

EXPLORING THE ROLE OF TEAM MEMBER EXCHANGE ON THE PERFORMANCE OF PUBLIC SECTOR GROUPS

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ABSTRACT

This study examines the effect of team member exchange on the performance of public sector groups. The model has been tested in the public sector. Census method was followed in contacting 1189 employees working in the head offices of all the eighteen J&K public corporations functioning in Jammu, out of which 902 employees responded. Although various constructs of the study were measured at the individual level, the statistical analysis was conducted at the group level by aggregating individual employees' responses within each group using rwg, ICC (1) and ICC (2) analysis. The data has been duly validated with the help of Confirmatory factor analysis (CFA). Reliability has also been checked through Cronbach alpha and composite reliability. For testing the hypotheses, Structural equation modeling (SEM) has been used. The results indicated the significant impact of team member exchange on group related outcomes. The management must create an environment in which group members may learn from their past experience and improve their subsequent performance. Open discussions and interactions must be encouraged in dyadic relationships as it will minimise misunderstandings and provide clear expectations about performance goals to the employees and groups. Limitations and future research is also discussed in the study.

Key words: team member exchange, public sector, group satisfaction, group performance

INTRODUCTION

Increasing globalisation of organisations' operating territory, increasing diversity of organisational work forces, continuing technological innovations etc. has dramatically changed the nature of managerial work, eased the work load, and challenged people to learn new skills and to modify their behaviour at work. This has impelled the team managers and organisations to focus on human factors such as commitment, motivation, communication, leadership, team building etc. to enrich the employees personally & professionally and deliver quality goods at competitive costs (Vaishali & Andotra, 2016). Thus, organisations must ensure that motivational tools must be provided to employees which encourages them to take initiative and stimulates efforts for a better performance. Majority of the organizations are moving towards teamwork to improve their performance. So, it is the need of the hour to know the motivation level of employees and its impact on employee performance and group performance. The interpersonal dynamics plays an important role in the functioning of any group or organisational activities. The mutually satisfying and reciprocal interaction between two or more persons is often called as interpersonal relationship. The phenomena, properties, effects etc. that results from such a relationship is called interpersonal dynamics. Interactions are the key to understanding intergroup dynamics (Moorhead & Griffin, 2001). In intergroup behaviour, 'Analysis of employees' behaviour in the group is essential to understand their behavioural impact on performance'. The term interpersonal competence refers to the degree to which one is accurately aware of one's impact on others and impact of other's oneself. It is the ability to engage in any mutually helpful relationship. It enables one to achieve one's personal as well as organisational goals (Suri & Verma, 2005; Vaishali, 2017). An efficient system of communication enables the management to mould the attitude of the subordinates. Most of the conflicts in business are not basic but are caused by misunderstood motives and ignorance of the facts. Team member exchange can help organisation members achieve job satisfaction and to be more fully committed to their organisation. Effective communications among group members as well as among employees in an organisation including openness to ideas and listening to problems can also contribute to its effectiveness (Krone, 1992; Lee & Jablin, 1995), reduces the friction and minimises that which may arise invariably.

REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Communication and inter-personal relationships are closely related to organisational factors that affect employees' satisfaction and their performance, which lead to overall better performance in organisations (Ali & Haider, 2012). Group members who communicate regularly with their fellow colleagues found to achieve better group decision making and increased trust among co-workers

(Kumarasinghe, 2010; Belias & Koustelios, 2014). Team member exchange (TMX) is a construct that focuses on the premise that instead of jobholder positions, relationships are the building blocks of organisation structure and have substantial influence on individual attitudes, behaviour and satisfaction. Group members who communicate regularly and attentively with colleagues are found to achieve better group decision making influencing organisational performance (Seers, 1989). High-quality TMX reveals excellent social as well as task relationship between team member and his or her group. If the perceptions of TMX are uniformly high within a group, the group can be regarded as both cohesive and well coordinated among its members.

It spells clarity of goals, values and norms about procedure of doing work within the group so that the group members work effectively and efficiently. The failure to clearly communicate goals and aspirations among employees can pose a problem for the business (Rees et al., 2013). It is, therefore, imperative for policy makers and public managers to provide necessary information to the employees as well as groups and provide opportunities to reveal their ideas and concerns which will strengthen their work engagement and performance (Rees et al., 2013). Team member exchange (TMX) focuses on the premise that instead of jobholder positions, relationships are the building blocks of organisation structure (Seers, Petty & Cashman, 1995) and have substantial influence on individual attitudes, group behaviour, employee satisfaction (Seers, 1989). Social exchange quality gives employees' opportunities to speak up and to be creative at work. It suggests that the deeper the relationship, the more people are willing to express specific behavior as it may elicit a sense of belonging to a group (Greene et al., 2006, Rees et al., 2013), involvement (Atwater and Carmeli, 2009). Effective communication is vital at every level to ensure smooth running of the groups and the organisations (Brownell, 1992). Group members who communicate regularly and attentively with colleagues are found to achieve better group decision making influencing group as well as organisational performance (Jo & Shim, 2005; Kumarasinghe & Hoshino, 2010). When employees are provided with a sense of social support, mutual respect, and trust, they acquire more energy and vitality which enhances their performance (Unsworth and Clegg, 2010).

