Individual and Group Level Antecedents of Team-Member Exchange (TMX) and its Associated Outcomes

Dr. Urmila Rani Srivastsva¹*, Vandana Singh²
¹Assistant Professor, Department of Psychology, B.H.U., Varanasi. 221005
²Research Scholar, Department of Psychology, B.H.U., Varanasi. 221005
urbhu_24@yahoo.co.in

*Corresponding Author

Abstract- In recent years, teams have become a popular and efficient way of managing and performing work tasks. The idea behind teams is that if they are structured to maximize communication density, connectivity, and minimize hierarchy, there will be greater flexibility in communicating, cooperating, and collaborating on work-related tasks. Human resources are growing concern for today’s competitive organizations. Therefore it is very essential to focus on this issue seriously. In this review paper, we have integrated empirical research regarding the antecedents and consequences of Team-Member Exchange (TMX). An exchange relationship between team members is very critical but relatively unexplored phenomenon in the field of organizational behaviour. We have proposed a theoretical model to study certain selected antecedents (or predictor) and consequences of team-member exchange (TMX) process, both at the individual and group level. The individual level antecedents included in this paper are organizational justice, emotional intelligence, workplace friendship and group level antecedents are collectivistic orientation, team similarity, team identification, team-member affect, team reflexivity and group potency. Likewise, individual level outcomes associated with high quality team-member exchange are organizational citizenship behaviour, job performance, mental health and group level outcomes associated with high quality team-member exchange are team conflict, team climate, team commitment, team performance and team innovativeness. Further, several preliminary propositions have been offered to guide future research and the role of team-member exchange (TMX) within a broad theoretical and empirical context is discussed. Finally, we have discussed the gaps in the relevant literature, major issues for future research on team-member exchange (TMX) along with implications and interventions about how management can develop good interrelationships between co-workers.

Keywords- Team; Team-Member Exchange (TMX) quality; Antecedents and Outcomes of TMX

1. BACKGROUND OF THE PROPOSED REVIEW

Organizations are continuously faced with increasingly complex and uncertain business environments. Growing global competition and ever changing consumer demands put organizations in a position where the ability of their members to find solutions to these problems becomes a competitive advantage (Muthusamy, Wheeler & Simmons, 2005)[99]. According to Kreitner and Kinicki (2001)[75], organizations change their structures to support this new flexible strategy. Flatter structures, based on the instant availability of management information and organized around teams provide organizations the competitive edge they need. The use of work teams is now recognized as a success component of every enterprise (Jordan, Field & Armenakis, 2002[67]; Bartlett, Probb & Mohammed, 2007)[11]. Today the main objective of any organization is to surpass its competitors. Key goals, such as quality performance, costs cutting, or flexibility, are now common in the business language and practice. Researchers and scholars have observed a shift from individual work to team work in the past decades (van der Vegt, 1998)[135] in order to achieve that objective. Today, more and more organizations are now exhibiting a tendency to focus on team working to achieve their goals and to meet the needs required by the changes in the workforce (Vennix, 1996; Wellins, Byham & Wilson, 1991)[141]. In recent years, teams have become very popular and effective way of managing and performing work tasks. Organizations (both work and non work) are increasingly using teams to streamline processes, enhance participation, and improve quality (Cohen & Bailey, 1997[26]; Bartlett, Probb & Mohammed, 2007).

2. CHANGE IN FOCUS FROM ‘TEAM’ TO ‘TEAM-MEMBER EXCHANGE’ (TMX)

The idea behind teams is that if they are structured to maximize communication density, connectivity and minimize hierarchy, there will be greater flexibility in communicating, cooperating and collaborating on work related tasks (Cummings, 1981[31]; Hackman, 1987[58];
Ibarra, 1992[64]; Krackhardt & Hanson, 1993[74]; Manz & Sims, 1987[86]; Sundstrom, DeMeuse & Futrell, 1990[125]. Teams help to increase the participation level of employees in organizations (Ragazzoni, Baiardi, Zotti, Anderson & West, 2002[109]; Senge, 1994[116], and possess more knowledge and information than individual employees (Loewen & Loo, 2004)[81]. In a recent study, Anderson and West (2002)[5] have shown that teamwork has increased commitment, efforts loyalty and innovativeness of employees, but they have also argued that a supportive team climate is needed to determine success.

Teams are recognized as the “building block” of organizations (Brooks, 1993; Erdogan & Liden, 2002[41]; Mc Grath, 1997[90]; Mesmer-Magnus & De Church, 2009[91]; Tse, Dasborough & Ashkanasy, 2008[131]; Vennix, 1996)[136]. Team refers to small number of people with complementary skills who are committed to a common purpose or performance goals, and approach for which they hold themselves mutually accountable (Katzenbach & Smith, 1993)[70]. In other words, a team is a cohesive group of people who work in collaboration with one another and where interactions are based on members’ willingness to outperform organizational goals through, information sharing (Finkelstein, Hambrick & Cannella, 2009[42]; Homans, 1974[62]; Katzenbach & Smith, 1993; Vennix, 1996). A team consists of two or more individuals who must interact to achieve one or more common goals that are directed toward the accomplishment of productive outcomes. Teams carry a variety of purposes (e.g.; learning, producing a product, solving problems, gaining acceptance), forms (e.g.; virtual, co-located), and size and longevity (e.g.; adhoc, long term) (Cohen & Bailey, 1997)[26].

