

INCREASE IN LEADER'S STRESS AS A CONSEQUENCE OF LEADER-MEMBER EXCHANGE WHILE WORKING FROM HOME

TIMOTEJ RIBIČ & MIHA MARIČ

University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia.

E-mail: timotej.ribic@student.um.si, miha.maric@um.si

Abstract The Covid-19 pandemic still presents challenges to organizations, their way of working and to leadership of both employees and work processes. Organizations are and will continue to be forced to find alternative ways of their work processes, in order to ensure health and safety of employees and customers or users. Due to Covid-19, many organizations constantly shift to working from home for a period of time. For employees, their home becomes a new working environment. Leader-member exchange theory conceptualizes leadership as a process, focusing on the organizational climate, interactions and respect between leader and follower. With the immediate transition from organizational working environment to working from home, employees are not influenced by such factors. We are finding that working from home poses great challenges to leaders and is, to some extent, unsuitable for Leader-member exchange theory. This causes additional burdens and a certain level of stress for the leader, as he has no personal contact with the employees, therefore, there is no leader-member exchange. In this paper, we review the literature on Leader-member exchange theory and on working from home, to describe how it is associated with leader's stress, following the impact it has on leadership.

Keywords::

LMX,
work
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work from
home,
leader's
stress.

1 Leader-member exchange theory

Leader-member exchange theory, also known as LMX, conceptualizes leadership as a process, focusing on building relationships and social exchange between a leader and a follower (Graen & Uhl-Bien, 1995). LMX theory assumes that leadership consists of developing a two way, person to person relationships between leader and employees in order to ensure personal development and growth (Janse, 2019). The quality of the relationship between leader and member is measured with the level of trust, respect, support and loyalty of employees (Shaikh et al., 2019).

With this kind of approach, leaders do not treat all members equally, namely they approach each employee differently, with the awareness that employees differ from one another, with the central goal of the approach is to build good relationships, good communication and mutual respect with person to person interactions (Dunaetz, 2020).

This approach involves a greater level of person to person interactions and closer employee cooperation in the organizational work environment, as the leader shows greater care and trust towards employees, who are consequently more reliable, engaged and communicative (Janse, 2019). At the organizational level, there is also a better organizational climate, higher productivity, lower job stress, bigger commitment and less employee turnover (Dunaetz, 2020).

Work environment

Work environment in an organization is the atmosphere in which all employees participate and perceive various elements that are in common with them (Rodríguez, 2021). Work environment is closely intertwined with LMX theory, since this approach also focuses on establishing and maintaining an appropriate organizational climate and is considered as an important factor within a good work environment (Nandedkar & Brown, 2017).

Major contributing factors to a good work environment in an organization are relationships and collaborations, all employees and leaders have among themselves, which creates a welcoming work environment, where problems are heard, understood and resolved (Alvarez, 2020).

Leader's role in Leader-member exchange theory is to approach each employee, person to person, in a way that suits them and adjusts the method of communication accordingly (Leadem, 2018). Based on leader-member interactions, the leader is able to assess employee's skills and talents, which helps the leader to form an image of the employee and enables him to appoint the most suitable tasks for member to take advantage of (Janse, 2019).

Stress level

LMX approach to leadership also assumes that the leader automatically develops a relationship with each individual, and the quality of this relationship strongly influences the responsibility, decision-making, employee engagement and work zeal of the employees, as well as stress level, both with employees and the leader (Wang & Li, 2018).

Despite the fact that the leader adapts his approach for each employee, within Leader-member exchange theory, it cannot be avoided that the quality of relationships among their members differentiate (Liang et al., 2021). As shown in the findings of a recent study, which examined the impact of differentiation in the quality of the relationship between leader and member, on work-related stress levels, employee's relationships with their leader, both on its own and in a collective manner, can serve as an important source for leader's psychological well-being (Liang et al., 2021).

This also proves the utmost importance for regular person to person interactions, both among employees and between the leader and member within Leader-member exchange theory.

