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The Changing Relationship between Supervisors and Subordinates: How Managing This Relationship Evolves over Time

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Abstract

Understanding how the relationship between a subordinate and manager develops over time has been a critical matter both for academics and for business. In both academic journals and industry publications, some writers have argued that the relationship is driven by perceptions of fairness and treatment, and that developing the relationship can lead to better performance. Others have argued that higher performers get better treatment and resources, which results in superior relationships with their managers. There is really no clear answer of what comes first—perceptions of fairness, satisfaction with the supervisor, or job performance—and which leads to which.

Keywords

perceptions of fairness, employee-supervisor relationships, simulations

Disciplines

Human Resources Management | Performance Management

Comments

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EXECUTIVE SUMMARY

This study examines how the relationships between employees' job performance, fairness perceptions, and perceptions of the supervisor-subordinate relationship change and evolve over time. While research has investigated elements of this web of relationships, no single study has examined these variables together and over time, or how the levels and changes in the levels of these variables influence each other. Using a methodology that essentially "learns" from existing research, we deduce how these relationships change. Our findings indicate that fairness perceptions play a crucial role in the first year of a relationship with a supervisor. Furthermore, these perceptions are more important than the level of the employee's job performance. The importance of fairness perceptions, though, declines with time, while the effects of both job performance and the quality of the supervisor-subordinate relationship increases. We also show that changes in fairness perceptions have a strong immediate effect on perceptions of the supervisor-subordinate relationship, whereas changes in job performance ratings are detrimental. Overall, our findings indicate that managers need to work to maintain their relationships with their subordinates in different ways, first focusing on how fairly they are perceived, but later putting a greater emphasis on performance management as the relationship matures.

ABOUT THE AUTHORS

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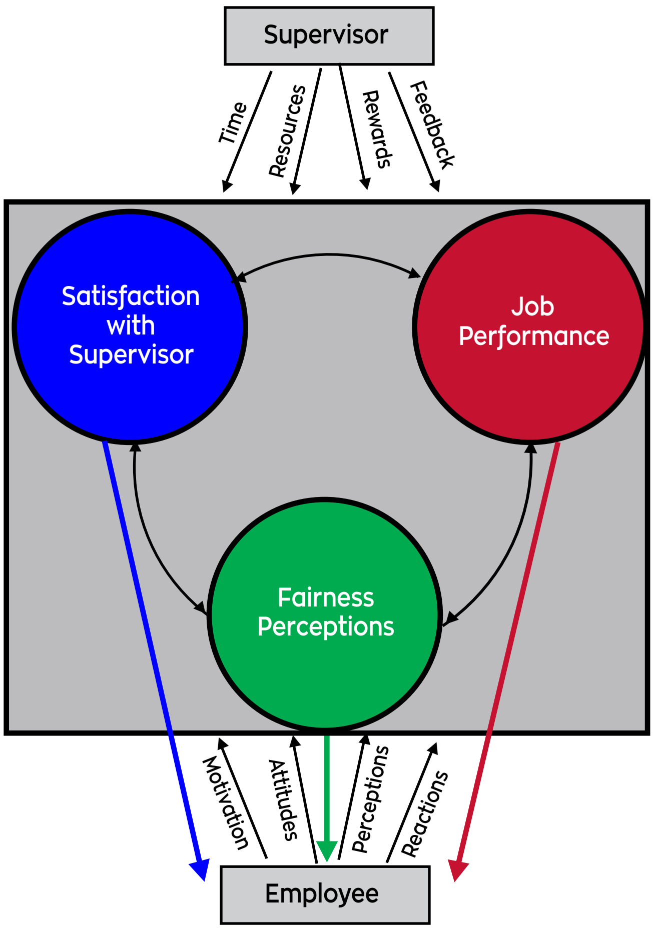
Understanding how the relationship between a subordinate and manager develops over time has been a critical matter both for academics and for business. In both academic journals and industry publications, some writers have argued that the relationship is driven by perceptions of fairness and treatment, and that developing the relationship can lead to better performance. Others have argued that higher performers get better treatment and resources, which results in superior relationships with their managers. There is really no clear answer of what comes first—perceptions of fairness, satisfaction with the supervisor, or job performance—and which leads to which.