In recent decades, as the workplace has grown increasingly diverse and the use of work teams has grown increasingly common, numerous scholars have highlighted the importance of variables aggregated to the team level such as group potency (Gibson, Randall & Earley, 2000[46]; Hecht, Allen, Klammer & Kelly, 2002)[60], group cohesiveness (Barrick, Stewart, Neubert & Mount, 1998[9]; Barry & Stewart, 1997; Mullen & Copper, 1994)[97], and the team-member exchange (TMX) (Liden, Wayne & Sparrowe, 2000[80]; Seers, Petty & Cashman, 1995)[115]. Although these early studies have highlighted the importance of peer groups, but most research on work teams have neglected peer group social exchange dynamics for understanding team effectiveness. So, we can say that the study in the area of exchange relationship among team members require serious attention. The concept of team-member exchange quality (TMX) is proposed as a way to access the reciprocity between a member and the peer group (Seers, 1989). The quality of the team-member exchange (TMX) relationship indicates the effectiveness of the member’s working relationship to the peer group (Wecch, 2003). TMX relationships vary in terms of content and intensity. High quality team-member exchange (TMX) relationships exist when team members are willing to assist other and members will reciprocate these behaviors (e.g., Cole, Schaninger & Stanley, 2002; Kandar & Van Syne, 2007[68]; Seers, 1989[113]; Seers, Petty & Cashman, 1995[115]; Susskind, Behfar & Borchgrevink, 2006)[126].

Individuals experiencing low quality of team-member exchange (TMX) relationships with their co-workers often limit their interactions to task completion whereas those experiencing high quality of team-member exchange relationships truly embody the mutual and reciprocal trust of a social exchange relationship (Liden, Wayne & Sparrowe, 2000[80]; Keup, Burning & Seers, 2004)[71]. The importance of team-member exchange quality is greater in work situations in which success is contingent upon strong social exchange relationships between team members. Given the importance of quality of TMX relationships for team effectiveness, we argue that it is critical to understand individual team members’ perceptions and experiences of their exchange relationships with other team members. Despite the enhancement of research on TMX, substantial gap in the literature still exists, with regard to the study of TMX in organizations.

3. MAJOR THEORETICAL CONTRIBUTIONS IN DEVELOPING THE PHENOMENA OF TEAM-MEMBER EXCHANGE (TMX)

The dynamics underlying the exchange of resources between two or more people can also be better understood by the social exchange theory (Anand, Vidyarthi, Liden & Rousseau, 2010[4]; Blau, 1964)[14]. This theory is characterized by long-term and unspecified obligations (Blau, 1964) and predicts that individuals are willing to be involved in social exchange with people around them. They tend to do so in their personal as well as in work life (Blau, 1964). Furthermore, the higher the employees’ perceptions of the quality of their workplace exchange relationship, the higher their “willingness to act to benefit the other parties to those relationships” (Anand, et al., 2010, p. 973). Thus, social exchange theory focuses on the properties of interpersonal and social interactions. Rooted in social exchange theory (Blau, 1964), the team-member exchange (TMX) relationships are based on reciprocity. In work teams, two focal exchange relationships for each individual are those with their supervisors or immediate officers and team members. The former has been referred to as leader-member exchange (LMX), defined as the reciprocal exchanges between an employee and his or her supervisor based on trust, respect, and obligations (Graen & Uhl-Bien, 1995)[49]. The latter has been referred to as team-member exchange (TMX).

In a comprehensive qualitative and quantitative study, Tse & Dasborough (2008)[131] have explained the development of team member relationships in terms of...
exchange and positive emotions. The authors have highlighted the critical role of psychological and emotional processes for improving team member relationships in organizations.

4. THE NATURE OF TEAM-MEMBER EXCHANGE (TMX) RELATIONSHIPS

The concept of team-member exchange quality (TMX) is proposed as a way to access the reciprocity between a member and the peer group (Seers, 1999). The team-member exchange (TMX) involves member’s perception of his or her willingness to assist other members, to share ideas and feedback and in turn, how readily information, help, and recognition are received from other members. (Liden, Wayne & Sparrowe, 2000; Keup, Burning & Seers, 2004) Thus, the quality of the team-member exchange (TMX) relationship indicates the effectiveness of the member’s working relationship to the peer group (Wech, 2003). Team-member exchange relationships vary in terms of content and intensity. High quality team-member exchange (TMX) relationships exist, when team members are willing to assist other and members will reciprocate these behaviors (e.g., Cole, Schaninger & Stanley, 2002[27]; Kamdar & Van Syne, 2007; Seers, 1989; Seers, Petty & Cashman, 1995; Susskind, Behfar & Borchgreivink, 2006).

Seers (1989) has identified three dimensions of TMX namely- meeting, exchange and cohesiveness.

Meeting- This dimension of TMX refers to the effectiveness of team meeting. An effective meeting plan establishes the purpose the meeting and indicates what perception is needed and serves as a blue print for conducting the meeting. The effectiveness of team meeting directly depends on how well the team organizes. A meeting can be regarded as successful in which people work hard, communicate to resolve conflict, share opportunities, create important results, and leave with a sense of achievement (Seers, 1989).

Exchange - In TMX, exchange is proposed as a two way reciprocity between a member and the team. i.e. The member’s perception of his or her willingness to support other members to share ideas and feedback and in turn to how readily information, help and recognition are received from other members, exchange feelings, opinion, and ideas freely discuss explicitly and aim to learn from each other.

Cohesiveness - Cohesiveness refers to a mutual sense of togetherness characterized by a general feeling of cooperation, group oneness, commitment and positive interdependence. (Cole, Schaninger & Harris, 2002). Tziner (1982) has illustrated two forms of cohesiveness. Socio-emotional cohesiveness concerning emotional satisfaction and instrumental cohesiveness relating goal directed togetherness. Both forms of cohesiveness are thought to be essential for productive team work.

5. ANTECEDENTS OF TEAM-MEMBER EXCHANGE (TMX)

The team-member exchange relationship has been the subject of considerable theory and research. Over the past several years, applied interest in the team-member exchange quality has outstripped the available empirical evidence. Therefore, some fundamental issues arise like how can it be increased and how and why it is associated with consequences beneficial to individuals and organizations still requires appropriate answers (Pollack, 2009).[106]

Although the studies have shown that linkage between team-member exchange and positive outcomes like, well-being, job satisfaction, organizational commitment and organizational citizenship behavior (Avey, Luthans, Smith, Ronda & Plamer, 2010)[8]; Gooty, Gavin, Johnson, Frazier & Snow, 2009; Larson & Luthans, 2006) however, studies regarding the antecedents of team-member exchange have been lacking. In both theory and practice little is known about group factors, such as, team reflexivity, group potency, team-member affect, team identification that leads to high quality team-member exchange (Pollack, 2009).