2 Work from home

Prior to Covid-19 pandemic, work from home has already been part of an increasing trend, yet the worldwide crisis has pushed work from home model to the utmost front (Emea, 2020). Over the past two years, many organizations transitioned their employees from the office and organizational work environment to a work from home model, where an employee works remotely from his domestic environment (Predotova & Vargas Llave, 2021).

During Covid-19 pandemic, leaders transitioned their work processes to work from home with top priority to ensure the health and safety of employees and customers or users (Alexander et al., 2020). In most countries, this measure was also forced with government actions.

Some organizations have already adapted work from home model, years prior to pandemic lockdowns, yet never to this extent. Namely they have given the option to work from home and limited it for a maximum of two days in a work week, with prior discussion with the leader, for this brings the most advantages (Mull, 2021).

Work from home carries many advantages for leaders and employers such as reduced expenses including electricity and rent, yet the biggest advantage is shown in increased productivity of over 22% since transitioning to work from home (Nag, 2020). Other benefits are noticed in reduction in employee leaves and in a broader spectrum of recruitment, since organizations can hire candidates from distant cities (Nag, 2020).

Despite the advantages, there are also disadvantages. One of the main issues that leaders are facing with work from home is that communication is weakened, mainly due to no personal contact in the work environment of the organization (Roy, 2021). Other frequent problems include difficulties in monitoring performances, as some job profiles require a leader's review of the work performed (Mull, 2021).

Onboarding of new employees is challenging as leaders are unable to give new employees the notion, via video call, of what it is like to work in the organization (Kulshreshtha & Pawaria, 2020).

Meeting a new employee and getting him acquainted with other employees also plays an important role, but this can only be done through a conference call and not person to person, which means that the employee cannot experience the organizational work environment, which would have a greater effect even on their engagement (Chimarusti, 2021).

There is also a question of security risks. When employees are working from home, they rely on their own home network connections and possibly on their own electronic devices (Irwin, 2021). Cyber security in a domestic work environment is not as safe and secure as in an organizational work environment, since three of the main security risks of working from home in 2021 are unencrypted file sharing, unsecured home Wi-Fi and working from personal devices (Kastner, 2021).

When working from home, employees also struggle with work-life balance, as there often comes to a conflict between demands of work and personal life, which leads to being unable to concentrate on their work because of their family responsibilities (Predotova & Vargas Llave, 2021).

Above all, the largest issue is that practicing work from home is recommended no more than twice a week (Mull, 2021), yet the pandemic enforces work from home to be practiced on a weekly or even monthly basis. If organizations continue to work from home over a longer period of time, employees can quickly feel lonely and unhappy, following the fading of relationships and organizational climate (Alexander et al., 2020).

3 LMX and working from home

We have learned that Leader-member exchange theory is a relationship based approach to leadership, with emphasis on person to person interactions, also known as social exchange, between the leader and his followers (Graen & Uhl-Bien, 1995; Janse, 2019).

This type of approach to leadership is performed on a daily basis through personal contact in the organizational work environment, since it involves a high level of person to person interaction throughout working hours and the leader must constantly adapt his approach for each employee individually (Janse, 2019; Dunaetz, 2020).

When working from home, there are no major interactions and collaborations between employees, and those that are, are not person to person, only via conference calls (Alvarez, 2020). Recent study has shown that while working from home, employees are spending less time in meetings, communicating more by email and

express communication patterns that are less stable (DeFilippis et al., 2020). At the same time there are no direct interactions between leader and member, consequently there is no leader-member social exchange (Hamel, 2021).

The issue with working from home and Leader-member exchange theory is also that the employee works in a domestic work environment rather than in an organizational one. Therefore, a better part of the previous build and shared organizational climate is not present, yet each employee is under the influence of his domestic work environment of his own making, which poses a threat of unintentional merging of two very different climates, that cannot work in cohesion (Alexander et al., 2020).

A recent survey in March 2021, conducted by Eurofound, has found that “work from home jobs” are expected to grow and other job profiles will further facilitate and encourage work from home (Predotova & Vargas Llave, 2021). Furthermore, results suggest that it is very likely, going forward, work from home will remain at a similar level as it is at present, even with pandemic restrictions lifted entirely (Predotova & Vargas Llave, 2021).