Exhibit 1

Conceptual model



The hundreds of articles written about this topic have shown that employees' satisfaction with their supervisors is significantly associated with key employee behaviors and work outcomes, such as organizational commitment, job satisfaction, fairness perceptions, job performance, withdrawal behaviors, and turnover. But while this research shows that key associations exist, we really do not know a lot about how these variables interact and develop over time, and (more important) how leaders can manage the development process most effectively.

A key obstacle to conducting research on how employee-supervisor relationships develop over time, however, has been difficulties associated with getting paired employee-supervisor data over an extended period of time, which is needed to test relevant theory and predictions. As a result, few studies have examined the employee-supervisor relationship over a multi-year period with numerous instances of appropriately paired data, and many important questions remain unanswered. This report discusses the practical implications of a research study that uses an innovative simulation methodology to overcome this data limitation.[1] Building on existing research, this simulation combs through empirical findings from many different studies to deductively examine what happens between employees and their supervisors as their relationships develop over time. Our goals are **(1)** to examine the role of job performance and employees' fairness perceptions in the development of employees' satisfaction with their supervisors, and **(2)** to study how these variables change and interact over time to help us understand how the supervisor-subordinate relationship develops.

Our study is novel because it examines how individual relationships between a subordinate and supervisor develop over an extended period of time and how key antecedents and consequences of these variables develop concurrently. In this study, we took these "puzzle pieces" and mathematically combined them to consider their implications. We built what's called a "learning system," the knowledge for which is based on research findings. This system can extrapolate results that let us address our research questions. We used these extrapolated results to consider the relative importance of subordinates' performance levels and employees' perceptions of supervisor fairness, and to analyze how important these two factors are for affecting the developing supervisor-subordinate relationship.

Development of the supervisor-subordinate relationship is complex. The basic theoretical premise explaining the role of these constructs is clear, albeit multi-faceted (see Exhibit 1). Supervisors react to employee performance, devoting resources (including time, nature of assignments, feedback, or rewards) based on their assessment of employees' actual and potential performance. Simultaneously, employees react to their supervisor's treatment—both in terms of the assessment of their performance and their perceptions of the fairness of the supervisor's treatment. As they form judgments about their supervisor, employees may change the way they perform. The quality of the relationship between a supervisor and subordinate is related to employee job performance because of a norm of reciprocity, with resources and support coming from the supervisor to the employee, and the employee reciprocating with motivation and positive attitudes. As a result, an employee's perceptions of the relationship should lead to performance changes over time.[2] Those performance changes,[3] both due to actual changes