6. INDIVIDUAL LEVEL ANTECEDENTS OF TEAM-MEMBER EXCHANGE

6.1 Organizational justice

Organizational justice was the term coined by Greenberg (1987)[50]. Organizational justice describes the individuals’ (or groups) perception of the fairness of treatment received from an organization and their behavioural reaction to such perception. Organizational justice can be classified into three categories of distributive, procedural and interactional justice (Pourezzat & Sameh, 2009)[107]. Distributive fairness reflects how fair employees in an organization perceive the actual allocation of outcomes they receive to be (Burney, Henle & Widener, 2008)[21]. Procedural Justice refers to employees’ perceptions about the fairness of the rules and procedures that regulate a process (Nabatchi, Bingham & Good, 2007)[100]. Interactional justice is the third type of organizational justice and concerns the perception of fairness in procedural treatment of others (Krings & Facchin, 2009)[76]. There are two aspects of interactional justice (Colquitt, Conlon, Wesson, Porter & Ng, 2001)[28]. Informational Justice- Informational justice refers to whether one is truthful and provides adequate justification when things go badly. Interpersonal justice- Interpersonal justice refers to the respect and dignity with which one treats another.

Regarding the relationship between organizational justice and team-member exchange, we argue that employee’s perceptions of fairness contribute to enhance the quality and desirability of their ongoing relationships. These contributions in turn obligate employees to reciprocate in ways that preserve the social exchange relationship,
through voluntary behaviors or attitudes that benefit the party who treated them fairly. Further, the employees are motivated for their better performance through which they can maintain their good interpersonal relationship with the organization. The available research and rationale discussed above suggest the proposition that there are relationships between TMX and employee perceptions of organizational justice. Organizational justice will also affect employees about the insecurity and unfairness because all the employees require the organizational justice and benefits according to their capabilities, experiences, and endeavours.

Several recent empirical studies have also shown that perceived justice attributes and interactional justice are positively related to TMX (Masterson, Lewis, Goldman & Taylor, 2000; Murphy, Wayne, Liden & Erdogan, 2003). The possible relationship between emotional intelligence and TMX can be explained by the fact that emotionally intelligent people have a deep rooted sense of self which helps them in understanding other people, keeping things in proportion, retaining focus, and understanding what is important. They also retain a positive viewpoint almost all of the time, as a result they are able to build high quality social interaction with their team members.

### 6.3 Workplace Friendship

Teams, and their inherent friendship networks, are an increasingly important architectural dimension of local, national and international business organizations. Having friends within the work context can provide support and sociability and a friendly workplace is generally linked with positive organizational outcomes. (Dickie, 2009; Morrison & Nolan, 2007). Workplace Friendships are defined as nonexclusive workplace relations that involve mutual trust, commitment reciprocal liking and shared interests or values. (Ambrose, 1999; Dobel 1999, 2001)

The workplace relationships often grow closer, developing into affiliative bonds known as friendships. The workplace relationships are unique and develop in two primary ways: (1) friendships are voluntary i.e. individuals do not typically choose with whom they work, they do choose which of those individuals to befriend; and (2) friendships have a personalized focus in which individuals come to know and treat each other as whole persons, rather than simply as workplace role occupants (Sias & Cahill, 1998). Thus, employees choose to spend time with their friends, both at and away from the workplace, beyond that obligated by their organizational roles. Due to these characteristics, workplace friends function as important sources of social and emotional support and enjoyment for one another (Kanter, 1977; Rawlins, 1994). Workplace friendship increases support and information that helps individuals to perform their job, in turn, reducing stress (for instance, by eliminating barriers to success) and improving the quality of work. Recent studies have shown that employees consider workplace friendships are a critical component of a healthy, supportive and conducive working environment (Shadur & Kienzle, 1999; Berman & West, 1998; West & Berman, 1997).

The relationship between workplace friendship and team-member exchange can be posited by the fact that workplace friendships nourishes high-quality team-member exchange relationships because team members can trust and value each other, share interests, and view the emotional and instrumental support as valuable means of growth and dependence. This serves as a motivational force to engage in high-quality team-member exchange relationship development (i.e., they see their team members as friends rather than as formal colleagues). Based on this, we suggest that workplace friendship may be a necessary condition for, and is conducive to, the formation of high-quality team-member exchange.
However, there is a dearth of studies pertaining to the relationship between emotional intelligence, organizational justice and workplace friendships and team-member exchange. In sum we suggest the following proposition.

P1: Employees’ perceptions of (a) organizational justice, (b) emotional intelligence and (c) workplace friendship will be positively related to team-member exchange (TMX) quality.

7. GROUP LEVEL ANTECEDENTS OF TEAM-MEMBER EXCHANGE (TMX)

7.1 Collectivistic Orientation

Collectivistic orientation indicates how the individual will value loyalty to an in-group, give priority to and work diligently for the goals and benefits of the in-group, sacrificing personal benefits for group interests, shape their behaviour primarily on the basis of in-group norms, and behave in a communal way thought to be closely aligned with organizational commitment (Mills & Clark, 1982)[93].

In a study, Kirkman and Shapiro (2001)[73] found that collectivistic individuals tended to set aside their own self-interest for the benefits of the group. They valued mutual support, interdependence and cooperation. This is in contrast to people with low collectivistic orientation, whose priority is task over relationship (Singelis, Triandis, Bhawuk & Gelfand, 1995)[119]. Finally, given that individuals with higher collectivistic orientations base their identity on group membership as well as value interdependence and the group over themselves, teams composed of more collectivistic individuals engage in behaviors that promote the effective functioning of the team. As a result, teams composed of highly collectivistic individuals are engaged in high quality relationship with each other. For example, if teams composed of highly collectivistic individuals, members give more emotional, informational, and appraisal support to one another than do teams composed of members low on collectivism (Drach-Zahavy, 2004)[37]. The proportion of highly collectivistic individuals on a team is related to cooperation in teams (Eby & Dobbins, 1997)[39].