Group performance can be defined as the degree to which the group output meets the standards of quantity, quality and timeliness of the organisation (i.e. productivity). It is the process of carrying out the work which enhances the capability of members to work together interdependently in the future (i.e. system viability) and contributes to the growth and personal well-being of group members (i.e. professional growth). Thus, from an organisation's perspective, an effective work group should not only enhance the overall effectiveness of the organisation but also be able to sustain its own existence and assist the professional growth of its members.

On the basis of review of literature, the following hypothesis has been developed:

HYP 1: Team member exchange positively affects group related outcomes.

THEORETICAL FRAMEWORK

On the basis of review of literature and hypothesis of the study, the following research model is proposed:



Figure 1

RESEARCH DESIGN AND METHODOLOGY

In order to make study more accurate and objective, the following steps have been taken:

DATA COLLECTION

Primary data based on the first hand information have been collected through self-modified and well-structured questionnaire. Survey was conducted from the employees of the head offices of J&K public corporations in Jammu. Secondary sources investigated were books, newspapers and relevant journals. The questionnaires consisted of four sections viz., demographic profile, items related to team member exchange and group performance. Items in the questionnaire were designed using a five-point Likert scale to facilitate measurement and scores of 5, 4, 3, 2, and 1 are used to represent the answers to mean ranging from 'Strongly agree' (5) to 'Strongly disagree' (1).

LEVEL OF ANALYSIS

In this study, groups were viewed as performing organisational units (Gladstein, 1984; Hackman, 1987). The organisational units/ section/ department were treated as groups in this study and the number of groups came to be 114. The groups fulfilled two criteria that is, they had a minimum of three members each and they work interdependently. The groups included management groups, supervision groups, supporting groups, mechanical section groups, legal section groups, finance section groups etc. The study is confined to the groups working in head offices of J&K public corporations of Jammu province. Census method was

followed in contacting 1189 employees working in the head offices of all the eighteen J&K public corporations, out of which 902 employees responded and number of usable questionnaires came to be 875.

Although various constructs of the study were measured at the individual level, the statistical analysis was conducted at the group level by aggregating individual employees' responses within each group (Klein et al., 1994). After obtaining ICC(1) and ICC(2) for various constructs, rwg (j) statistics are computed which assesses the consistency of responses within groups, and higher consistency (i.e., ≥ 0.70) suggests that responses represent the properties of the group or organisational unit and justify the aggregation within that group (Klein et al., 1994). The mean rwg (j) values, ICC (1) and ICC (2) values for various constructs of the study are either close to or above the conventionally acceptable values of 0.70, 0.12 and 0.60 respectively (James et al., 1984; LeBreton & Senter, 2008). On the basis of these results, it is concluded that the aggregation of various constructs are justified and they can be used as group level variables.

RESULTS

MEASUREMENT VALIDATION

After editing and coding, the multivariate data reduction technique of factor analysis is carried with Principal Component Analysis method along with orthogonal rotation procedure for summarising the original information with minimum factors and optimal coverage. The statements with factor loading less than 0.5 and eigen value less than 1.0 are ignored for the subsequent analysis (Hair et al., 2006). The data reduction is performed in three steps. First of all, in the anti-image correlation the items with value less than 0.5 on the diagonal axis are deleted. In the second step, the extracted communalities are checked (amount of variance in each variable) and items with values less than 0.5 are ignored for the further analysis. In the third step, in rotated component matrices statements with multiple loadings and values less than 0.5 are deleted. Further, value of Kaiser-Meyer-Olkin (KMO) above 0.70 and significant Bartlett's test of Sphericity (BTS) is considered as an indicator of appropriateness of using exploratory factor analysis (Malhotra, 2007). The scale-level reliability and validity were assessed after data purification. Further, internal consistency among the items was also checked using Cronbach's alpha (Cronbach, 1951) as it is the indicator of the reliability of the construct (Cronbach, 1951). Scale reliability was also assessed through composite reliability measure and the average variance extracted (AVE). Convergent and discriminant validity was checked as a part of construct validity since the multiple items used to measure the same construct should be in agreement, while items between different constructs should be distinct (Campbell & Fiske, 1959). The goodness of fit indices

like GFI, CFI and AGFI should be greater than 0.90 and the badness of fit criteria like RMSEA and RMR should be less than 0.80 and 0.50 respectively (Hair et al. 2009). Convergent validity also got established after using confirmatory factor analysis (CFA) with the magnitude (> 0.5) and significance of the factor loadings (Segars 1997). Also, fit indices of all the measurement models are within the prescribed limit (Table 2). Cronbach's alpha and composite reliability are all above the conventional cut off limit (> .70) and AVE is also greater than 0.50 (Table 3). For assessment of discriminant validity, variance extracted was compared with the squared correlation of different scales (Forrell & Lacker, 1981) and it also got established.

