INVESTIGATION ON PRECONDITIONS OF PRODUCTIVE MANAGER-EMPLOYEE INTERACTION

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Abstract

Purpose – to explore the factors for productive relationship between managers and employees. The article examines the role of the interrelationship of managers and employees in order to improve organisational performance.

Design/methodology/approach – A quantitative study was conducted to collect empirical data. Research method - questionnaire. The questionnaire contains statements formulated on the basis of the theoretical analysis. Respondents were asked to answer the statements by choosing one of the 6 options: totally disagree, disagree, mostly disagree than agree, mostly agree than disagree, agree and fully agree. The summarized study results are shown in diagrams in a percentage.

Findings – it was determined that during the period of transformations of public sector organisations, in order to improve the performance results, the heads of social service institutions should pay more attention to such factors as: attention to quality policy, promotion of personnel motivation, employee qualification improvement, employee involvement in decision-making, informing clients about the performance of the institution, tasks based on consensus between the managers and employees to improve the performance of the institution.

Research limitations/implications – as respondents' answers were analyzed as a whole, it was not clear how much the opinion of managers and employees were close or different. Because of this limitation, we can only evaluate the research insights as general trends, and we cannot claim that most employees or most managers agree with the statement at the same level as after both managers' and employees' opinions were combined and analyzed.

Practical implications – the results of this study may be useful for the heads of social service institutions to improve their organisational performance.

Originality/Value – the study examined the role of the relationship between managers and employees in improving the organisation's activities in the field of social services. The article is based on a new approach to the manager's ability to achieve important results for the company: the theoretical analysis shows that without employees' provision and devotion, the manager would not be able to achieve high results even if he or she has the necessary competences, knowledge and skills. The study is original in that it was empirically verified and confirmed that this theoretical approach is indeed relevant to social service institutions.

Keywords: management, leadership, employee commitment, organisational performance improvement.

Research type: original research; viewpoint.

JEL classification: I 31; I 39; J 24.

Introduction

In the recent times, a new approach to the organization as a system has emerged, in which results and quality of performance are determined by the interaction between managers and their employees, as well as their organizational commitment. In the public sector, there is also a need for new forms of activity and continuously improved qualitative performance indicators, finding out

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what assumptions would allow a better efficiency. Successful change management is important for organizations to remain competitive (Van der Voet et al., 2015). Speaking of terms of changes in public sector organizations, it should be noted that the country's culture, historical past, etc. make up important factors that heads of institutions need to be able to consider in their practice (Renshon et al., 2018). In addition, the well-being of employees is continuously gaining more attention from experts and scientists. It is noticed that working conditions that ensure physical security are no longer enough for efficient work. The International Labour Organization emphasizes that well-being at the workplace is a key factor in defining the long-term effectiveness of organizations (International Labour Organization 2009). Workplace well-being is a broad concept, first of all understood as interpersonal relationships, when one of the involved parties gives the others the attention, support and understanding they need. Organizational leaders play a critical role in ensuring the full physical, social and psychological well-being of their employees. So, investigating and analysing what factors are most important in shaping a positive relationship between leaders and employees is as relevant as ever. The purpose of the article, formulated on the basis of the described relevance, is to investigate the preconditions of productive interrelationship between managers and employees.

In order to achieve the goal, the article first discusses the features of modern leadership and analyses the importance of the interrelationship between managers and employees in the performance of an organization. Further, the empirical part of the article introduces a study that allows to describe the preconditions for productive interrelationship between managers and employees and to define the factors that create the organizational commitment of employees, following the example of social service institutions operating in Lithuania.

1. Theoretical background

1.1. Features of modern leadership

It is important to reveal what leadership qualities and abilities determine success in a modern organization. In the last century, leadership has been described as a process whereby the leader brings together the subordinates to pursue a common goal and make influence in a manner that would change their subordinates' attitudes, visions and goals (Zaleznik 1997; Mumford et al. 2000; McCleskey 2014). A modern leader is defined as a manager, who leads the subordinates forward, knows the affairs well and is constantly in contact with staff, while also having a clear vision of the organization (Uzuegbu, Nnadozie, 2015). Anderson and Peter (2017) describe the head of the organization as a manager-leader, who has the practical knowledge to overcome everyday problems faced by employees and the organization, can identify cost-effective solutions and responds to

functional needs. The approach of such manager-leader requires greater intelligence, critical thinking, wisdom and experience. Rosenbach et al. (2018) emphasizes that modern leaders are not afraid to break down barriers, dismantle structures, and build new ones, giving organization the goals of excitement, enthusiasm and optimism. Thorgren and Omorede (2015) recognize the leader's passion for leadership as a key element in building people's trust, organizing their activities, and accomplishing the social mission.

