

# A Review of Supervisor-Subordinate GuanXi

## Conceptual, Measurement Issues, and Relative Study Conclusions

Ping Wang

School of Economics and Management  
Zhejiang Sci-Tech University  
Hangzhou, China  
wp190923@163.com

Xi Ye

School of Economics and Management  
Zhejiang Sci-Tech University  
Hangzhou, China  
yeqian819@126.com

**Abstract**—Supervisor-Subordinate GuanXi (SSG) is a new research direction in the study of the relationship between superior and subordinate within the organization, and because of its appropriateness in Chinese context, this concept is increasingly becoming a hot area of research. However, since this theory is still in the early stage of development, a further understanding on the content, measurement issues and other research conclusions of SSG is needed. Based on the literature review, this paper will make a commentary on the domestic and overseas research outcomes of SSG from the following three aspects specifically: the content of SSG; the structure and measurement of SSG and the empirical research findings of SSG, and finally point out the shortage of current research and direction for future study of SSG.

**Keywords**—SSG; LMX; content; structure; measurement

### I. INTRODUCTION

In the Chinese-origin society, GuanXi phenomenon is spread throughout people's daily life and economic activity, more and more researchers have recognized its core effect in Chinese-style management (Lovett, Simmons & Kali, 1999; Yang, 2002; Millington, Eberhardt & Wilkinson, 2005). In Chinese organizations, since the quality of relationship with his/her superior can directly affect subordinate's performance, extra-role behavior and other work outcomes (Graen & Uhl-Bien, 1995; Ren & Wang, 2005), the interaction between supervisor and subordinate becomes the key to the well functioning of an organization (Tjosvold, 1985), and it is viewed as one of the three background factors which affect the organizational effectiveness (Liang & Wang, 2001).

In this context, the research of the relationship between supervisor and subordinate in Chinese organization is becoming the attention focus of both academic circle and practical circle. Among these previous studies, most scholars adopt the Western Leader-Member Exchange theory (short for LMX) directly, and get abundant outcomes in the aspect of exploring the relationship between LMX and organization outputs (Graen et al., 1995). However, as the research moves along, a growing number of researchers point out that using LMX to describe the relationship between superior and subordinate in Chinese context is less of appropriateness (Hui & Graen, 1997; Law, Wong, Wang & Wang, 2000; Chen & Tjosvold, 2006). Therefore, Supervisor-Subordinate GuanXi (referred to as SSG), which is based on the

traditional Chinese Confucian culture and social values, is gradually become a new research direction in this field.

Supervisor-Subordinate GuanXi refers to personal relationship between a supervisor and a subordinate developed largely from non-work related social interactions both inside and outside working hours (Cheung, Wu, Chan, Wong, 2009). Compared with LMX, it can better describe the core features of the relationship between supervisor and subordinate in Chinese organization (Farh, Tsui, Xin & Cheng, 1998; Law, et al., 2000; Chen, Friedman, Yu, Fang & Lu, 2009). However, due to a late start, the current research of SSG is still in the early stages of the theory development, a variety of different definition for SSG coexist. Therefore, it is necessary to clarify the different construct of existing research before exploring the relationship between SSG and other variables, and then definite the direction and feasibility of future research. According to this, this paper will review the content, structure and measurement of SSG and its relative study conclusions first, and then discuss the shortage of current research and direction for future study.

### II. THE CONTENT OF SUPERVISOR-SUBORDINATE GUANXI

#### A. The Construct of Supervisor-Subordinate GuanXi

Supervisor-Subordinate GuanXi has always been the most important kind of interpersonal relationships in Chinese organization, and it is viewed as one of the three background factors which affect the organizational effectiveness (Liang et al., 2001). In the existing literature, the constructs of SSG were all "thrived" in the different viewpoints on the interpersonal relationships of Chinese in social psychology (Guo Xiaowei, 2011). However, since there is no universal definition of the concept "GuanXi", this mixed and loose phenomenon of construct has further refracted into the construct of SSG. Up till now, there have these three different definition of SSG construct (Guo Xiaowei, 2011).