In a comprehensive review, Eby and Dobbins, (1997) have documented some fruitful findings like, collectivistic orientation within a team a facilitation of interpersonal interaction and verbal or non-verbal communication among people. Similarity in various cognitive characteristics has been observed to affect the degree to which people are attracted to one another (Byrne, 1971)[22].

Team similarity has also been shown to affect both process, (how your team performs), and outcome, (how well it performs). There are advantages and disadvantages associated with both ends of this continuum. The team elements are a commonality in today’s environment. There are bound to be times when the group we are put into is highly homogeneous. Understanding the above personality traits and how they relate to a team will hopefully help the effectiveness of the group performance.

The possible relationship between team similarity and team-member exchange can be very well explained with the help of social exchange theory. According to the social exchange theory, attitudinal similarity would facilitate interpersonal interaction and would make this interaction more rewarding for individuals (Thibaut & Kelley, 1959)[128]. Moreover, it may ease and facilitate communication and to some extent prevent role conflict and role ambiguity, as individuals communicate more and share more common views about their work (Tsui &
O’Reilly, 1989)[132]. In sum, deep-level similarity could make teamwork more enjoyable, less difficult and facilitate high quality interaction among team members.

7.3 Team Identification

Identification is a person’s sense of belonging with a social category (Ashforth & Mael, 1989)[7]. Team identification is defined as a personal, cognitive, emotional and behavioural bond between an individual and team (Henry, Arrow & Carini, 1999)[61]. Team identification constitutes a special type of social identification, reflecting the degree to which individual team members experience a sense of oneness with a particular organizationally based team (Gundlach, Zivnuska & Stoner, 2006)[53]. When employees strongly identify with their thoughts, feelings and behaviours in teams, the social interaction of team members encourages communication and cooperative behaviour (Chen, Chang & Hung, 2008[29]; Putnam, 1993)[108]. As identification with a team closely ties established team attributes to an individual’s sense of self, team identification promotes individual team members to behave in accordance with this social self-concept. Likewise, when a person identifies with an organization, he or she defines himself or herself in terms of the belongingness to the organization(s) of which he or she is a member. (Gundlach, Zivnuska & Stoner, 2006)[53]. Individuals are more likely to become identified with an organization (or team) when it represents the attributes they assign to their own self-concepts.

7.4 Team-Member Affect

Affect can be defined as a broad range of feelings that people experience. It can be experienced in the form of emotions or moods. When we categorized group emotions into positive and negative categories, they become mood states because we are now looking at them more generally instead of isolating one particular emotion. Positive affect (PA) reflects the extent to which an individual member feels alert, active and enthusiastic (Watson, Clark & Tellegen, 1988)[140]. Its high pole has been described as a state of high energy, full concentration, and pleasurable engagement, whereas its low pole has been described as a state. Negative affect (NA) reflects the extent to which an individual member feels subjective distress and unpleasurable or aversive mood states (Watson et al., 1988). Team-member affect is mainly specified in a team context and can be defined as an individual team member’s own affect in relation to their team member exchanges. In a team context, emotional responses of team members reflect the current interactions between team members, which will pave the way for future team member relationship development (Tse & Dasborough, 2008)[131]. Positive affect is associated with increased team member commitment and satisfaction. This is because positive affect of team members strengthens feelings of control and may be a necessary precursor of team cohesiveness and effectiveness. While negative emotions has a detrimental effect on team performance via team processes (George & Brief, 1992[45]; Lawrence & Jones, 2006). As a result, understanding the type of emotional responses (positive or negative) individual team members experience in relation to TMX is important. When individuals interact in teams, most of the time they experience a variety of emotional responses because interpersonal exchanges are dynamic and complex. Through emotional contagion, emotions are induced and transferred to other team members (Tse & Dasborough, 2008). Studies have shown that positive emotions rather than negative emotions were associated with high quality TMX relationships (Lazarus, 1991[77]; Tse & Dasborough, 2008).

7.5 Team Reflexivity

Team reflexivity is concretely defined as “the extent to which a team actively reviews its objectives, strategies, and team processes and is prepared to adapt them as necessary to changing circumstances”. It involves actions ‘such as questioning, planning, exploratory learning, analysis, diverse explorations (Carter & West, 1998, p. 588)[25]. It involves actions ‘such questioning, planning, exploratory learning, analysis, diverse explorations. The phenomena of team reflexivity is based on the conception that a team’s environment is ever changing and that there is a need for constant reflection and contemplation to assess the most current environment in order to apply the best action.

There are three central elements to the concept of reflexivity- reflection, planning and action or adoption. Basically, reflection has been considered as a highly personal cognitive and natural process. Individuals regularly reflect by taking a situation from the environment, bringing it inside the mind, thinking about it, filtering it and drawing consequences for the future (Daudelin, 1996).

Thus, reflection consists of attention, awareness, monitoring, and evaluation of the object of reflection (West, 2000). Planning is one of the potential consequences of the indeterminacy of reflection. High reflexivity exists when team planning is characterized by greater detail, comprehensiveness of potential problems, hierarchical ordering of plans, and long as well as short-range planning. Action refers to goal-directed behaviours relevant to achieving the desired changes in team objectives, strategies, processes, organizations, or environments identified by the team during the stage of reflection. A reflexive team is said to be more aware of the consequences of its actions and more proactive, while a non-reflexive team is simply functioning without any self-awareness of their actions.

