-create relationships (Abe & Mason, 2016:5; Uhl-Bien, Riggio, Lowe & Casten 2014:86). Therefore, the supervisor should be relieved of the burden of leading the relationship. The question raised in this study was that if supervisor and subordinate workers were separated as two distinct groups, what would be the influence of their interactions on their performance at work? The intention of this study was to gather a body of evidence to determine the degree to which supervisor–subordinate relationships affect their performance at work and the processes by which the relationships graduate from one level to another.

The objectives of this article are as follows:

1. To determine the connection between interpersonal relationship and employee performance among supervisors.
2. To investigate the association between interpersonal relationship and employee performance among subordinate workers.

#### **5. DATA ANALYSIS**

The collected data were analysed by the use of statistical software package (SPSS VERSION 22). The SPSS was used to analyse the inferential and descriptive statistics. The statistical reliability of the instruments was, EBTPS .76 for 11 items and LMX was .825 for 7 items. 310 samples were gathered, 163 were supervisors and 147 were subordinates, the response rate was 75%. Demographic data considered was Gender, Age,

Department, qualification, Number of years in present position, Job Title. Bivariate analysis was used to analyse the objective of the study.

The research questions were framed to answer the objective of the study. LMX theory was used to answer the research question and to spell out the stages in relational influence between supervisors and subordinates in the South African retail industry (Graen & Uhl-Bien 1995:225). The social exchange theory was used to answer the second question of the objective that relates to the characteristics of relationships.

## 6. RESULTS

In this section attempt was made to extrapolate the statistical mean, standard deviation and the degree of corrections of both the supervisors and the subordinate workers' interpersonal relationships and employee performance.

*Research question* = To demonstrate relational influence between supervisors and subordinates, the quantitative data showed that 82.2% of the supervisors were willing to stand for their subordinates, which show clearly that there is mutual trust between supervisors and their subordinates. From our quantitative analysis. To demonstrate the effectiveness and characteristics of interpersonal relationship, 82.7 % of the supervisors agreed they had relationship with subordinates.

- A. *Correlation Matrix for Subordinates' Interpersonal Relationships and Employee Performance:* The outcome of the association between subordinate's interpersonal relationships and employee performance is presented in Table 1 below:

**Table 1**  
**Correlation matrix for subordinates' interpersonal relationships and employee performance**

<i>Subordinates</i>		<i>Mean</i>	<i>Standard deviation</i>	<i>1</i>	<i>2</i>
1	Total interpersonal relationships	25.68	10.55	–	0.709
2	Total employee performance	33.40	05.91	–0.031	–

N = 144 significant at 0.05 (2 tailed).

*Source:* Calculated from survey results.

*Research Objective* = the correlation coefficient of the subordinate employees was ( $r = -0.031$ ,  $P < 0.05$ ) for interpersonal relationship, and ( $r = 0.709$ ,  $P < 0.05$ ) for employee performance. The relationship was in the negative direction and no significant association between interpersonal relationship and employee performance for the subordinate employees.

- B. *Correlation matrix for supervisors' interpersonal relationships and employee performance:* Table 2 presents the findings of the interface between supervisors' interpersonal relationships and employee performance.

**Table 2**  
**Correlation matrix for supervisors' interpersonal relationships and employee performance**

<i>Supervisors</i>		<i>Mean</i>	<i>Standard deviation</i>	<i>1</i>	<i>2</i>
1	Total interpersonal relationships	25.59	04.89	–	0.120
2	Total employee performance	33.57	04.89	0.122	–

N = 144 significant at 0.05 (2 tailed).

*Source:* Calculated from survey results.



The correlation coefficient for supervisors are as follows 0.120 for interpersonal relationship and 0.122 for employee performance as shown in the Table above. The level of significance is ( $r = 0.120$ ,  $P > 0.05$ ) for interpersonal relationship, and ( $r = 0.122$ ,  $P > 0.05$ ) for employee performance. It indicates the presence of a small relationship in a positive direction, but not statistically significant. Treiman (2014:31) was of the view that when there is a weak relationship between two variables, there might be a causal connection between the variables. Applying this indicate that there is likely a missing variable that might cause a connection if added to the equation above.