A leader should be competitive, self-confident, visionary and supportive (Raišienė et al., 2018), however, his role of a manager also consists of competence of organizational skills. Competent manager has good knowledge in the essence of the work, processes and methods, can analyse the situation in a qualified manner, independently think and make decisions, and is able to foresee the alternative variations of practice. The manager must combine the skills of the organiser and the administrator. Organisational skills of the manager include having the ability to formulate tasks and directions of activity for employees, to make decisions quickly, to implement them, and to efficiently control and organise the activities of employees. Administrative manager skills are to organise a fair division of responsibilities and work between employees and to provide them the information needed (Floyd and Lane, 2000). It is important for the organisation that the manager-leader would be able to distribute powers and responsibilities between the employees in such a way that the efficiency of joint activity, the organisation of the work and the quality of services provided would be assured, and the manager would only need to keep the general command and control (Annebel and Deanne, 2008). One of the most responsible duties of a manager is to build a team working in harmony, so that the main task would be to maintain a working atmosphere (Hartung, (2002). Hope-Hailey et al. (2000) claims that in today's society the manager's work specifics in the management of the team is very important, strengthening the activities of the organizations in their competitive environment, improving the quality of their work and preparing specialists to work responsibly in the team. Little et al. (2016) claims that an organization can achieve excellent performance when the manager brings people together for a shared purpose, encourages them to step up and reliably supervise, in order to create shared values. The latter authors (Little et al., 2016) distinguish five aspects of true leadership: persistent pursuit of goal, nurturing values, sincere leadership, building strong relationships, and self-discipline. Based on these aspects, the manager is described as a leader who is honest, loyal to his values and beliefs, builds trust and sincere relationships, encourages others to act, aims to achieve goals, focus on results, and improves services. The guiding principle of leadership is the relationship between people when one of them, the leader, influences others. Contemporary leaders achieve better results by taking care of sustainability in the workgroup. Such leaders are seeking a balance in the team, they are empathetic, caring for their employees, support them and establish positive emotional relationships with them,

employees trust the leaders and become loyal to them (Meyer et al., 2012). According to Raišienė (2014), five general abilities and competences are important to leader in order for his company to be successful: ability to communicate, ability to make decisions in a team, ability to collaborate, ability to help the employees to achieve a result, and ability to overcome various contradictions. Moreover, the role of a contemporary manager in an organization is based on conscientious behaviour and personal example.

After reviewing the characteristics of modern leadership, the following article analyses interrelationship between the leader and employees, the factors for strengthening that relationship and the barriers when achieving the quality of the organization.

1.2. Links between leadership and employee commitment in the context of organisation's performance improvement

In order to achieve the quality of the organisation's activity, there is a need for an interrelationship between the manager and the staff, which would allow to create a strong organisational commitment from the staff, thus facilitating the group work process and the achievement of the organisation's goals. A series of research discusses what a manager should be and what leadership is needed for employees to achieve this.

Employee commitment refers to the employee's emotional attachment to the organisation, its identification and participation in the organisation, associated with positive performance results (Riketta, 2002). Veurink and Fischer (2011) notes that employees can be committed not only to the organisation but also to the manager, co-workers, and the profession. The experience that employees get in the organisation is of great importance for the formation of commitment to the manager and organisation (Meyer et al., 2002, Colquitt et al., 2013). Commitment is usually defined as an employee's attitude towards the organisation (Su-Yueh et al., 2015). Lavelle et al. (2007) emphasizes that employee awareness of how well he is treated and how much an employee trusts in other members of the organisation is one of the most important factors in formation of commitment to the manager and organisation. Employee commitment to other entities can also be a significant factor in organisational attitude and performance results. Van der Voet and Vermeeren (2016) also note that the leader has to shape the employees' attitude towards their work tasks and purposefully strengthen their organisational commitment. Because of that, the leaders of organisations choose a leadership style mix of formal management and informal leadership styles that allow to have a relationship based on trust, while the same time being able to assign clearly defined tasks to each member of the organisation, which allows to effectively achieve results and solve raised problems (Boon, Biron 2016). Roethlein, et al. (2002) points out that employee contributions to the