Based on this definition, team reflexivity has two dimensions: task reflexivity and social reflexivity (West, 2010). Task reflexivity is the extent to which teams discuss their objectives, develop strategies, and adapt them to current or anticipated circumstances. Social
reflexivity is the extent to which teams assure good conflict handling, provide support among team members, and promote a healthy climate. Reflexivity helps teams with diverse backgrounds to pursue the same goal (Schippers, 2003)[112] and yields a positive correlation with new product performance and quality (MacCurtain, Flood, Ramamooorthy, West & Dawson, 2010). In addition, reflexivity can also enhance trust within a team (Möllering, 2006)[94]. It is described as a two way street, where reflecting gives insight into one’s mind which in return gives trust, because the other person have come to believe that through reflecting anything can be discussed. At the same time trust provides for an open line of thought leading to a better reflection.

Research has shown that reflexivity can relate to team objectives, strategies, internal processes, development of group psychosocial characteristics, and external relations as well as the external environment. As a consequence of reflexivity, the team members may be drawn upon in a variety of ways in order to inform subsequent discussions and offer the possibility of helpful and creative transforming and meanings (Bauwen & Fry, 1996)[16]. Team reflexivity is a new construct in organizational behaviour and so far, we have not found any published study regarding the relationship between team reflexivity and TMX. Since, reflexive team is said to be more aware of the consequences of its actions and more proactive, therefore it may likely to result in high quality team-member exchange among individual team members. Thus, in this study, we have hypothesized a link between team reflexivity and team-member exchange.

7.6 Group Potency

Group potency is defined as a collective belief by members of a team that the team can be effective across tasks (Guzzo, 1986[54]; Shea & Guzzo, 1987)[117]. The construct of group potency is rooted in the theory of social cognition and is a group-level construct parallel to the individual-level variable of self-efficacy, because both are motivational constructs that reflect appraisals of capabilities (Gully, Joshi, Incalcantara & Beaubien, 2002[51], Lee, Tinsley & Bobko, 2002)[78]. Group potency and self-efficacy are clearly distinct constructs that differ in two fundamental respects. Self-efficacy reflects an individual’s belief about his (or her) own competence, while group potency reflects the competency of the team as a whole. The study of group potency is particularly relevant in the context of teams. When potency operates at the group level, it motivates the members of the team to coordinate, communicate and cooperate in order to function well (Bhatt, 1999).

Research has shown that teams high in potency perform better than teams low in potency (Duffy & Shaw, 2000)[38]; Guzzo, Yost, Campbell & Shea, 1993). The main reason behind this is that an adequate communication and cooperation among teams within an organization helps team members to align their collective capability with the standards of the organization and, hence, influences collective confidence perceptions of team members. This perception of confidence provide support to team members through which they develop shared beliefs of their team and their co-workers that help them to develop shared knowledge and norms. Shared beliefs are conceptually distinct from constructs that exist at the group level only (e.g., functional diversity, team size) (Gully et al. 2002)[51]. Shea and Guzzo (1987a) proposed that potency leads to high levels of team effectiveness. Thus, it can be concluded from the above mentioned discussion that the quality of exchange relationships within peers group may be a practical key to transforming a collection of individual worker into productive team.

So far, we have not found any published study which illustrates direct link between group potency and team-member exchange relationships. However, a few research have shown that group potency leads to higher team performance (Tesluk & Mathieu, 1999)[127]. In sum, we suggest the following proposition-

P 2: Individual team member’s perceptions of (a) collectivistic orientation, (b) team identification, (c) team similarity, (d) team member affect, (e) team reflexivity and (f) group potency will be positively related to team-member exchange (TMX) quality.

8.0 OUTCOMES OF TEAM-MEMBER EXCHANGE (TMX)

The outcomes of the present study will include both an individual and group level outcomes. The literature on TMX advocates that when teams perform behaviours that benefit each other, the exchange relationships increase in quality. Findings exist for both individuals as well as groups. (Dickie, 2009; Ford & Seers, 2006, Pourrezzat & Sameh, 2009). The individual level outcomes considered in this paper included organizational citizenship behaviour, job performance, mental health. Further, group level outcomes included team conflict, team climate, team commitment, team performance and team innovativeness.

8.1 INDIVIDUAL LEVEL OUTCOMES OF TEAM-MEMBER EXCHANGE (TMX)

8.2 Organizational Citizenship Behaviour (OCB)

Many organizations attribute their success to their employees. Without hardworking and creative employees, most organizations would not be where they are today. It is quite possible that many of these employees are not merely completing their assigned tasks; they are rising above and beyond their job description to benefit the organization as a whole. This extra-role performance has been termed organizational citizenship behaviour (OCB). The construct of organizational citizenship behaviour (OCB) was firstly, coined by Organ in 1988. He has defined OCB as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promote the effective functioning of the organization.” (p.4). Organ
(1988)[102] has suggested five dimensions of organizational citizenship behaviour:-

1) Altruism- Altruism represents helping behaviours, selfless concern for the welfare of others.

2) Courtesy- Courtesy represents behaviours that reflect basic consideration for others.

3) Sportsmanship- Sportsmanship represents avoiding pettiness such as gossip, not complaining about trivial matters.

4) Conscientiousness- Conscientiousness involves being a good citizen in the workplace and doing things such as arriving on time for meetings.

5) Civic Virtue- Civic virtue represents keeping up with matters that affect the organization.

A handful of empirical studies have shown that higher quality team-member exchange is associated with several dimensions of organizational citizenship behaviour such as, altruism, conscientiousness, civic virtue and courtesy (Bommer, Miles & Grover, 2003; Ng & Van Dyne, 2005). Organizational citizenship behaviour (Bowler & Brass, 2006; Chiaburu & Harrison, 2008; Organ, Podsakoff & MacKenzie, 2006)[103]. According to Podsakoff, MacKenzie and Bommer, (1996) Employees who are not close in proximity of their coworkers are likely to experience less organizational citizenship behaviour.

The possible relationship between team-member exchange and organizational citizenship behavior can be explained by the fact that work relationships are expected to influence organizational citizenship behaviour, either directly or indirectly. A high quality exchange suggests that group members would be prone to give suggestions about better work methods, communicate regarding ways that coworkers can do things which can ease others’ job switch responsibilities to facilitate flexibility for group members etc. Thus, high quality exchanges among group members is more likely to facilitate helping behaviour or citizenship behaviour. (Ng & Van Dyne, 2005).