## 7. DISCUSSION

The correlation coefficient of subordinates' interpersonal relationship is  $-0.031$ , and for employee performance is  $0.709$ , which indicated a relationship in the negative direction, demonstrated in a way that when ( $r = -0.031$ ,  $p > 0.05$ ) for interpersonal relationship, when ( $r = 0.709$ ,  $P > 0.05$ ) level of significance. When interpersonal relationship is low, employee performance is high. According to Triandis (1972:242), the correlation above was referred to as "Dissociation". In the dimensions of relationships, dissociation is a sign that the level of interaction at the subordinate's cadre are not close (Berscheid & Reis 1998:198; Deutsch 2011:268). The construct above reflects that there is no relationship between interpersonal relationships and employee performance among subordinate employees in the South African retail sector.

The result above supports the LMX theory that was developed on the premise that leadership is rooted in the transaction between leaders (supervisors) and followers (subordinates). The attention of this study is about how supervisors and subordinates collectively engage to generate a quality of relationship at work that permits them to effectively produce leadership results (Graen *et al.* 1995:220).

The LMX theory does not acknowledge the followers (subordinates) could be due to relational dissociations as experienced above. The focus gives privileges to the leaders (supervisor) as the driver of the relationship building process (Uhl-Bien, Graen & Scandura 2000:181). From the leadership position expressed above, though the subordinates and supervisors co-create relationships together, recognition is given to the supervisor over subordinates (Uhl-Bien *et al.* 2014:99).

The correlation coefficient of the supervisor interpersonal relationships on employee performance indicated that, when ( $p > 0.05$ ) ( $r = 0.122$ ). The relationship is weak. When associations are weak, the implication to leadership is that there is low quality of exchange. This may be characterized by low levels of trust, support and self-disclosure, less open communication and more direct supervision (Graen & Uhl-Bien 1995:230).

Low quality supervisor relationships emphasize power distance through monitoring performance, face threatening acts and conflict (Fairhurst & Chandler 1989:230). Patterns of communication highlight low quality of LMX. The patterns may be by co-ordination or participation. Coordination is where supervisors and subordinates interact mutually and not in one direction. Participation is when supervisor invites equipped employees to take part in decision-making (Yrle, Hartman & Galle 2002:262). Employees report low LMX relationships when they perceived supervisors used position cantered communication, this is characterized by authority and direct supervision (Fix & Sias 2006:41). All these are strong indicatives that the relational quality of employees in the South African retail sector is low.

To complement the quantitative data position of low quality relationship as enumerated above, the respondent's remark on interpersonal relationships and employee performance in the content analysis. Approximately forty-five percent of the respondents were of the view that Interpersonal communication between the supervisors and subordinates is the primary thing. Assessment of interpersonal relationships through the patterns of communication between supervisor and subordinates, by examining the high quality relationships and low quality relationships was the focus of relationship scholars until the mutual concept emerged.

The mutual concept is where the leaders develop different types of relationships with their subordinates, in order to effect performance on both sides (Sias 2013:35). The constitution of LMX relationship is on the concept of leaders and members together reproduce leadership and their peculiar relationship through communication. Carsten and Uhl-Bien (2015:214) refers to this concept as co-creating relationships. The human resource policies on people development should be developed to train Supervisors and subordinates in mutual communication for effective relationships at work.

The remark of the qualitative data respondents was the need to improve interpersonal communication among employees in order to improve employee interpersonal relationships; this strategy is in line with interpersonal relationship scholars' view discussed below.

For supervisors and subordinates to use communication to determine high quality of relationships, they have to engage in communication patterns like problem solving, insider talk, value convergence (Fairhurst & Chandler 1989:229). In order to determine low quality of relationships they have to engage communication patterns like monitoring, competitive conflicts, performance, acts and face threatening (Sias 2008:35). Moreover, coordination and participation are communication patterns that has been proven to be positively related to LMX quality (Yrle *et al.* 2002:94).

The result obtained in this article aligned with the objective of the study, in that Graen and Uhl-Bien (1995:232) grounded it in the modified LMX theory. The theory draws on the back of the social exchange theory to acknowledge specific progression in interactions between leader (supervisor) and member (subordinate). The stages in the relationships are as follows:

**Stage 1** = Stranger stage, where the LMX relationship is branded by prescribed transactions, through the supervisor's job specifications to the subordinates, and the subordinate's response to job requirements and demands. Progress at this stage leads to the next stage.

