

HOW MANAGER–EMPLOYEE RELATIONSHIPS IMPACT TEAM PERFORMANCE

A Study of Relational Leadership and Team Effectiveness

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Chapter 1: Introduction

1.1. Research Background

In modern organizational environments, teamwork has become a central mechanism for achieving strategic goals and sustaining competitive advantage. Organizations today operate in complex and rapidly changing markets characterized by technological advancement, globalization, and increasing performance expectations. As a result, organizations rely heavily on teams to enhance productivity, stimulate innovation, and solve complex problems. Effective teams integrate diverse knowledge, skills, and experiences, allowing organizations to respond efficiently to environmental challenges. However, simply forming teams does not guarantee high performance. The quality of interpersonal relationships within teams, particularly between managers and employees, plays a decisive role in determining team effectiveness.

Team performance refers to the extent to which a group of individuals achieves shared objectives efficiently and maintains positive working relationships. While technical competence and organizational resources are important, relational dynamics significantly influence how well teams function. Communication patterns, trust levels, psychological safety, and managerial support shape employee engagement and

collaboration. Among these factors, the relationship between managers and employees stands out as a critical determinant of team outcomes. These relational dynamics have been consistently recognized as critical drivers of team effectiveness in organizational behavior research (Robbins & Judge, 2019; Yukl, 2013).

Manager–employee relationships involve the quality of interactions between supervisors and their subordinates, including mutual respect, trust, fairness, emotional support, and constructive communication. When managers maintain strong and positive relationships with employees, they create a work climate characterized by openness and cooperation. Employees who feel supported and valued are more likely to demonstrate commitment, initiative, and willingness to contribute beyond formal job requirements. Such behaviors enhance coordination, reduce conflict, and strengthen team cohesion, ultimately improving team performance.

Theoretical perspectives such as social exchange theory suggest that employees respond positively to supportive managerial behavior by reciprocating with higher levels of engagement and effort. Similarly, leader–member exchange (LMX) theory emphasizes the importance of high-quality relationships between leaders and subordinates in influencing work outcomes. High-quality relationships are associated with increased job satisfaction, trust, and performance, while low-quality relationships may lead to dissatisfaction, withdrawal, and reduced productivity. When examined at the team level, these relational dynamics influence collaboration, accountability, and collective performance.

Despite the growing recognition of relational leadership, many organizations continue to focus primarily on task completion, performance metrics, and structural efficiency while neglecting interpersonal aspects of management. Managers may lack adequate training in communication, emotional intelligence, and conflict resolution, which are essential for building effective relationships. Consequently, teams may experience misunderstandings, disengagement, and decreased motivation, even when technical resources are sufficient. Poor manager–employee relationships can undermine morale and weaken overall team outcomes.

Understanding how manager–employee relationships impact team performance is therefore essential for both theory and practice. By examining this relationship, organizations can identify strategies to strengthen managerial effectiveness, enhance employee engagement, and promote sustainable team success. This research seeks to explore the impact of relational dynamics on team performance, highlighting the importance of trust, communication, and managerial support in achieving organizational excellence.

1.2. Research Problem

Although teamwork is widely recognized as essential for organizational success, many organizations struggle to achieve consistent and sustainable team performance. Teams often face challenges such as lack of trust, ineffective communication, low engagement, and interpersonal conflicts. While structural and technical factors are frequently addressed, relational issues between managers and

employees are sometimes overlooked. Weak manager–employee relationships may contribute to disengagement, reduced cooperation, and diminished collective performance.

A key issue is that organizations often emphasize leadership styles or performance indicators without fully understanding how the quality of ongoing interactions between managers and employees influences team-level outcomes. When managers fail to establish trust-based relationships, employees may feel undervalued or unsupported, which negatively affects motivation and collaboration. Consequently, teams may underperform despite having capable members and sufficient resources.

Research Question: To what extent do manager–employee relationships influence team performance in organizational settings?

1.2.1. Theoretical Gaps

Although studies on leadership styles and individual performance exist, limited research has examined the direct effect of manager–employee relationships on team performance. Existing literature focuses more on individual outcomes than on collective team-level outcomes, leaving a theoretical gap regarding how relational dynamics translate into team effectiveness.

1.2.2. Practical Gaps

Many organizations focus on task completion and structural efficiency but often neglect relational aspects. Managers may lack training in communication, conflict resolution, and emotional intelligence,

resulting in disengaged teams. There is a need for empirical evidence to guide practical strategies for improving manager–employee relationships and enhancing team performance.

1.3. Research Significance

This study is significant because it contributes to both academic knowledge and managerial practice by examining how manager–employee relationships influence team performance. By focusing on relational dynamics rather than solely on leadership styles or formal authority, the research provides a more nuanced understanding of how interpersonal interactions shape team outcomes. The significance of this study can be explained through its theoretical and practical contributions. Additionally, this study contributes empirical evidence from the Saudi Arabian organizational context, providing insights relevant to leadership development and team management within APSCO and similar regional organizations.

1.3.1. At the Theoretical Level

This study contributes to the field of organizational behavior by emphasizing the relational dimension of management. It bridges the gap between relational leadership theories and collective team outcomes, extending Social Exchange Theory and Leader–Member Exchange (LMX) Theory to team-level performance.

1.3.2. At the Practical Level

Practically, the study provides insights for managers and HR professionals to design leadership programs focusing on trust,

communication, and managerial support. Improving these relationships can enhance employee engagement, team cohesion, and overall productivity.

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