8.3 Job Performance

Job performance is one of the most widely studied constructs in organizational behaviour. Job performance has been defined as “the total expected value to the organization of the discrete behavioural episodes that an individual carries out over a standard period of time” (Motowidlo, Borman, Ilgen & Klimoski, 2003, p. 39). Job performance is the result of actual job behaviours rather than intent to behave in particular ways. Campbell (1990) proposed that work performance comprises not only tasks but also contextual elements (such as interpersonal and motivational components) that contribute to a two dimensional construct of performance. Task performance refers to job-specific behaviours including core job responsibilities that are directly related to the organization’s purpose. Contextual performance, describes, a set of interpersonal and volitional behaviours that support the social and motivational context in which organizational goals are accomplished (Aryee, Chen & Budhwar, 2004)[6]. The high quality team-member exchange facilitates interpersonally oriented behaviour that contributes to the accomplishment of organizations objectives. These include encouraging cooperation, consideration of others, and building and mending relationships. High quality team-member exchange also likely to motivate employees to work hard, maintain disciplines and strict adherence to rules to support the objectives of the organizations. Several empirical studies have also shown that higher quality TMX is associated with job performance (Major, Kozlowski, Chao & Gardmer, 1995[84]; Seers et al., 1995). The relationship between employees’ perceptions of TMX and job performance can be explained by the fact that when the qualities of exchange between TMX are high, they are given more chances to meet the expectations of team members. Further, the coordination of members’ efforts is facilitated by reciprocal behaviour, which leads to better performance.

8.4 Mental Health

The concept of mental health includes subjective wellbeing, perceived self-efficacy, autonomy, competence, intergenerational dependence and recognition of the ability to realize one’s intellectual and emotional potential. It had also been defined as a state of wellbeing where by individuals recognize their abilities, are able to cope with the normal stresses of life, work productively and fruitfully, and make a contribution to their communities. A person with good mental health has good emotional and social wellbeing and the capacity to cope with change and challenges. This drift was anticipated by the World Health Organization and recently proposed that mental health is a “state of wellbeing in which individuals realizes his or her own capabilities can cope with the normal stressful life, can work productively and fruitfully, and is able to make a contribution to his or her community” (WHO, 2001d, p-1).

Today, as we know that every organization works on the team basis and employees of the organization work as a team members. In team, each one of them is equal and very important. They play an important role in team functioning. If an employee will have good mental health, emotional and social wellbeing, the capacity to cope with change and challenges, then he/she feels capable and competent; being able to handle normal levels of stress, maintain satisfying relationships, and lead an independent life and being able to "bounce back," or recover from difficult situations over and above that is required for task completion.

Finally, mental health problems in the workplace have serious effects not only for the individual but also for the productivity and competitiveness of businesses and the economy and society as whole. Empirical research regarding the relationship between team-member exchange and mental health are extremely limited, however, in one study on middle level managers. Singh & Srivastava, (2015) have shown positive relationship between team-member exchange and mental health via...
the mediating effect of psychological empowerment. The authors have suggested that when an employee is having a good inter-personal relationship with other members of the group, basic social needs such as affection, affiliation and self-esteem etc are satisfied. Consequently, the employee’s mental health is enhanced (Singh & Srivastava, 2015).[120].

In sum, the studies pertaining to the relationship between team-member exchange and positive mental health are extremely limited; we formulate the following proposition based on existing theories and evidence.

**P 3:** Quality of team-member exchange (TMX) will be positively related to individual level outcomes of (a) organizational citizenship behaviour, (b) job performance and (c) mental health.

9. **GROUP LEVEL OUTCOMES OF TEAM-MEMBER EXCHANGE (TMX)**

9.1 **Team Conflict**

Team work in organizations is increasingly the norm, yet the challenges of working effectively in teams are considerable (Guzzo & Shea, 1992). In particular, when teams perform complex tasks, team effectiveness is not only a function of individuals’ task performance and goal achievement; team effectiveness also depends on the extent to which team members need to avoid process losses by helping each other, coordinating activities, complying with demands and requirements, and voicing opinions and ideas (Anderson & West, 1998[5]; Hackman, 1983; Podsakoff & MacKenzie, 1997; Steiner, 1972)[124]. One challenge to team effectiveness is team conflict which refers to the tension between team members due to real or perceived differences (Thomas, 1992[129]; Wall & Callister, 1995[139]; see also Cohen & Bailey, 1997). Team conflict is defined as serious disagreements over needs or goals among team members. Conflict in teams can be broadly categorized into two main types: relationship conflict and task conflict because team members contribute to the team through social inputs and task inputs (Forsyth, 1983), conflict in teams is concerned with relationship and task issues (Amason & Schweiger, 1997; Jehn, 1997)[66]. Relationship conflict (also known as affective conflict) has affective components such as tension and friction. It involves personal issues such as mutual dislike, personality clashes, and annoyance among team members. Some studies have reported that relationship conflict is detrimental to team performance while others are less conclusive.

Conflict affects team work at various levels, both positive and negative (De Dreu, Harinck & Van Vianen, 1999)[32]. Research on team-member exchange relationships illustrated that positive outcomes are likely to occur when co-workers provide sense of identity, support and friendship (Srivastava & Singh, 2012; Bowler & Brass, 2006). Thus, high quality team-member exchange can be considered as an important predictor of overcoming team conflicts, by reducing disagreement among team members, personality clashes and tension. High quality of team-member exchange certainly is a critical factor for alleviating task as well as relationship conflict. When members are engaged in high quality team-member exchange individual members feel happy, active and enthusiastic. Consequently the possibility of disagreements over the accomplishment of task as well as interpersonal incompatibilities is functions are likely to decline. High quality team-member exchange leads to effective communication and therefore less conflicts misunderstandings and frictions.