organisation are valued and promoted as a key element of the quality improvement program. Today's ability of organisations to give employees the opportunity to become responsible for their actions is important, giving employees a sense of self-confidence.

Gillespy and Mayo (2001) points out that effective leader's nurture and use the competences of employees to achieve organisational goals. Leadership abilities are like "Glue of the organisation" (Farazmand, 2007).

Meanwhile, Ainsworth (2009) emphasizes that leadership necessarily involves employees too. For successful leadership, as well as management, head-person's skills, knowledge and competence alone are not enough yet. With their determination and willingness to obey the leader's instructions, employees help to consolidate and define leader's status and allow suitable conditions for productive leadership. Of course, leadership means unequal distribution of power between the leader and the employees - employees can form collective's work, but the leader usually has more power. The more power areas the manager can dispose of the greater is his potential for effective leadership.

Rezvani et al. (2016) points out that a very important factor shaping the interrelationship in the work process and developing a creative approach to work is the relationship between manager and the subordinates, based on the principle of humanity. Other authors (e.g., Qureshi et al. 2007) note that interrelationship is created by trust, commitment, as well as the level of management support, information sharing, coordination, engagement, service provider performance and positive experience. Drucker (2004) also emphasizes the importance of trust, by claiming that the leadership is the manager's ability to influence employees with enthusiasm and confidence in the work of an organisation, while the leader takes responsibility for the implementation of the team's tasks. Therefore, it is important that both sides want to cooperate with each other. Stringer (2006), based on Leader-Member Exchange theory (LMX) claims that leaders and employees have high quality effective relationships when they share trust, feel better and work together.

Analysing scientific research reveals the barriers to strengthening the relationship between the leader and employee. Janssen, (2004) found that the leaders with authority aim at organisational goals and values, hoping that the employees will also accept them, but if the goals of the leader and the employees do not match, there may be a conflict. Conflicts with leaders can prevent authorized employees from developing or maintaining high organisational responsibilities. Morrison and Milliken (2000) claim that the barriers to strengthening the interrelationship are the leader's fear of receiving negative feedback from the employees, as well as the belief that every employee is essentially selfish.

But in the end, as Roethlein et al. (2002) points out, managers, however, must take responsibility for quality policy within the organization, so if managers do not, quality changes within the organization will not take place.

1.3. The role of manager and the importance of employee commitment in social service institutions

Social service organisations are one of the components of the social security system. Social services aim to integrate socially disadvantaged people into society and reduce their social exclusion (Anheier and Kumar 2003). The focus of social politics representatives on social service organisations has shifted because of the changes that have been taking place across Europe over the last three decades. Because of ageing, with the increasing proportion of the population which require for social services, as well as the growing needs of the population, it is necessary to improve the distribution of social services, increase their efficiency and ensure their quality. These challenges that the social services sector is facing are similar to those a private sector market economy is facing as well (Baines 2004). Changing external conditions, market and consumer needs encourage the adjustment of practice of social institutions, so the managers are forced to constantly anticipate the needed changes and to create favourable internal working conditions to achieve the goals of the institution, while ensuring the quality of social services provided.

As Zakarevičius (2012) states, extraordinary importance for the successful functioning and development of the organisation is their managers' and all of their members' constant search for new opportunities to improve performance, the determination to actively act, creativity, innovation, measured risk-taking, proactivity and initiative. Committed employees and supportive leadership are particularly important in social service organisations. Committed employees, using their verbal and non-verbal behaviour, increase customer independence while improving the quality of the services they provide (Bono and Judge, 2003). Liao and Chuang (2004) has determined that the leaders' and employees' behaviour have a direct impact on customer satisfaction, which is why it is mandatory to take care of the productive interrelationship of managers and employees who work for the social institutions.