1) *Based on the Saying of "GuanXi Base"*. This definition of SSG construct is mainly based on the concept "pattern of difference sequence", which was proposed by Fei Xiaotong. Thus SSG is defined as the "particularistic ties" which were arise from some common experience or attributes between the supervisor and subordinate (Farh et al., 1998). This construct emphasizes the foundation of relationship and the role obligations of the established GuanXi base. In the context of Confucianism-based Chinese culture, if we only make a

horizontal comparison of different relationships, GuanXi base is indeed an effective breakthrough point to measure the closeness of relationships. However, when using such a way to describe the vertical and dual relationships between the supervisor and subordinate, not only that there are overlaps among the perspectives of those established GuanXi bases, but also they can not describe all kinds of the relationships in detail. And more importantly, GuanXi base is merely a foundation of producing and setting relationship, so it is not the equivalent of GuanXi itself, namely that defining the relationship from the perspective of GuanXi base has not touch the heart of GuanXi.

2) *Based on the Saying of "Instrumental Exchange"*. While defining the content of GuanXi, some scholars highlight the instrumental characteristics of relationships, the construct of SSG which based on the saying of "instrumental exchange" has followed this view. For instance, Law et al. (2000) defined SSG as the instrument-oriented interpersonal relationships which was build for achieving personal goals by parties. Wong, Ngo & Wong (2003) considered that SSG as social ties, which were based on the mutual interests and benefits between subordinates and their immediate supervisors. The typical high power distance of cultural features in Chinese society makes that superior always play a decisive role in the allocation of resources among subordinates, so it is very likely for the existence of relationship which was initiated by the subordinate and thus set the instrumental exchange with superior. Whereas, emphasize the instrumental side of SSG alone has narrowed its meaning, because the relationship between the upper and lower levels is not simply established as an access to resources, the role obligations and emotional factors in the interaction are also essential.

3) *Based on the Saying of "Pseudo Familial"*. In the human feeling and face-saving model proposed by Huang & Hu (2004), interpersonal relationships were divided into three categories, that is instrumental, expressive and mixed relationships. Expressive relationships correspond to familial ties, and this kind of GuanXi was expanded to pseudo familial GuanXi by subsequent researchers (Luo, Zhou & Zhang, 2008), means that although the two sides are not related by blood, they both attach importance to friendship and there is less instrumental exchange part. The pan-familism existed in the Confucian culture make this sort of pseudo familial GuanXi prevail in Chinese society. The construct of SSG which based on the saying of "pseudo familial" was derived from this point of view, emphasizing the emotional ingredients in the relationship between superior and subordinate. For example, Chen et al (2009) pointed out that SSG is largely similar to the family, marking the relationship states that between the two sides. However, since it is difficult to find the traces of instrumental characteristics in this definition, this way is also unable to carry out a fully construct for SSG.

According to the above analysis, we can see that although these three kinds of SSG constructs stress the foundation, instrumental exchange and expressive factors in the

relationship between supervisor and subordinate, each of them only emphasize part of the SSG in China. Therefore, the establishment of an integrated constructs for SSG will be the an important direction and trends for future study.

### B. A Comparison Between SSG and LMX

In the research about the relationship between supervisor and subordinate in organization, Leader-Member Exchange theory (short for LMX) has been a theoretical and empirical research focus in recent years. LMX was first formally proposed in 1975 (Graen & Cashman, 1975), its essence is in the description of the economic and social exchange between the higher and lower levels. Although the SSG and LMX both stress the importance of relationship quality between supervisor and subordinate, they correspond to the relevant relationship in Chinese and Western cultures respectively, and they are two different construct completely.

Theoretically, firstly, the region of the exchange occurs is different in SSG and LMX (Hui et al., 1997; Chen et al, 2006). LMX is merely limited to work-related exchanges, while SSG is more involved in non-work related exchanges. Besides, their "relational model" are quite different, thus leading to the difference in the principle of reciprocity (Chen et al, 2009). The core of LMX is "equity-matching", following the rule of fairness; while the relational model in SSG is "communal sharing", following the kindred codes. Finally, they pay different attention to the instrumental / emotional factors (Chen et al, 2009). LMX emphasis more on the instrumental exchanges, while emotional factors receive more attention in SSG. On the other hand, in the empirical aspect, the study of Law et al (2000), Han & Altman (2009), Chen et al (2009) also showed that the connotation of SSG in Chinese context can not be replaced by LMX, its explanation for the variation of outcome variables can independent from LMX.

