

## **Attitude of In and Out-Group Employees and Leader Member Exchange**

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**Abstract:** *Leader member Exchange (LMX) theory focuses on the quality of Leader-members two-way relationship (dyadic relationships); that is directly related to organizational success. It's proved that relationship of leader with subordinates at workplace is directly proportional to the team performance. Seers (1989) describes that team-member exchange (TMX), parallel to LMX; describe the effectiveness of working relationships between a team member and peers. Team-member exchange quality (TMX) depends upon individual member's perceptions or her exchange relations within the group. It means the synergy of team-members exchange (TMX) depends upon the attitude of its members. In this paper we tried to assess the attitude of in-group and out-group employees about each other and leader-member relationship. We have found that the employees exhibited a high quality leader-member exchange and varied responses about In and out group employees.*

**Key Words:** leader-member exchange (LMX), dyadic relationships, In-Group, Out –Group.

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### **I. Introduction**

The relation of leader with subordinates is a prominent factor in all leadership theories and practice. Parallel to this, attitudes of team members about each has great impact on their behavior, relations and performance. Sufficient research has proved that workplace relationships have a significant impact on employee attitudes and behaviors. Research has found that positive relationships with coworkers and supervisors are related to lower stress and turnover intentions, increased employee job satisfaction, increased performance and citizenship behaviors (Gerstner & Day, 1997; Hum- phrey, Nahrgang, & Morgeson, 2007).

The healthy relations within leader and team members result in better environment and workplace outcomes. Therefore it becomes increasingly important to examine leader–member relationships, which have been suggested to be the most important relationship for assimilating a new employee into an organization (Graen, 1976).

Attitude is the base of our behavior. And the attitude of employees in a team is important for the synergy of a team. In this paper we tried to find quality level of relationships of leader with subordinates and attitude of In-group and out group employees about each other.

### **II. Leader Member Exchange (LMX)**

LMX theory is a unique theory of leadership which stress on the dyadic relation between leader and subordinates. Leader-Member Exchange describes the relationship quality between a leader and each of his/her followers (Graen and Uhl-Bien, 1995; for an overview see also van Breukelen et al., 2006). Majority of leadership theories give importance to relationships of leader with subordinates at workplace and consider it an important segment for workplace performance. Leader-member-exchange (LMX) theory of leadership posits that because of limited time and resources, leaders differentiate between subordinates and create in-groups and out- groups as a means to increase work-group productivity (Dansereau, Graen, & Haga, 1975).

Gerstner & Day explains different correlates of leader –member –exchange in their meta-analysis with positive performance-related and attitudinal variables especially for members.

As per LMX theory, LMX assesses the quality of the leader-member relationship. High LMX is directly proportional to high trust, interaction, support, rewards. As per Graen and Uhl-Bien (1995) high quality LMX has positive outcomes such as job satisfaction, organizational commitment, high supervisor ratings, career progress and reduced turnover.

### **III. In and Out Group Members of Team**

Leader- Member Exchange theory (LMX), originally called vertical dyadic linkage (VDL), was developed approximately 42 years ago by Dansereau et al. (1975). The theory is based on relations between bosses and subordinates. It is relationship-oriented approach to leadership based on social exchange processes and highlights the four major developmental stages of LMX research (Graen & Uhl-Bien, 1995).

According to this theory leaders divide their subordinates into two groups i.e In-group and Out-Group to accomplish his objectives. In-group employees are near to leader help him more as compared to out-group employees.

In-group members have high quality exchanges characterized by “mutual trust, respect, and obligation” (Graen & Uhl-Bien: 227), whereas out-group members have low quality exchanges and have less trust, respect, and obligation. Studies show that in-group members reap more benefits as compared to out-group employees.

### **IV. Attitude of In and Out-Groups For Each Other**

The attitude and perception of team members for each other has direct impact on their relations and performance. To have proper exchange or relations among the team members assessment of attitude is compulsory.

The quality of leader-member exchange relationship between the leader and his/her follower is generally found to be of high quality if that member is categories in in-group, as these employees are close to leaders and enjoys a good formal/informal relationships with their leaders as compare to the employees categories in out-group, as they less interact with their leader and are more formally connected with their leader.

Both in-group and out-group employees have different attitudes and behaviors about each other. In-group members generally feels that out-group members are group as out-group of leaders because of the reasons like they are irresponsible, incompetent, silent and introvert etc. whereas the out-group members have attitude towards the in-group members that are in in-group of leaders because of the reasons like they are more responsible, competent, experience and hardworking or they are good in nepotism etc.

It's observed that In-group members have relationships with a high level of mutual trust and respect, whereas out-group members had significantly less satisfying relationships. Since In-group employees are near to leader hence they reap better resources than out-group employees and are considered sometimes nepotistic.

Seers (1989) put forth team-member exchange quality (TMX) as a method to assess a group member's perceptions of his/her role within the group and his/her exchange relationships within the group as a whole. Attitude of employees also have direct relation with social network of employees. Hence attitude is major factor that shapes quality of relations, behavior and performance of a team.

### **V. Objectives of Study**

1. To identify in-group and out-group employees.
2. To find the quality of leader-member-exchange relationship of leader with their followers.
3. To find out the quality of Leader member exchange relationship of followers.
4. To study the attitude of employees about in-group and out-group employees.

### **VI. Methodology**

The questionnaire were got filled by 50 teachers/staff of a colleges including head of departments and Principal, but 48 questionnaire were considered for analysis. Convenience sampling technique is used for selecting universities and colleges. Simple random sampling technique is used for selecting the employees.