9.2 **Team Climate**

As a working definition, climate refers to the feeling, tone or emotional atmosphere of a team and includes components such as trust, fear, communication, conflict and risk taking, among others. Accordingly, Magni, Caporarello, Basaglia and Maruping (2010, p. 544)[83], have defined team climate as “shared perceptions of the kinds of behaviours, practices, and procedures that are supported within a team”.

Team climate has an effect on the behaviour and interactions of its members (Anderson & West, 1998) and is characterized by open communication, allows experimentation with new ways of working and doing things, frequent and open exchanges of feedback and the practice of new skills without fear of appraisal (Anderson & West, 1998; Edmondson, 1999). As formation of the teams are the result of social interaction processes such as relations among colleagues and relations between different roles, hence, team climate has shown to positively affect important processes and outcomes (Mañas, González-Romá & Peiro, 1999)[85].

Work climate appears to act as a catalyst for other team factors and encourages team development (Burch & Anderson, 2004). One reason why teams can work effectively together is because they create a positive group climate based on the personal relations that they form and particular rules and principles that they all share (Zander, 1993). Likewise, work teams can fail because they are not able to build a positive work and participative safety climate, due to the initiation and development of conflicts based on personal questions, values or tastes (Jehn, 1997). A handful of studies have shown that high quality TMX relationship predicted within group agreement on some measures of climate. (Ford & Seers, 2006, Seers, Ford, Wilkerson & Moorman, 2001). If the exchange relationship among team members is of high quality, team climate perceptions are enhanced because of social processes within the team. Consequently, employees seek guidelines from their environment to interpret events, develop appropriate attitudes, understand expectations and consequences of their behaviour (Salancik & Pfeffer, 1978). If team members share good interpersonal relationship among themselves, they also share a strong perception of team climate.

9.3 **Team commitment**
Commitment is a well-studied construct in management literature as it affects motivation and individuals’ performance (van der Vegt, 1998). Literature in the field of organizational behaviour and management often refers to two kinds of commitment: organizational commitment and team commitment (Bishop, Scott, Goldsby & Cropanzano, 2005; Meyer & Allen, 1991; Solinger, van Olffen & Roe, 2008; van der Vegt, 1998). The former is the degree to which individuals are involved in and identify themselves with their organizational work environment, while the latter is “the extent to which individuals are involved in and identify with their group work” (van der Vegt, 1998, p. 23).

Afolabi, Adesina and Aigbedion (2009) have defined team commitment, as a reflection of an individual’s psychological attachment/identification and loyalty to a team. Meyer and Allen (1991) have found three components of organizational commitment, which are commonly used in studies on both organizational (Solinger, van Olffen & Roe, 2008) and team commitment (Solinger, van Olffen & Roe, 2008; Bishop, Scott, Goldsby, & Cropanzano, 2005). These components are affective, continuance and normative commitment.

Therefore organizations have to create “workplaces in which employees feel positively about their jobs and the team in which they work” (van der Vegt, 1998, p. 75). Very limited empirical studies have acknowledged that TMX positively influence team commitment (Kirmen & Rosen, 1999; Liden, Wayne & Sparrowe, 2000; Major et al., 1995). Van der Vegt (1998) also found out that positive affective responses, which consist of job satisfaction and team commitment, are positively related to group performance while team commitment appears to be critical to the team’s performance.

9.4 Team Performance
The performance of teams within organizations is an important variable in the performance of the organization as a whole. Crucial to the performance of teams are the abilities and behaviours of their members which are often depicted in the job description. Team performance is conceptualized as the degree to which the output of a team meets “the standards of the quantity, quality and timeliness of the people who receive, review and/or use that output” (Hackman, 1990, p. 6). The performance of an organization in seeking to achieve organizational goals depends on many factors such as strategy, structure, technology, people employed and management style. One of importance amongst these is the ‘human resource’ factor that is the behaviour of individual employees and the contribution this makes to performance at individual, group and organization level (Wheelen & Hochberger, 1996; Woodcock & Francis, 1996). Team performance is a multidimensional construct that encompasses several outcome measures such as quantitative production, qualitative team outcomes, and team cohesion. (Cohen & Bailey, 1997; Levine & Moreland, 1990). There are many determinants of team performance such as cohesiveness, heterogeneity, familiarity, motivation, goals, feedback and communication (Guzzo & Dickson, 1996; Hsu, Chen, Chiu & Ju, 2005). One of the key determinants of team performance is team-member exchange relationships.

High quality exchange relationships provide team members group cohesiveness, opportunity for meeting, feedback and communication so that they get greater opportunity to meet the performance standards of role senders. Thus, employees having high quality TMX are not only better individual performers but also they perform better in groups (Seers, 1989). In one study Eby and Dobbins, (1997) have also shown that high quality TMX leads to positive impact on team performance.

9.5 Team Innovativeness
Today, innovation has become a crucial means of competitive advantage for organizations as it helps organization to adapt themselves to external environmental conditions. A team is composed of two or more individuals who work together to achieve common objectives, and also have some degree of shared accountability and responsibility which are recognized as the key mechanisms, for innovation.

Team innovation refers to the initiation and application of new and useful ideas, processes, products or procedures at the team level (de Jong & Den Hartog, 2007). Team, here, implies two or more individuals with different tasks who work together to achieve a common objective (Branick, Salas & Prince, 1997). Thus, innovating not only creates the idea of something new, but it also involves the actual implementation of that idea. The idea generation portion of that process is often referred to as creativity, which occurs at the individual level, whereas innovation refers to the actual implementation of ideas at a group, team or organizational level (Gumusluoglu & Ilsev, 2009).

