

## Differentiation Workplace Relationships: One Nation-Three Culture Context

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### Abstract

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The research explored dialogue as the communication mode in understanding leader-member relationships in organizations. The main aim was to examine the factors that constitute relationship differentiation in leader-member exchange relationships, which would provide unique theoretical insights and pragmatic applications for communication in Malaysian workplace. Six-hundred questionnaires were distributed to employees of government, semi-government and private organizations. (N=479). Results revealed that leader conceptual skills, communication openness and trust contributed towards organizational citizenship behavior. Apart from the results, the paper also discussed the implications, as well as the limitations and suggestions for future research.

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**Keywords:** Leader-member exchange (LMX); communication dialogue; relationship differentiation.

### 1. Introduction

The leader-member exchange theory (LMX) is based on the premise of differential quality of relationship between leaders and subordinates. The social exchange component of leader-member exchange relationships quality posits that, the extent to which supervisors and subordinates agree or disagree about the quality of their relationship would provide a more complete picture of that relationship. Thus, suggesting that leader-member agreement or differentiation approach as a valuable tool in understanding the dyadic nature of leader-member exchange relationship. However, to date, this approach has not received enough research attention (Cogliser, Schrieshein, Scandura and Gardner,

2009; Kacmar, Harris, Carlson and Zivnuska, 2009). Dialogue as a mode of communication has been advocated to offer societal problems and enhanced organizational effectiveness, transform organizational participations and relationships among organizational members.

One of the notable developments in this emerging line of research is the congruence model of leader-member exchange offered by Cogliser and her colleagues (2009). Cogliser et al. (2009) demonstrate that agreement between a leader and his/her member's perceptions of leader-member relationships quality has relational consequences impacting follower outcomes. Yet, despite promising findings in their initial investigation, the conceived model remains largely detached from cultural conditions. These conditions should matter a great deal in understanding relational alignment or "congruence" because; the way in which human relationships are valued and maintained varies from culture to culture (Hofstede, 2001)

Within the framework of LMX theory on Malaysian workplace, studies have demonstrated the link between LMX quality and work outcomes. For example, LMX quality has a positive direct impact on organizational citizenship behavior, satisfaction (Ishak and Alam, 2009; Lo, Ramayah and Hui, 2006), commitment (Khong, 2009; Lo, Ramayah, Min and Songan, 2010) and delegation (Ansari, Hung and Aafaqi, 2007). However, none of these studies has investigated LMX dyadic agreement nor examined the cultural context (i.e cultural norms) in the workplace. We argue that the interpretation of the meaning of leader-member agreement relationships from different cultural contexts in the workplace can be understood through dialogue as a communication mode. Dialogue as a mode of communication has been advocated to offer societal problems and enhanced organizational effectiveness, transformed organizational participations and relationships among organizational members. We also argue that dialogue initiative between managers and subordinates provides precision research and practice of leader-member relationship differentiation. For example, communication scholars have examined that dialogue has strongly improved participant's knowledge and understanding on policy and change (Kerr, Cunningham and Tutton, 2007), improved negotiation expertise (Phillips, 2009) and increased the credibility of decision making (Walls, Rogers, Mohr and O'Riordan, 2005).

The dialogue approach provides a more comprehensive understanding of the influences on leader and members' attitudes towards others. Furthermore, as noted by Zorn, Roper, Broadfoot and Weaver (2006), dialogue as mode of communication allows explorations of differentiation. However, to date, very limited studies have explored dialogue as the communication mode in understanding leader-member relationships in specific organization culture (Magee and Galinsky, 2008). In lieu of that, we advance the following research question: What are the specific characteristics of the relationships differentiation that are deep-rooted among manager-subordinates in the Malaysian workplace?

Thus, the main purpose of this study is to address this call by examining the factors that constitute relationship differentiation in leader-member exchange relationships, which will provide unique theoretical insights and pragmatic applications for communication in Malaysian workplace. Our approach in the present study is slightly different from previous research on leader-member exchange. In this study, we seek to further clarify the elements that constitute the concept of manager-subordinate relationships by selecting several specific characteristics from the focus group and dialogue group discussions, and examine how managers and subordinates talk about leader-member exchange

differentiation in the workplace (Zhou and Schriesheim, 2010). Specifically, our goal is to expand the researchers' understanding of the concept and characteristics of relationships differentiation in leader-member relationships, which can be understood and reconciled in the Malaysian workplace. As noted by Graen (2006), the connotative meanings differ from one workplace to another, depending on the culture context, and all communications between individuals in an organization within the context of one or several larger systems is also culturally biased.