Despite the fact that many employees (71%) who were included in a survey in March 2021 by Eurofound, show enthusiasm towards work from home, almost a quarter (23%) stated, that they would not like to work from home if not asked and/or obliged to do so, following with one of the main reasons, desire for person to person interactions and the sense of well-being as a result of that (Predotova & Vargas Llave, 2021).

Another research has shown that when practicing Leader-member exchange theory, the leader's stress is conditioned by the quality of the relationships between him and his members, as this presents an important beginning towards the leader's psychological well-being (Liang et al., 2021). It has also been stated that good relationships are built with daily person to person interactions, which in the case of working from home, are absent and as a result, the leader's stress increases (Dunaetz, 2020).

With the work from home model, Leader-member exchange theory cannot be fully implemented, nor can it reach its full potential. Therefore, the quality of LMX can lower or fade away and lead to a low level of employee interactions, employee turnover, lowered job satisfaction, and higher levels of stress for both employees and leaders (Wang and Yi, 2011; Lebrón et al., 2018).

Continuing to work from home can, in the long term, also pose the risk of deteriorating built relationships, trust and stated organizational climate, since employees can quickly become isolated and unhappy, at the same time, sense of belonging, a common purpose and a shared identity within the organization can slowly fade or get lost, following the organizational performance to deteriorate (Alexander et al., 2020).

From this point of view, we conclude that working from home is not a suitable and appropriate way of working with a Leader-member exchange theory leadership approach. When practicing leader-member exchange theory, it is vital to recognize that it has an effect on members or followers, yet more importantly followers are having an effect on the leaders in terms of mutual interaction (Hamel, 2021). Previous research has shown that members, who have a good and positive relationship with their leader, show better work performance and overall attitude (Asrar-ul-Haq & Kuchink, 2016).

4 Conclusion

Through a review of the literature, we have found that despite the fact that working from home brings many benefits, there are also some important disadvantages to consider, especially in correlation with the Leader-member exchange theory approach to leadership.

Work from home is recommended to practice no more than 2 days per work week, yet Covid-19 pandemic forces leaders to transition their members or employees from an organizational work environment to a domestic one for a longer period of time (Mull, 2021). As stated, employees can quickly become isolated and feel unhappy, which affects work performance and can destabilize built relationships (Alexander et al., 2020), which are the essence of practicing Leader-member exchange theory (Graen & Uhl-Bien, 1995).

With this way of working, a leader has no daily person to person contact with members, yet he only has contact through a conference call and email messages, which consequently leads to weakened or entirely absent leader-member social exchange (Hamel, 2021). A recent study has also shown that when employees are communicating more by email, they express less stable communication patterns (DeFilippis et al., 2020).

Having a good relationship between leader and member within LMX theory, presents an important source for leader's psychological well-being and has an important impact on work-related stress levels (Liang et al., 2021). Leader automatically develops a relationship with each member during daily and person to person interactions which strongly influences employee engagement, work zeal and stress level (Wang & Li, 2018), yet with working from home, leader has no extensive interactions with his members or followers.

During work from home, the leader's stress increased, as there is no person to person contact between employees and directly between the leader and the employee, and the leader cannot perform other vital activities such as adapting the approach to each employee, maintaining work environment and organizational climate, which are the central part of LMX theory (Alexander, 2020; Liang et al., 2021; Wang & Li, 2018). With work from home, practicing LMX theory cannot reach its full potential, furthermore, there is a risk of deteriorating relationships, trust and organizational climate (Alexander, 2020).

With pandemic situation constantly and unpredictably changing for better or worse, work from home will very likely continue to be the main way of working for the foreseeable future. The previously modelled Leader-member exchange theory, which is based on implementation in the day-to-day organizational work environment, will no longer be enough. Leaders will need to find a way to maintain the already established organizational climate, build relationships and interactions, and keep in touch with their followers on a daily or at least weekly basis to ensure leader-member social exchange and sustain good relationships.

We can conclude with the following:

"You get paid in direct proportion to the difficulty of problems you solve."

— Elon Musk, Goodreads, 2020

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