WORKPLACE FRIENDSHIP AND EMPLOYEES’ PRODUCTIVITY:
LMX THEORY AND THE CASE OF THE SEOUL CITY GOVERNMENT*

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“Do workplace friendships influence employee work attitudes?” This topic is relatively under-examined by researchers and scholars because most of the emphasis has focused on the negative effects of workplace friendships. In addition, there is controversy over whether workplace friendship is possible inside bureaucracies. However, the positive potential for both individuals and the organization of having friendships at work may override the negative aspects. This study examines the impact of workplace friendship on employee productivity. Workplace friendship is conceptualized as friendship opportunity and quality of friendship between superior and subordinates. The findings indicate that workplace friendship can lead employees to have positive work attitudes, but the quality of friendship has a stronger influence on positive work attitudes by employees than friendship opportunity. Theoretically, the findings support the Leader-Member Exchange (LMX) theory in terms of emphasizing the importance of workplace friendship to increase the positive work attitudes and performance of employees. The findings imply that organizations may benefit from encouraging friendships among employees.

Key Words: LMX theory, Workplace friendship, Positive work attitudes

INTRODUCTION

Friendships are one of the essential human values and these friendships influence individual attitudes and behavior. Workplace friendships can lead to an increase in job satisfaction, job involvement, positive organizational commitment, longevity on the job, social support, communication and coordination, can enable shared values, and experiences (Synder & Smith, 1986; Solano, 1986; Jehn & Shah, 1997; Sias et al, 2004) and it also decreases the negative attitudes of employees including narrow self-interest (Fine, 1986). For the organization, workplace friendship increases institutional participation, motivates employees to better serve the organizational purpose, establishes supportive and innovative climates, and increases organizational productivity (Berman et al, 2002; Allan, 1989; Nielsen et al, 2000; Guy, 1992; Ross, 1997; Ellingwood, 2001; Crabtree, 2004). To employees working in an organization, the importance of friendship should not be taken lightly (Klein & Kim, 1998; Jurkiewicz et al, 1998).

Even though workplace friendship has positive impacts, it is relatively under-examined by researchers and scholars (Allan, 1989; Winstead & Derlega, 1986).

There are reasons why the positive impact of workplace friendship has been overlooked; focused on the negative effects of workplace, such as sexual harassment, favoritism, heavy dependence on others, gossip, and lessened loyalty to the organization (Berman et al, 2002; Zaleznik, 1997), and on organizational politics (Winstead & Derlega, 1986). Despite these negative effects of workplace friendship, it is important to pay attention to them, since workplace friendships are valuable both to individuals and to the organization (Willmott, 1987; Sias
The other reason for further research on workplace friendship is due to the potential to encourage employee cooperation and to strengthen the extra-work attitudes of employees (Ellingwood, 2001; Crabtree, 2004). Therefore, the research question is: “Does workplace friendship influence employees’ positive work attitudes?” With this research question, this study examined several issues empirically. Related to workplace friendship, three questions are raised; what is the impact of friendship opportunity with the immediate superior on the positive work attitudes of employees; what is the impact of the quality of friendship with the immediate superior on a positive work attitude by employees; which aspect is more influential to the positive work attitude of employees. Regarding cultivating workplace friendships between the immediate superior and the employees, bureaucratic systems in Korea look difficult to cultivate workplace friendship because of a Confucian and military tradition embedded into the bureaucratic systems in Korea (Cho & Lee, 2001; Chung, 1995). For example, hierarchically arranged positions between superior and subordinate are strict (Helgesen & Kim, 2002; Steineberg, 1989), the rotation policy on a regular basis (Turner & Halligan, 1999) and the disparity between the male and female composition. This study also examines the impact of workplace friendship on employee productivity within bureaucratic systems in Korea.

LITERATURE REVIEW

Leader-Member Exchange (LMX) Theory and Employee Productivity

How do friendships between leaders and members evolve in the workplace and what is the impact of workplace friendships on organizational activities? For explaining this topic, Leader-Member Exchange (LMX) theory has been introduced (Boyd & Taylor, 1998; Klein & Kim, 1998; Graen & Uhl-Bien, 1995; Bauer et al., 1996; Liden et al., 1993; Engle & Lord, 1997; Bauer & Green, 1996; Aram et al., 1971). The main assumption of the Leader-Member Exchange (LMX) theory is that the exchange relationship between a leader and a member has a positive influence on goal commitment, organizational productivity and performance. The LMX model recognizes the importance of the social and psychological relationship between leader and members and the impact on employee reactions. Employees with higher LMX have a high level of goal commitment and are more willing to exert extra efforts in the workplace. There are many advocates for considering employee feelings, psychological contact and psychological happiness in the workplace (Brewer et al., 2000; Blake & Mouton, 1981; Guy, 1992; Hackman, 1977; Ruch, 1994; Maltby & Day, 2001). In order to enrich personal social and psychological relationships in the workplace, workplace friendship has been taken into account as one alternative (Allan, 1989; Willmott, 1987; Ross, 1997; Mendelson et al., 2003). Friendships in the workplace focus on personal social and psychological well-being, which in turn may lead employees to exert the best effort as a way of increasing organizational productivity and performance as well as goal achievement (Crabtree, 2004; Berman et al., 2002; Follett, 1949). Researchers have paid attention to the impact of workplace friendships on employee work attitudes and performance as well (Liden et al., 1993; Wayne et al., 1997; Mayfield et al., 1998; Berman et al., 2002; Ellingwood, 2001; Tusi et al., 1997; Boyd & Taylor, 1998; Dienesch & Liden, 1986). Members liking leaders (Liden et al., 1993; Wayne et al., 1997) and high levels of social exchange between superior and subordinate, through use of motivating language by the superior, have a positive impact on employee performance as well as employee productivity and job satisfaction (Tusi et al., 1997; Mayfield et al., 1998). In addition, workplace friendship creates a more supportive and innovative climate within the organization, which may lead to increased productivity and goal achievement (Berman et al., 2002; Ellingwood, 2001).

Conversely, those without a close relationship with the leader were less likely to volunteer for extra work and showed lower productivity. Therefore, previous studies examined empirically that the importance of workplace friendship as a way of increasing positive work attitudes by employees. Although previous studies on workplace friendship focused simply on psychological effects on employees at workplace friendships, little attention was paid to the impact of workplace friendship on individual productivity such as positive work attitudes by employees. In addition, most of the studies were conducted using the private sector rather than public sector. Most of these studies have also adopted a single unitary concept of workplace friendship, rather than more elaborated concepts of workplace friendships. This study simultaneously measure workplace friendship in terms of friendship opportunity and quality of friendship. Research model is as followed (see figure 1).