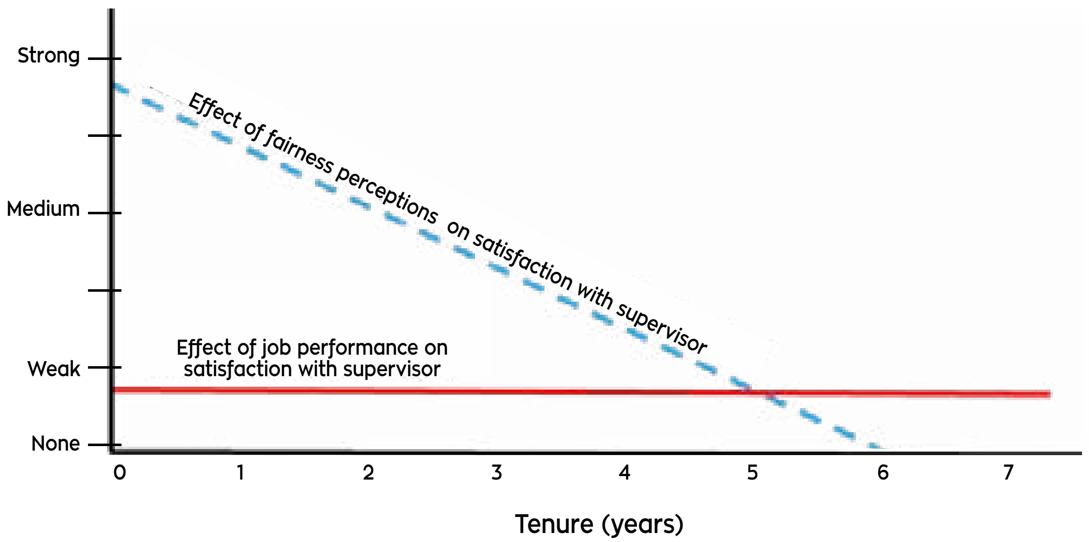
[1] The full academic article upon which this report is based is: Park, S., Sturman, M. C., Vanderpool, C., & Chan, E. (2015). Only time will tell: The changing relationships between LMX, job performance, and justice. *Journal of Applied Psychology*, 100 (3), 660-680.

[2] Nahrgang, J.D., Morgeson, F. P., & Ilies, R. (2009). The development of leader-member exchanges: exploring how personality and performance influence leader and member relationships over time. *Organizational Behavior and Human Decision Processes*, 108, 256-266.

[3] Sturman, M.C. (2007). The past, present, and future of dynamic performance research. *Research in Personnel and Human Resources Management*, 26, 49-110.

Exhibit 2

Effects of employee's fairness perceptions and job performance on satisfaction with supervisor



in employee motivation and ability but also due to luck and circumstances,[4] also alter the employee-supervisor relationship. Throughout this process, employees' attitudes towards their supervisors will be driven by the employees' fairness perceptions of their relationships. Changes in employees' relationships should then again relate to reciprocity and job performance, in a recurring pattern. This entire dynamic web then recurs.

As we said, studies of these individual links mostly have involved cross-sectional data, along with a few short-term longitudinal studies. From these, we develop an evidence-based understanding of how fairness perceptions, job performance, and the supervisor-subordinate relationship change with time.

Using The Learning System to Build a Picture

Rather than outline the exact methodological details of the simulation, which are described in detail in the original academic source,[5] let's examine how we can use a computer simulation to deduce the evidence-based advice about the relationships we are studying. As we indicated, our methodology "learns" from existing studies. First, we identified the key variables of interest (namely, job performance, fairness perceptions, and the employee-supervisor relationship) as they vary over time. Second, we empirically reviewed the literature to find out what research suggests are the relationships between these variables. No study has examined all of these variables simultaneously, but the methodology we employed puts these "pieces of the puzzle" together to help reveal how they relate and develop with time. In this way, the simulation methodology learns from existing studies, and produces data that reflect the employer-employee relationships over time, as identified by empirical research.

Using the entire dataset for our first set of analyses, we created three models to predict the three key outcomes: the employees' perception of their relationship with their supervisor, employees' job performance ratings as given by their supervisors, and employees' perceptions of fairness in the workplace. Each dependent variable was modeled at each time period, and the independent variables included tenure, values of the other two key variables from the prior time period, and the interactions of tenure and the values of the other key variables from the prior time period.