As mentioned above, in team, two or more individuals with different tasks who work together to achieve a common objective. When individuals work as a team, then interaction process increases and is characterized by open communication with new way of working and doing things. If quality of exchange relationship among team members is high then reciprocity in team will be also high which in turn encourage the members of team for new idea formation and implementation. When members are engaged in high quality exchange relationships, it is easier for them in creating and acquiring new knowledge (Edmondson, 2002). According to Edmondson (2002), innovation occurs at the team level as learning and new knowledge can easily be transmitted through high quality interaction with other members of the team. High quality team-member exchange enable members to collaborate diverse insights and knowledge leading to team level innovation. A study conducted by Tesluk and Mathieu (1999) indicated that highly cohesive team is more adaptive and ready for more critical problem solving. Given the beneficial effects of innovation and the capability of the teams to product it, organizations are increasingly relying on teams for
innovative work behaviour. Based on the above discussion, we suggest the following proposition:

**P 4:** Quality of team-member exchange (TMX) will be positively related to group level outcomes of (a) team climate, (b) team commitment, (c) team performance and (d) team innovativeness and negatively related to (e) team conflict.

Since, the antecedents both at the individual and group level are expected to predict the team-member exchange quality and team-member exchange predicts the consequent outcomes hence, it is possible that team-member exchange quality will mediate the relationships between the individual and group level antecedents and consequences. Despite intuitive logic and obvious salience of mediators, there has been little assessment of mediators in the area of team effectiveness.

George and Brief (1992) have argued that positive effect is associated with increased team member commitment and satisfaction. This is because positive effect of team member strengthens feelings of control and may be a necessary precursor of team cohesiveness and effectiveness. As a challenge to our contention, TMX mediate the relationship between individual and group level antecedents and outcome variables. Researchers have studied cohesiveness, participation and climate of agreement, performance and efficiency. The most commonly examined consequences of TMX are group performance. Seers (1989, 1995), have found that higher TMX predicted better performance. The author explained that when the qualities of exchange between TMX are high, they are given more chances to meet the expectations of team members. In addition, the coordination of members’ efforts is facilitated by reciprocal behavior, which leads to better performance. However, there is dearth of such studies on the possible mediating role of team-member exchange on various outcomes. In sum, we suggest the following proposition:

**P 5:** Team-Member Exchange (TMX) will mediate the relationships between Individual level antecedents and outcome variables.

**P 6:** Team-Member Exchange (TMX) will mediate the relationships between Group level antecedents and outcome variables.

### 10. OVERALL CONCEPTUAL FRAMEWORK OF TEAM-MEMBER EXCHANGE (TMX)

Although there is little empirical research on the factors that predict team-member exchange (TMX) quality, however it is possible to identify a number of potential antecedents from recent empirical studies. The evidence regarding the antecedents and consequences of team-member exchange can be organized into a conceptual framework for further understanding of the relevant issues in team processes and effectiveness. Figure 1 summarizes the current conceptual framework of team-member exchange.

<table>
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<th><strong>Predictor Variables</strong></th>
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<tr>
<td><strong>At Individual Level</strong></td>
<td><strong>Organizational Justice</strong></td>
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<td></td>
<td><strong>Emotional Intelligence</strong></td>
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<td></td>
<td><strong>Workplace Friendship</strong></td>
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<tr>
<td><strong>At Group Level</strong></td>
<td><strong>Collectivistic Orientation</strong></td>
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<td></td>
<td><strong>Team Similarity</strong></td>
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<td><strong>Team Identification</strong></td>
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<td><strong>Team Member Affect</strong></td>
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<td></td>
<td><strong>Team Reflexivity</strong></td>
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<td><strong>Group Potency</strong></td>
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<tr>
<th><strong>Criterion Variables</strong></th>
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<tr>
<td><strong>At Individual Level</strong></td>
<td><strong>Organizational Citizenship Behaviour (OCB)</strong></td>
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<td></td>
<td><strong>Job Performance</strong></td>
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<td></td>
<td><strong>Mental Health</strong></td>
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<tr>
<td><strong>At Group Level</strong></td>
<td><strong>Team Conflict</strong></td>
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<td><strong>Team Climate</strong></td>
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<td><strong>Team Commitment</strong></td>
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<td><strong>Team Innovativeness</strong></td>
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The proposed multilevel model of TMX incorporates both individual and group level antecedents. Individual level antecedents include, Organizational Justice, Emotional Intelligence and Workplace Friendship while Collectivistic Orientation, Team Similarity, Team Identification, Team-Member Affect, Team Reflexivity and Group Potency are explained as antecedents at the group level. This review paper further tried to explore the associated outcomes of TMX both at the individual level, (Organizational Citizenship Behaviour, Job Performance and Mental Health) and at the group level (Team Conflict, Team Climate, Team Commitment, Team Performance and Team Innovativeness). Some of these are new constructs in the context of teams such as, team-member affect, team reflexivity, team identification and group potency which has not been discussed and empirically tested by the researchers. The present review paper expands the scope of the beneficial effects of team-
member exchange quality to other important domains of life such as health and overall wellbeing that are beyond the workplace. Given the intuitive appeal of this assertion, it is surprising that there exists a dearth of empirical evidence on the possible mediating role of team-member exchange quality.

11. IMPLICATIONS AND CONCLUSIONS

This article presents a comprehensive framework specifying the links between individual and group level antecedents of team-member exchange and its associated outcomes. This review paper has definitely presented very practical and useful implications for management practice to encourage and promote high quality TMX among their employees. In recent years, organizational research has increasingly focused on work teams and exchange relationship among members of teams and consistently demonstrated the relevance of this issue. Due to its detailed focus on theory building and mechanisms underlying team-member exchange quality (TMX), this paper yields some relatively specific suggestions for the managers and higher authorities of the organization. Such as, managers should encourage the development of open and trustful relationships among team members. This review paper highlights the importance of high quality team-member exchange quality among group members as a practical key to transforming a collection of individual worker into productive team. Further, this paper contributes to the literature on team processes by exploring the complex and dynamic process that give rise to high quality team-member exchange and its consequent outcomes. This paper expands our knowledge and stimulates innovating thinking and research in this line of inquiry. By developing a comprehensive framework and by addressing the propositions put forward in the paper, future researchers may further extend our knowledge about complex mechanism and dynamics of team-member exchange quality to the best benefit for individual employees and organization.

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