2. Research methodology

A quantitative research was conducted to collect empirical data. Method of the research - questionnaire. The survey participants were employees of state, budgetary and private social care institutions of the Republic of Lithuania. Institutions shall not be named on a confidential basis. 341 respondents answered to the survey questions. The distribution of respondents by age showed that

the participant percentage aged 21 to 40 was 42.8% and 57.2% were 41 to 60 or older. According to gender, men formed a minority of respondents (near 5%), and that is quite natural, since the sphere of social services is traditionally attributed to women's activities, and men come to work at social care institutions very rarely. According to education, 55.8 respondents had a university degree, others had a college (40.4%) and vocational school (3.8%) level education. 62,4% of respondents had been working in social service institutions for up to five years, and 28.6% - for more than ten years.

Research data was calculated using Statistical Package for Social Sciences program, which is convenient for processing the collected information and is optimised for data processing, its analysis and correlation detection (Miller et al., 2017).

The questionnaire contained statements that respondents were asked to answer by choosing one of the answer options: totally disagree, disagree, mostly disagree than agree, mostly agree than disagree, agree and fully agree. The summarized research results are illustrated in diagrams, where similar respondents' answers are combined into two groups. In this way, the distribution of respondents' agreement and disagreement with statements can be clearly evaluated.

3. Research results

During the survey, respondents were asked what is important for management of the institution to be effective? Respondents' answers show that it is most important to ensure that the organisation is guided by vision, mission and values. It is also important to focus on quality policy, the implementation of safety and health requirements and compliance with labour rules (Figure 1).

Source: author

Figure 1. Efficiency factors based on management features in social services institution

What are the most important factors for productive interrelationship between leaders and employees? Answering this question, respondents agree that managers should encourage staff

satisfaction and motivation, as well as involve them in decision-making (Figure 2). Other studies also emphasize the importance of the latter factor. E.g., the research done by Aguenza and Som (2018) shows that employee participation is crucial for employee engagement and commitment.

Respondents' answers also highlight the importance of improving professional skills and general competences. Employees who are well versed in their work along with their managers make more productive interrelationship and deliver the best results for their clients.

Source: author

Figure 2. Motivational factors for productive interrelationship between managers and employees

What are the important factors for employees to take the initiative to improve organisational performance? Answering this question, respondents noted that it was crucial to realistically assess what the results of employees' work and organization's practices are, and by consensus to take targeted action to improve the situation (Figure 3).

Source: author

Figure 3. Factors that increase employees' interest in taking care of organisational performance

According to the respondents, it is important to inform clients about the results of the organisation. It turns out that feedback from clients is very important for employees of social service institutions. This can be explained by the fact that the mutual relationship among social workers and clients is created because of the social service institution's practice specifics and is relatively stronger than in other types of organisations.

4. Conclusions

Theoretical analysis has shown that in order to strengthen a productive relationship between managers and employees, the most important factors are such as: mutual trust, employee commitment, information sharing, management support, and leader's conscientious behaviour and personal example. It is important to emphasize that the relationship between managers and employees is double-sided. It means that one's own managerial efforts and his leadership skills are not enough to create a high level of employees' commitment. Proper staff attitude and positive mind to managerial initiatives and organisational goals are no less essential.

The empirical research results have shown, the staff of social service institutions believe that because society's demands for products and services provided by organizations have grown, the stronger relationship between managers and employees would allow to overcome modern challenges. In their opinion, in order to create that relationship, the managers should to take care of their employees, as well as employees should show interest in the results of the organisation. According to our research, in this period of transformation of public sector organisations, heads of social service institutions should pay more attention to such factors as: focus on vision, mission and values; focus on quality organizational policy; focus on health and safety requirements in the workplace; focus on compliance with work rules; qualification improvement; deep knowledge of the work in progress; employee involvement in decision making; stimulation of employee work satisfaction and motivation; targeted actions to improve performance which are based on real-life situation analysis; relevant information on the quality of the department's and institution's performance; informing customers about the performance of the institution; a consensus on how to improve performance.

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