**Stage 2** = Acquaintance stage, refers to supervisor and subordinates sharing information and resources individually and professionally. Development of trust and respect leads relationships to the next stage.

**Stage 3** = Mature partnership, this level of relationship demand behaviour and emotional connections between the supervisors and the subordinates. The relationship is branded by loyalty, support, mutual obligation and respect. The three stages are equal to low, moderate and high level of LMX quality (Graen & Uhl-Bien 1995:230; Sin 2006:56).

This study applied the LMX theory, by acknowledging the low, moderate and high quality LMX relationships between supervisors and subordinates in the South African retail sector. The result of the quantitative analysis for subordinates for this objective was no relationship, but the result of the supervisor indicated that the quality of relationship between the supervisors and subordinates was low in quality to

influence employee performance. The study through the quantitative analysis met the characteristics of the first stage of the LMX theory. The findings of this study quantitatively are in line with previous studies conducted on LMX development by Sin (2006:62), where it was reported that supervisors and subordinates do not see eye-to-eye, therefore interpersonal relationships of employees could not correlate with outcome variable.

Graen and Uhl-Bien (1995:219) being the proponents of this theory conceptualized that the LMX quality should consist of three distinct factors, namely: respect, trust and obligations. The second and third stages were met through the qualitative analysis, where participants were of the view that for interpersonal relationships between supervisors and subordinates to influence employee performance, there should be information sharing, equal treatment of employees, equal decision-making, trust etc. that answers to the demand of stage two. To meet the behavioural and emotional requirements of Interpersonal relationships in stage three, respondents remarked that, communication, listening, respect, training, teamwork etc. in the South African retail sector is needed to facilitate interpersonal relationships and employee performance.

Previous studies done on the reason why the process of development may be impaired, such that most relationships do not reach the maturity stage, the factors are race, sex, ability & personality (Sias 2008:35). There is the need to consider educational background and gender of employees.

## 8. SUMMARY

The literature review and theoretical framework on the link between individual interpersonal relationships and employee performance showed that extensive studies have been conducted and on-going especially on the LMX, on the quality of relationships which was determined by supervisors, as leader. The findings of this study extends the frontiers of knowledge, particularly considering the factors that could lead to the improvements of employees' interpersonal relationship in the South African retail industry.

Studies conducted in the past two decades on employee interpersonal relations and LMX have recognized the role of employees especially the supervisor, as the leader and the subordinates as the member (Graen *et al.* 1995:229). The supervisor has been regarded as the driver of the relationship process, and the generator of the quality of relationship that can offer effective leadership results, power and control is given to the supervisor (Uhl-bien *et al.* 2000:180). This study offers explanation on the role of the two in creating relationships. The theory on relationships assisted in knowing the stage of employee relationships in the South African retail sector, and the implication of that stage among employees.

Although the quantitative result of this study indicated no relationship for subordinates and that, there is weak association with supervisors in the South African retail sector. This result may not be held absolutely, because other sectors of the economy in South Africa may give a different result.

The qualitative results offer new insight to the factors deemed to enhance the quality of relationship between supervisor and subordinate. These factors are communication (listening), Teamwork, Training, Respect, Fair treatment etc. The assumption of this study is that the factors may mediate between interpersonal relationship and employee performance to cause a change in the present result obtained. The factors mentioned above were simultaneously raised by both supervisors and subordinates, therefore they are worthy of consideration.

## **9. RECOMMENDATIONS FOR PRACTITIONERS**

Application of the LMX theory to the stages of relationship quality of the supervisors and subordinates in the South African retail sector revealed that their relationship is still at the stranger stage, which was the first level recommended by Graen and Uhl-Bien (1995:219). The study acknowledged that the relationship is low, based on the result of quantitative analysis and discussion of findings. This article makes the following recommendations to the management of retail companies in South Africa.