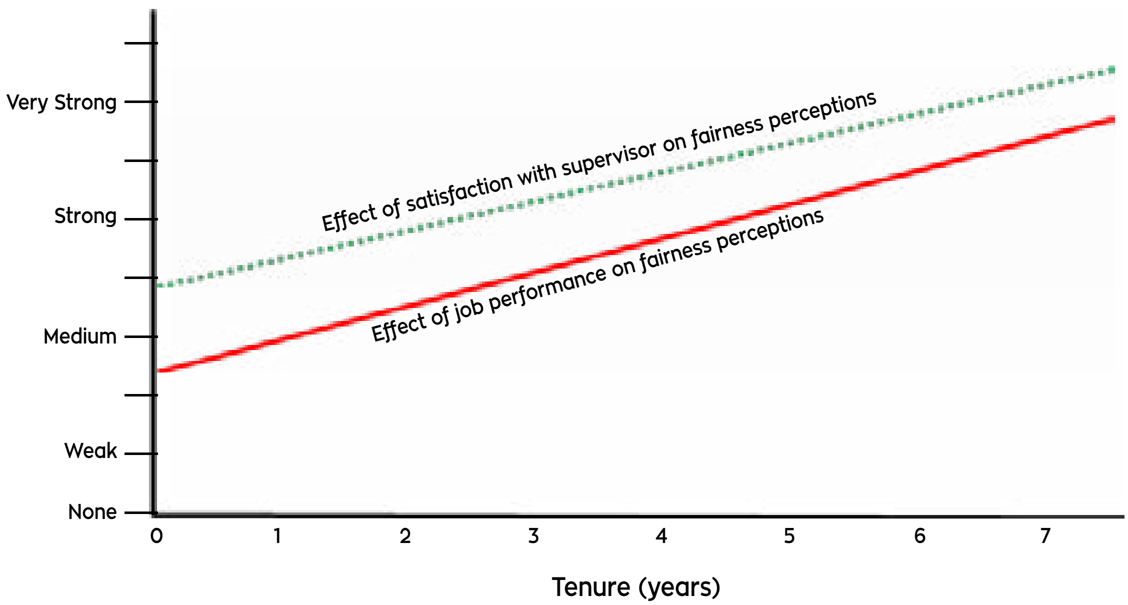
In a second set of analyses, we examined how changes in a particular key variable related to the other key variables. Perceptions of the supervisor-subordinate relationship constituted the dependent variable. The independent variables here were the levels of fairness perceptions and job performance from the prior time period, the change in fairness perceptions (from two time periods ago to the previous time period), and the change in job performance ratings (also from two time periods ago to the previous time period).

[4] Sturman, M. C., Cheramie, R. A., & Cashen, L. H. (2005). The impact of job complexity and performance measurement on the temporal consistency, stability, and test-retest reliability of employee job performance ratings. *Journal of Applied Psychology*, 90, 269-283.

[5] Park *et al.*, 2015.

Exhibit 3

Effects of employee's job performance and satisfaction on perceptions of supervisor fairness



How the Subordinate-Supervisor Relationship Develops over Time

In this section we summarize the relationships over time among the relative importance of employee job performance, employee satisfaction with supervisor, and fairness perceptions for predicting these same variables. For the purpose of interpreting the results, consistent with prior research, the strength of effects were categorized as none, weak, moderate, strong, and very strong (based on the classic statements about effect sizes described by Jacob Cohen).[6]

To begin with, we found that the relationship between a supervisor and subordinate gradually improves over time (on average), but this improvement is slow and relatively weak. So, by itself, simply letting time pass will not lead to much improvement between a supervisor and a subordinate. Employee fairness perceptions and job performance, however, can have a stronger effect on this relationship, particularly early on, as shown in Exhibit 2. While employees' perceptions of fairness have strong effects early in the supervisor-subordinate relationship, this effect becomes progressively weaker until it has essentially no effect after six years. Job performance, on the other hand, has a relatively weak effect from the start, but this effect remains constant over time, and exceeds the attenuated effect of fairness perceptions after five years.