## **2. Method**

The study involved three phases of data collection. The first two phases involved in-depth interviews involving employees from four organizations – Malaysian Airport Berhad (MAB), BERNAMA, Tenaga Nasional Berhad (TNB), and Universiti Utara Malaysia (UUM). The interviews were conducted in order to ascertain issues concerning conflicts and relationships between superior and subordinates, which also focused on work experiences, perceptions and feelings towards each other. The focus and dialogue group approaches were adopted because Malaysians, in general prefer to affiliate themselves with groups. The focus and dialogue group discussions were transcribed and qualitative methodologies were employed to uncover themes and relationships from the discussions of each focus group and dialogue, utilizing various theoretical lenses (Sandberg, 1997). The third phase of the study was the survey method, which is the method to be discussed in the paper.

### *2.1 Population and sampling*

The samples of organizational employees consisted of full-time employees from three types of organizations (i.e, government, semi-government and private sectors in Malaysia). Six hundred questionnaires were distributed to the employees (200 government sector employees, 200 semi-government sector employees and 200 private sector employees), with the response rate of 79.8% (479 questionnaires).

### *2.2 Instrumentation*

Questionnaires were prepared both in Bahasa Malaysia and English. Although the commonly accepted practice of questionnaire distribution in Malaysia is in English, our research utilized the bilingual approach since the respondents of the study involved full-time employees of different types of organizations (i.e. government, semi-government and private sectors), holding different positions in the workplace and they were also comprised of different racial groups (i.e. Malay, Chinese, Indian and others).

### *2.3 Measurement*

Items for the survey were generated based on the themes yielded from the interviews in Phases 1 and 2. It consisted of measures of perceived leader conceptual skills, communication openness, respect, trust, age, (all served as independent variables) and organizational citizenship behavior (dependent variable). While the independent variables assessed employees' perception towards their

leaders, the dependent variables measured the employees' perception toward their group members. All items employed the Likert format, ranging from 1 (strongly disagree) to 5 (strongly agree).

### 3. Results

A total of 600 of questionnaires were distributed to three types of organizations, namely, government, semi-government, and private sectors. Of the 600 questionnaires distributed, 479 questionnaires were returned (79.8%). Fifteen questionnaires were incomplete and 100 of them were dropped after the tests for outliers were conducted. A total of 364 (60.6%) questionnaires were analyzed. Hair, Black, Babin, and Anderson (2010) suggested that the minimum sample size for SEM analysis approach is about 200 respondents. Hence, the sample size of 364 appears to be adequate for statistical analysis.

**Table 1.** Variables and measures

Variables	Number of Items (N)	<i>A</i>
Leader conceptual skills	22	0.97
Communication openness	15	0.95
Respect	13	0.95
Trust	10	0.89
Age	6	0.74
Organizational citizenship behavior	14	0.90

Descriptive statistics was used to report the profile of the respondents. In this study, gender distribution was higher for male representing 50.8% and female with 49.2%. Eighty-six per cent were Malays, six per cent were Indians, 5.5 per cent were Chinese and 5.5per cent belong to other ethnic groups. The majority of the respondents were between the age of 26 – 35 (61.8%) and only 9.1per cent of the respondents were 25 years old and below. In terms of position, most of the respondents held supporting posts, representing 74.5per cent. Another 25.5 were at the management and professional positions. A majority of the respondents had working experience between four and seven years (31.9%), followed by 22.8 per cent of respondents with 12-15 years, 16.8 per cent of the respondents with 15 years and above, 14.8 per cent with 3 years of experience. The remaining 1.4 per cent had working experiences between 8 and 11 years. Of all the respondents, 49.5 per cent claimed that they worked with the government sector, 28.8per cent in semi-government sector and the remaining 21.7 per cent worked with the private sector.

It can be observed that all variables were moderately perceived by respondents (range from  $M = 3.14$ ,  $SD = .660$  to  $M = 3.65$ ,  $SD = .661$ ). Generally, respondents gave high responses to communication openness, suggesting that they mostly perceived good communication openness by their leaders.

#### 3.1 Hypotheses testing

The results of hypotheses testing are demonstrated in Table 2. The results show that there is a significant and positive relationship between leader conceptual skills and organizational citizenship

behavior ( $\beta = .377$ ;  $CR = 3.692$ ;  $p < 0.001$ ). Therefore, H1 is accepted. In addition, the results also revealed that communication openness had a significant relationship with organizational citizenship behavior ( $\beta = .349$ ;  $CR = 3.499$ ;  $p < .001$ ). Hence, H2 is also accepted. However, these findings contradict the result of relationship between respect and organizational citizenship behavior. Respect showed no significant relationship with organizational citizenship behavior ( $\beta = .049$ ;  $CR = .776$ ;  $p > 0.10$ ), therefore H3 was rejected. The study also found that trust had a significant relationship with organizational citizenship behavior. Therefore, H4 is accepted.