### ***A. Recommendation: Improving on Employee Relationships at Work***

In order to develop the level of relationship between the supervisors and subordinates in the South African retail sector, from the stranger stage, where our finding shows that it is presently to a mature partnership, two issues are involved. One is to create an understanding of the relationship formation and maintenance factors, (norms of reciprocity) which are equivalence. Immediacy and interests (Uhl-Bien & Maslyn 2003:514). Equivalence is the active testing of the relationship whether it is valuable and balanced (Graen & Scandura 1987:202). Both the supervisor and subordinate need to perceive the value of what they are getting from exchange. This is the feeling of giving and receiving. As the LMX matures, the feeling of trust and professional respect is earned as a sign of a high quality relationship. Immediacy, being abreast of the time of receiving exchange and reciprocating influences of LMX relations. Liden, Sparrowe and Wayne (1997:100), indicated that the time of reciprocation should be from now and indefinitely.

LMX quality improves the time of immediacy. As employee build trust in one another, the time of reciprocation is lengthened. When relationship reaches high quality, concern for reciprocation will not be important. Interests is in the motivation behind employees' exchange (Liden *et al.* 1997:50). As the quality of relationship increases, the interest of employees moves from self-interest to mutual interest. Self-interest emphasizes each individuals' concern, but mutual interest is concerned with the benefits of both employees in the relationship. When the quality of relationship is high, interest focuses on others in the relationship. The second issue according to Uhl-Bien and Maslyn (2003:513) is to polish the currencies of exchange. The currencies of exchange are professional respect and mutual obligation (Sullivan, Mitchell & Uhl-Bien 2003:184).

### ***B. Recommendation: Global Virtual Teams***

For retail companies that are in operational expansion into the rest of Africa, this study recommends Global Virtual Teams (GVT). This organizational setting was recently created to adapt to the needs of the global market place. GVT are teams that are spread across national boundaries and they are in contact through advanced information technologies like, email, instant messages, video conferencing etc. GVT covers culture, communication and interpersonal relation problems (Connaughton & Shuffer 2007:389). Lacerenza, Zajac, Savage and Salas (2015:110) highlighted that GVT is the strategy for now, yet it is not without its attendant challenges. Culture and virtuality play major roles in contributing to the challenges of GVTs, but training of team members is needed to surmount these challenges.

### ***C. Limitations and Suggestions for Further Studies***

The results of this study are limited to the connection between individual interpersonal relationships and work performance in the South African retail sector. The findings were based only on the data collected in

selected retail companies in South Africa. Because of the busy operations of employees in the retail shops, this study adopted concurrent transformative mixed methods, which involves a cross sectional approach to data collection. A longitudinal approach to data collection could be adopted in a future research study to investigate the causal inferences on the link between interpersonal relationships and work performance. This study was confined to investigating the link between individual interpersonal relationships and work performance in the retail sector of the South African economy. Studies in the future may investigate the same influence in other sectors like manufacturing, public, or banking sectors.

This study attempted to explain on the link between interpersonal relationships and employee work performance. Future studies may consider mediating variables like communication, culture, trust, respect, for both supervisor and subordinate employee sharing information etc. These variables were not covered in this study.

Furthermore, this study investigated the association between individual interpersonal relationships and work performance, combining the supervisor and subordinate relationship together. Future studies may separate them, examining the possibility of associations between subordinates in particular, using new emerging theories like Followership theory (Uhl-Bien, Riggio, Lowe & Carsten 2014:87).

In the course of the study, cultural perspectives of employees were identified as important, especially from the results of the qualitative studies, this should be included in future studies on interpersonal relationships.

## 10. CONCLUSION

The objective of this article was to determine the influence between individual interpersonal relationships and work performance. This objective was fully tested and met. The value of the results has been demonstrated through the recommendations offered by the researchers. Statistically, this study identified that interpersonal relationship is negatively associated with employee performance for both supervisor and subordinate employees in the South African retail sector. Explanations have been offered to the management of the implications of the negative associations as obtained in this study. However, both the supervisors and the subordinate employees are of the view that if communication (listening), training, team work, respect, trust, information sharing, fair treatment of employees, and adequate understanding of tasks are enhanced by the management of the retail organizations, then the quality of relationship will be high such that it will positively influence employee performance. These have strengthened and given perspective to the study.

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