### III. THE STRUCTURE AND MEASUREMENT OF SSG

Early scholars agreed that SSG was a single-dimension variable, according to this, there were mainly two ways to measure SSG: one is based on the categorical view of GuanXi. For instance, Farh et al (1998) measured SSG by using eight particular ties. This approach has many shortcomings: First, it ignores the dynamic aspects of GuanXi; Further, these eight ties may overlap; Moreover, this classification may not be exhaustive, such as the commonalities between supervisor and subordinate may also include club membership (Chow & Ng, 2004), so its impossible to identify all kinds of GuanXi detailly. As a result, Chen et al pointed out that these eight ties can be regarded as the basis for the generation and establishment of GuanXi, but they do not provide a direct measurement of the quality of SSG (Chen et al, 2009). And another method absorbed the one-dimensional measure philosophy of GuanXi. Based on the descriptions of respondents, Law et al (2000) screened six concrete behavior/activities, and these ctivities consist a unidimensional questionnaire to measure of the quality of SSG. Although this measurement captures the dynamic and variable nature of GuanXi, there are still some limitations: one is that the development of questionnaire lacks of theoretical foundation, and also it mixed the instrumental and emotional ingredients of GuanXi.

Some scholars put forward different views on the structure of SSG. Chen et al (2009) developed a three-dimensional structure model based on Fiske's(1992) theory of social relations. According to their research, SSG is divided into three dimensions: affective attachment, which refers to an emotional connection, understanding and willingness to care for one another in any occasion; personal-life inclusion, which means the degree to which supervisor and subordinate are included in each other's personal or family lives; deference to supervisor, which refers to the degree of obedience and devotion a subordinate show to his/her superior. Chen et al developed an inventory including 12 items to measure SSG, and in their empirical research the alphas of these three dimensions were 0.89, 0.79, 0.86.

Although the three-dimensional model and its scale was well proved in Chen's study, many scholars are more likely to prefer the view of Law et al (2000). In this paper, since SSG is regarded as an situational variable of organization to examine its impact on employee's job performance, in addition to study its overall level, a further exploration about the relationships between the three internal dimension of SSG and performance is also needed. Therefore, SSG is viewed as a three-dimensional variable to measure the degree of relationship between employees and superiors.

#### IV. THE EMPIRICAL RESEARCH FINDINGS OF SSG

##### A. *The Antecedent Variables of SSG*

AS SSG is a new perspective to describe the relationship between supervisor and subordinate in China, compared with the mature development of Western LMX, the relevant research of SSG got a late start. In the aspect of antecedent variables, previous research showed that abusive leadership was significantly negative correlated with SSG (Liu & Wang, 2013); job security (Wong et al, 2003), the common goal between supervisor and subordinate (Chen & Tjosvold, 2006), the similarity in personal background (Farh et al, 1998; Tsui & Farh, 1997), political skills (Wei, Liu, Chen & Wu, 2010) and proactive personality (Yuan Mei, 2012) can enhance SSG. In addition, although not use the SSG directly in their research, based on the perspective of social exchange theory, Wang, Long & Liu (2011) investigated the mechanism of supervisor-subordinate GuanXi operation and its effect on subordinate. Their study suggested that the subordinate's GuanXi input in his/her spare time can not only receive supervisor's instrumental and affective resources output directly, but also can get access to the above two return through LMX indirectly. Besides, GuanXi-based human resource management practice in work group can significantly relative to the relationship quality between supervisor and subordinate.