Table 2: Fit indices of measurement models

Dimension/ Construct	χ^2/df	GFI	AGFI	CFI	NFI	TLI	RMSEA	RMR
Team member exchange	1.272	0.966	0.919	0.974	0.968	0.952	0.081	0.079
Group satisfaction	2.917	0.943	0.919	0.980	0.960	0.952	0.077	0.035
Group performance	3.708	0.993	0.975	0.940	0.922	0.890	0.056	0.026

Table 3: Reliability and validity of scale

Dimension/Construct	AVE	CR
Team member exchange	0.521	0.758
Group satisfaction	0.874	0.951
Group performance	0.517	0.934

IMPACT OF TEAM MEMBER EXCHANGE ON GROUP RELATED OUTCOMES

Structural Equation Modeling has been used to check various relations, it is a multivariate technique that seeks to explain the relationship among multiple variables (Kaplan, 2000). It is superior to ordinary regression models as it incorporates multiple independent and dependent variables as well as hypothetical latent constructs.

The impact of team member exchange on group related outcomes was checked and the results showed that team member exchange significantly affects group related outcomes. Hence the hypothesis got accepted (SRW= .55, P< .001).

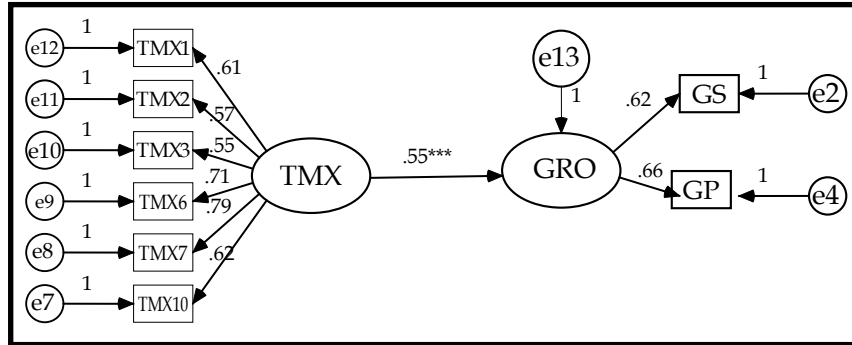


Figure 4

Key: TMX= team member exchange, TMX1, TMX 2, TMX 3, TMX 6, TMX 7 and TMX 10 are manifest variables of team member exchange, GRO=Group related outcomes, GS = Group satisfaction and GP= Group performance.

DISCUSSION, LIMITATIONS AND FUTURE RESEARCH

The present study team member exchange and group related outcomes relationship. Consistent with earlier studies (Ullah & Park, 2013), the present study revealed a significant positive relationship between team member exchange and group related outcomes. It shows that that by anticipating and predicting each other's needs, team goals, individual team member tasks and the coordination of the team through a common understanding and expectations of performance, team member exchange helps in enhancing group performance and effectiveness (Botero and Van Dyne, 2009; Rees et al., 2013).

Thus, social exchange relationships within the organisations based on mutual trust, respect, collaboration and cooperation influences the group member's willingness to invest their time in performing their duties (Banks et al., 2014; Andotra et al., 2015).

Although all the precautionary efforts were taken to ensure the objectivity, reliability and validity of the study, yet there are several limitations in this study that should be taken into consideration and addressed in future research. First, this study is cross sectional in nature as responses were gathered from respondents at a particular point of time that cannot depict actual cause-effect relationship.

Furthermore, this study used public sector groups as participants and is confined to head offices of public sector corporations working in Jammu district only which can raise concerns about the generalisability of the findings to other work settings.

Future researchers can attempt to replicate the findings using professional groups and teams.

CONCLUSION AND STRATEGIC IMPLICATIONS

Based on the assumption that high quality team member exchange facilitates the levels of interpersonal disclosure which may be in the form of ideas, opinions, emotions, behavioural expressions etc.

(Greene et al., 2006), we examined the role of team member exchange on the performance of public sector groups. The current study reaffirms the importance of the quality of communication among team members while interacting with each other in enhancing their performance at individual level as well as group level. High quality team member exchange creates a positive attitude in employees and their respective groups that their opinions are valued even when their opinions are divergent.

Researchers asserted that close relationship with team mates enhances group satisfaction and performance as it provides them opportunities to perform outstanding at the individual level as well as group level (Vaishali, 2017; Hsi and Nekodemus, 2017).

Taking into consideration the results of the present study, this study also provides some practical suggestions for public sector corporations that could provide valuable insight for creating and maintaining effective work groups and teams. *Firstly*, managers should enhance their communication mechanisms in such a way that the sharing of expected behaviours among the group members could be increased in accordance with their mission and the problem they need to confront. *Secondly*, managers should introduce challenging and innovative work in public sector jobs so that employees derive a sense of achievement from their job. Additionally, human resource managers should provide adequate team leadership training and resources to ensure high team member exchange. Opinion of the new members who have joined group recently should also be given due consideration for decision-making process, which will inspire them to analyse their work from new perspectives and excel in their field.

Also, participative decision making should be encouraged so that group member gets involved in discussions which will create a healthy atmosphere to enhance the group member's morale to work hard for goal achievement.

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