**Table 2.** Results of hypotheses testing

Hypotheses	Relationship between exogenous and endogenous variables	Standard error (S.E)	t-value (CR)	p-value	Standardized parameter estimate ( $\beta$ )	Results
H1	Leader conceptual skills ---> OCB	.097	3.692	.000***	.377	Accepted
H2	Communication openness ---> OCB	.098	3.449	.000***	.349	Accepted
H3	Respect ---> OCB	.057	.776	.438	.049	Rejected
H4	Trust ---> OCB	.030	2.289	.022**	.092	Accepted

*Note: OCB= Organizational citizenship behavior, \*\*\*  $p < .001$ , \*\*  $p < .05$*

#### 4. Discussions and conclusion

As mentioned above, this study examines the variables that constitute the relationships differentiation in leader-member exchange relationships which provide unique theoretical perceptions and practical application for communication in the Malaysian workplace. We selected several specific characteristics from focus group and dialogue group discussions and examined how manager-subordinate talked about leader-member exchange differentiation in the workplace. We analyzed fifty-eight items that focused on leader conceptual skills, communication openness, respect, trust, age, gender and ethnicity. Additionally, in-depth interviews were conducted with both groups, management and support staff.

The study found that leader conceptual skills ( $\beta = .377$ ;  $CR = 3.692$ ;  $p < 0.001$ ), communication openness ( $\beta = .349$ ;  $CR = 3.499$ ;  $p < .001$ ), and trust ( $\beta = .092$ ;  $CR = 2.289$ ;  $p < 0.05$ ) significantly affect organizational citizenship behavior. Hence, Hypothesis 1 (H1), Hypothesis 2 (H2) and Hypothesis 4 (H4) are accepted. The significant results suggest that positive communication skills, communication openness, and trust between leader and subordinate could lead to positive organizational citizenship behavior among employees. Conversely, the results reveal that respect ( $\beta = .049$ ;  $CR = .776$ ;  $p > 0.10$ ), does not significantly affect the organizational citizenship behavior. Therefore, Hypothesis 3 (H3) is not supported. Consequently, leaders should be aware of the importance of communication skills since these factors played an important role in stimulating employee behavior towards the organization.

#### *4.1 Theoretical and practical implications*

From a theoretical standpoint, this research has several contributions toward the existing body of literature. First, this research includes a new constructs which represent the characteristics towards leader-member exchange differentiation; leader conceptual skills, communication openness, trust and respect. Furthermore, the results revealed that 62.5per cent of the variance in organizational citizenship behavior can be explained by communication openness, trust, respect, and leader conceptual skills. Hence, the results showed that leader conceptual skills, communication openness, trust are one of the important determinants of leader-member exchange differentiation in the workplace. This suggests that these factors may enhance organizational citizenship behavior for Malaysian employees.

Secondly, this study provides empirical knowledge that integrates the information on determinants of leader-member exchange differentiation and it also emerged as the strongest predictors to organizational citizenship behavior by developing and testing multilevel modeling using SEM. The results obtained also provide support for the hypothesized relationships in the model.

Apart from practical implications, the findings also have implications on the management of communication exchange process in the workplace. First, the present study builds upon the notion that employee organizational citizenship behavior is developed through interpersonal relationships caused by the high-quality interactions among leader and subordinate. In terms of cultural context, it is not surprising that all races in Malaysia (Malay, Chinese, and Indian) have similarity attraction in the workplace. All ethnics in Malaysia might have good relationship and strong performance when they work within a group

#### *4.2 Limitations and future research*

In spite of the significant contributions discussed above, several limitations need to be acknowledged. First, the sample size itself. It is acknowledged that the response rates within groups are particularly important for all multi-level studies. Our analysis containing 364 respondents is rather small for multivariate analysis and this could lead to some problems when estimating regression weights in relation to hypothesis testing, especially on SEM technique. Secondly, due to the time and financial constraints,, the sample of organizations involved were also limited to those in Peninsular Malaysia. Thus, the generalization of the results should be made with appropriate caution. This research was a cross-sectional study which measures perceptions and intentions at a single point in time. A typical limitation of cross- sectional studies is the restriction of their ability to prove a cause-effect relationship (Sekaran, 2000). For future research, scholars could consider the moderating effect of relational demography within various organizations to increase the generalizability of the present findings. Therefore, more comparative studies between Malaysian and multinational companies operating in Malaysia should consider.

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