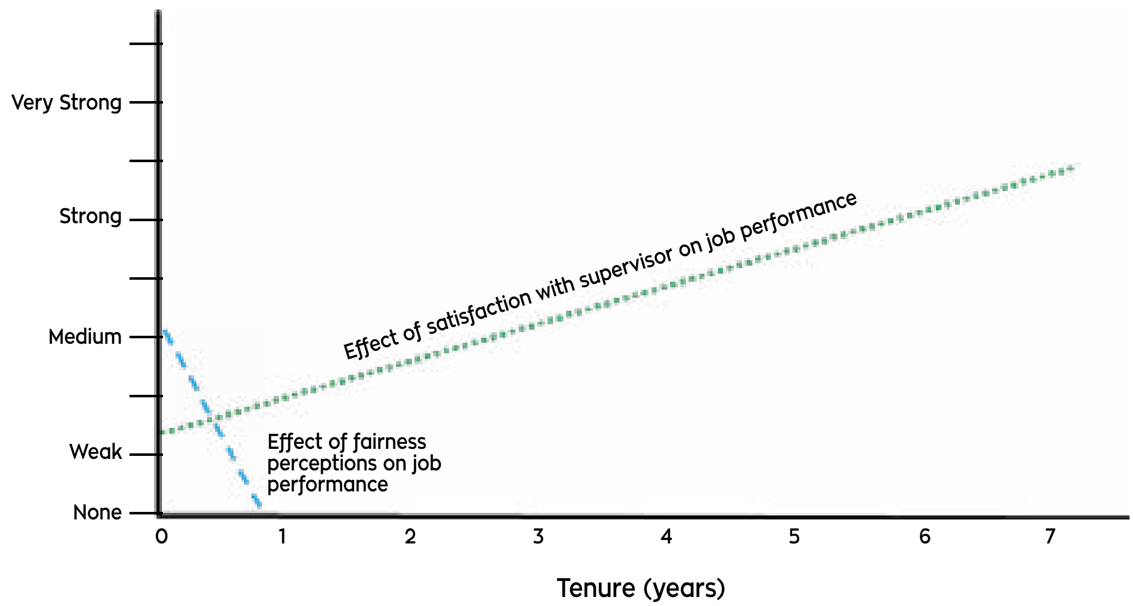
In sum, employees' perceptions of fairness play a strong and crucial role early in the employee-supervisor relationship. These perceptions are initially well over twice as important to the employee-supervisor relationship than is the employees' initial performance on the job. Over time, though, the effect of fairness perceptions diminishes, while job performance continues to have a weak (but still significant) influence on the perceptions of the relationship.

The models predicting employees' fairness perceptions exhibit quite different patterns. Even considering the decline in perceptions of fairness, both employees' satisfaction with their supervisors and their job performance do have positive effects on these perceptions (as shown in Exhibit 3). The effect of job performance on perceptions of fairness is moderate to start, but this effect grows with time and becomes strong after five years. Similarly, employees' satisfaction with their supervisors, which always has at least a moderate effect, also grows with time, becoming very strong at five years and further on. Also interesting is our finding that the effects of employees' satisfaction with their supervisor are consistently stronger than the effects associated with job performance. So, while fairness perceptions seem to decrease on average over time, employees with higher levels of satisfaction with their supervisor, and those with higher levels of job performance, retain relatively positive perceptions of fairness.

[6] An effect size of around 0.1 is categorized as weak; 0.3 is considered moderate; and 0.5 is considered strong. Consistent with this, we classify an effect size of 0.7 as very strong. See: Jacob Cohen (1988). *Statistical Power Analysis for the Behavioral Sciences (second ed.)*. Lawrence Erlbaum Associates.

Exhibit 4

Effects of employee's satisfaction and perceptions of supervisor fairness on job performance



Employee job performance increases over time, as one might expect from individual learning curves. But there's more to this than simply the passage of time. Fairness perceptions and the employees' level of satisfaction with the employee-supervisor relationship can also affect employees' performance levels. Interestingly, as shown in Exhibit 4, the nature of the effects associated with fairness perceptions and satisfaction with the employee-supervisor relationship are quite different. The quality of the employee-supervisor relationship, which begins with a weak effect on job performance, grows stronger with time and is strong after six years. Once again, fairness fades over time. One's initial feelings of fairness have a moderate effect for predicting job performance, but this effect decreases quickly with time and diminishes to zero at roughly one year.