Leader member exchange: LMX-7 scale developed by Graen & Uhl-Bien, (1995) modified with 14 statements to know the attitude of in and out-group employees. Five point likert scales is used to know the attitude of employees. The alpha reliability for LMX-7 scale is 0.87. Convenient sampling and percentage distribution method is used to find the results.

### **VII. Findings**

#### **Objective 1: To identify In-Group and Out-Group employees.**

- Out of 48 followers, 4 followers falls in the LMX score range of 30-35; 20 followers falls in the LMX score range of 25-29, therefore a total of 24 followers are categorized as in-group.
- 6 followers falls in the LMX score range of 15-19; and 0 followers are falling in the range of 7-14, therefore a total of 6 followers are categorized as out-group.
- 16 followers falls in the LMX score range of 20-24. These followers can neither be categorized as in-group nor out-group.

**Objective 2: To find out the quality of Leader member exchange relationship of followers with their leaders.**

- Out of 48 followers, 4 followers falls in the LMX score range of 30-35, having a very high LMX grade which depicts that 4 followers have stronger, higher-quality leader-member exchange and 20 followers falls in the LMX score range of 25-29, having a high LMX grade which depicts that 20 followers have high quality leader-member exchange.
- 6 followers falls in the LMX score range of 15-19, having a low LMX grade which depicts that 6 followers have a low quality of leader-member exchange with the leaders.
- 16 followers falls in the LMX score range of 20-24, having a moderate LMX grade which indicates that they averagely maintain their relationship with their leaders.

**Objective 3: To find out the quality of Leader member exchange relationship of leaders with their followers.**

- Out of 4 leaders, 2 leaders' falls in the LMX score range of 30-35, having a very high LMX grade which depicts that 2 leaders have strong higher-quality leader-member exchange relationship with their followers.
- 1 leader falls in the LMX score range of 25-29, having a high LMX grade, which shows that the leader has a high- quality leader-member exchange relationship with his/her followers.
- 1 leader falls in the LMX score range of 20-24, having a moderate LMX grade, which shows that the leader has a moderate quality leader-member exchange relationship with his/her followers.

**Objective 4: To study the attitude of employees about in-group and out-group employees in the education sector.**

- 34% moderately agree with the statement "in-group employees are in the in-group of leaders because they are responsible towards the given tasks.
- 32% moderately disagree with the statement "in-group employees are in the in-group of leaders because of certain gender bias.
- 36% moderately agree with the statement "in-group employees are in the in-group of leaders because they are competent and willing to work.
- 54% moderately agree with the statement "in-group employees are in the in-group of leaders because they are experience and hard working.
- 30% moderately agree with the statement "in-group employees are in the in-group of leaders because they are creative and visionary in nature.
- 24% neither disagree nor agree with the statement "in-group employees are in the in-group of leaders because they are related to leader's caste/creed/group.
- 38% neither disagree nor agree with the statement "in-group employees are in the in-group of leaders because they are good in nepotism.
- 34% slightly agree with the statement "out-group employees are not in the in-group of leaders because they are irresponsible towards the given tasks.
- 28% slightly disagree with the statement "out-group employees are not in the in-group of leaders because of certain gender bias.
- 44% slightly agree with the statement "out-group employees are not in the in-group of leaders because they are incompetent for the assign tasks.
- 36% slightly agree with the statement "out-group employees are not in the in-group of leaders because they are shirking their work.
- 30% strongly agree with the statement "out-group employees are not in the in-group of leaders because they are silent and introvert.
- 36% neither disagree nor agree with the statement "out-group employees are not in the in-group of leaders because they are not related to leader's caste/creed/group.
- 30% neither disagree nor agree with the statement "out-group employees are not in the in-group of leaders because they are not good in nepotism.

### **VIII. Conclusion**

Every organization has employees which consist of leaders along with their followers. The leaders form two groups i.e. in-group and out-group on the basis of certain dimensions and preferences. Generally, leader keeps employees in his/her in-group whom he/she find more compatible, reliable, trust worthy, responsible and dedicated towards the assign tasks. Whereas the employees whom leader find that they are not so responsible compatible, reliable, trustworthy and are not so much dedicated towards the given tasks are being categorized/grouped as out-group. The employees who are close to leaders(in-group) are generally given

foremost preference in terms of rewards, challenging jobs/tasks, responsibilities, authorities etc. as compare to the employees whom the leader categories in his/her out-group. Attitude about each other in a team is an important construct for relations and performance.

In this study about one third respondents feel that subordinates are in in-group of leaders because they are responsible towards the given tasks, are competent and willing to work and are creative and visionary in nature. About half respondents disagree that there is any gender bias exists in the selection of In and Out – Groups.

For out-groups, about one third respondents agree that out-groups employees are not in In-Group of leader because they are incompetent for the assigned tasks, are silent and introvert and are shirking their work.

In conclusion, the categorization of followers in in-group and out-group will continue to exert high quality relationships between leaders and followers. Those factors which impact to distinguish high and low quality relationship with leaders need to be developed and shown in the behavior, personality, hard-work level and competency level etc.

### **IX. Limitations**

Identifying and analyzing the attitude of employees is not possible without certain hindrances and limitations due to variation in thinking and perception of the employees within the organization. Limitations like time constraint of respondents, authenticity of data and attitude of respondents may have affected the analysis.

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