Clearly, fairness perceptions play an important initial role, so managers need to be quite cognizant of how their actions will be perceived early in their relationship with their subordinate. But in the long run, it is the quality of the employees' satisfaction levels with their supervisor (which, granted, is influenced by fairness perceptions) that drives employee performance levels.

As a final set of analyses, we looked into how changes in fairness perceptions and job performance affect perceptions of the employee-supervisor relationship. What we find is again quite interesting. While fairness perceptions play a large role, this is more driven by changes in fairness perceptions rather than the level of the perception itself. In particular, those who perceive being treated more fairly in the immediate past are more likely to experience the largest improvements in perceptions of the employee-supervisor relationship than those who have steady perceptions of fairness. In contrast, changes in performance have negative effects. A sudden increase in job performance will not necessarily result in an improved employee-supervisor relationship; rather, performance must be sustained for it to positively influence the employee-supervisor relationship.

Conclusions

As the philosopher Michael Polanyi is purported to have quipped, our approach indicates that "We know more than we know we know." The goal of this study was to take the "puzzle pieces" of the many and varied research studies that considered job performance, fairness perceptions, and perceptions of the subordinate-supervisor relationship, and to put these pieces together to see whether we actually could develop a clearer picture about how the relationships among these variables change over time.

The findings from this study emphasize the importance of early interactions between leaders and a subordinates. In the first year of a relationship between a supervisor and a subordinate, the subordinate's perceptions of fairness constitute the most important factor for determining both future performance and how well the relationship with the supervisor will develop. Early job performance and initial satisfaction levels with the supervisor matter, of course, but these are secondary to the role of fairness perceptions. Thus, these first impressions of supervisor fairness (and those perceptions throughout the first year of employment) are crucial for the development of a quality supervisor-subordinate relationship.

Perhaps more critically, the role of fairness perceptions diminishes rapidly—over the first year—in further influencing this relationship or for influencing job performance. Together, this suggests that supervisors, when interacting with new subordinates, need to focus first on how the subordinates perceive the fairness of their treatments. Yet after this initial time, supervisors should focus increasingly on performance management, because that plays a more important role than fairness perceptions. The finding that fairness perceptions early on are more important than higher performance evaluations might come as a surprise. Higher evaluations will have some positive effect, but it appears that honest fair feedback, even if accompanied by lower evaluations, is more important for the long-term relationship between a supervisor and subordinate than is simply providing positive evaluations. Again, performance management becomes crucial after this initial period, and performance levels play a more important role than fairness perceptions after the relationship between an employee and supervisor has had some time to mature.

This study's results also reinforce the importance of effects associated with variability in employees' job performance ratings. While some research has shown that performance variability can influence overall evaluations of performance,[7] our findings indicate that performance variability influences how a subordinate feels about his or her supervisor. This in turn influences the subordinate's perceptions of fairness and future performance ratings. Given that the perceptions a subordinate holds about the relationship with the supervisor seem to play a larger role in the prediction of performance as the amount of time spent with the supervisor increases, the importance of this variability in performance ratings increases with time as well.

On the other hand, the notable role played by changes in justice perceptions means that, even though such perceptions are critical early on, it is never really too late for a manager to address how fair he or she is perceived by subordinates. Even if a supervisor was previously seen as unfair, an improvement in fairness perceptions has a moderate to strong effect on the employees' subsequent perceptions of the relationship with the supervisor. In this context we again note the importance of addressing perceptions of fairness for new employees in particular.

As a whole, our results more broadly indicate that managerial practice should consider the extent to which the relationship between a subordinate and supervisor has developed to inform how employee performance and fairness perceptions can be improved. Time is clearly a complex contingency for managerial practice, and it creates a web of complexities even when considering such highly studied and important constructs like job performance, fairness perceptions, and the supervisor-subordinate relationship. Considering the contingency of time is a practical matter for research, so that the implications of empirical findings can better inform managerial practice. ■

[7] See, for example, Reb & Cropanzano.

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