##### B. *The Outcome Variables of SSG*

As GuanXi is regarded as a double-edged sword in organization (Warren, Dunfee & Li, 2004), SSG also have both positive and negative effects on organization and staff. On the one hand, SSG would facilitate some certain organizational outcomes. Specifically, previous studies found that SSG can promote the trust level of subordinates in supervisor (Tsui, etc., 2000; Wong, etc., 2010; Han, Zheng & Zhu, 2012), enhance

employees' organizational citizenship behavior and reduce turnover (Wong et al, 2003), promote in-role performance (Farh et al, 1998; Tsui et al, 2000) and the performance evaluated by superior (Yuan Mei, 2012), reduce employee turnover intention and enhance their participatory management and organizational commitment (Cheung, Wu, Chan & Wong, 2009), strengthen the joint decision-making and open minded communication (Chen et al, 2006), and also can significantly predict the promotion opportunities and resource allocation decisions of supervisor in subordinate (Law et al, 2000). In addition, the empirical results also show that SSG is conducive to the daily problem solving at workplace, one's long-term career prospects (Xin & Pearce, 1996; Bu & Roy, 2005; Wei et al., 2010) and successful job seeking (Song & Werbel 2007); the perceived positive relationship between supervisor and subordinate can benefit their mutual care outside of work hours. (Law et al, 2000).

However, SSG may also have some negative results. First, SSG may encourage organizational injustice. Chen, Chen & Xin (2004) found that the unethical GuanXi practice may negatively affect the promotions, bonuses and task allocation, and performance evaluation of employee. Besides, Bozionelos & Wang (2007) found that the relationship between employee and their immediate superior, senior management and even those important people who are outside the organization may play an important role in expanding its rewards and positive evaluated performance. Moreover, the importance of SSG in effecting key organizational is further highlighted in the subjective-targeted impression management, the possible explanation for this phenomenon include the situation "rule by man rather than rule by law" in China and the lack of a grievance system in Chinese workplace. (Han et al, 2009).

##### C. *The Moderating and Mediating Effects of SSG*

Early studies of SSG mostly focused on exploring its antecedents and outcome variables, and only in recent years, scholars began to pay attention to the moderating and mediating effects of SSG. In the aspect of mediating effect, a study conducted by Wei et al (2010) showed that SSG play a complete mediate role among the political skills and career development of the subordinates; Liu, Huang, Ding & Yan (2011) found that SSG fully mediated the positive relationship between openness in communicating with organizations commitment of employee; Yuan Mei (2012) 'study showed that SSG is a mediate variable between proactive personality of employee and his job performance which evaluated by supervisor; Liu & Wang (2013) pointed out that SSG mediate the leadership between abusive supervision and OCB-Organization/OCB-Individuals. In the existing literature, few research have examined the moderate of SSG. Li, Ling & Liu (2012) found that SSG moderate the relationship between traditional values and employee silence behavior effectively. Their another study suggested that SSG can also moderate the relationship between the silence behavior of employee and organizational psychological ownership (Li et al, 2012).

#### V. CONCLUSION

To conclude, compared with the mature and rich of Western LMX research, there is still great difference in the

construct of SSG and no unified conclusion yet. Therefore, it is necessary to make a further reinforcement and improvement of the the construct and measurement for SSG in Chinese context. Besides, since LMX can not describe the relationship between superior and subordinate in China, future research should based on the value system and cultural background of China, using SSG to discuss the antecedent variables of the supervisor-subordinate GuanXi, and its relationship with variables from individual and organizational level.

#### REFERENCES

- [1] S.Lovett S, L.C. Simmons, and R.Kali, "Guanxi versus the market: ethics and efficiency," *Journal of International Business Studies*, vol. 30, pp. 231-248, 1999.
- [2] M.M.Yang, "The resilience of Guanxi and its new deployments: a critique of some new Guanxi scholarship," *The China Quarterly*, vol.170, pp. 459-476, 2002.
- [3] A.Millington, M.Eberhardt, and B.Wilkinson, "Gift giving, Guanxi and illicit payments in buyer-supplier relationships in China: analyzing the experience of UK companies," *Journal of Business Ethics*, vol.57, pp. 255-268, 2005.
- [4] G.B.Graen, M.Uhl-Bien, "Relationship-based Approach to Leadership: Development of Leader-member Exchange (LMX) Theory of Leadership over 25 Years: Applying a Multi-level Multi-domain Perspective," *Leadership Quarterly*, vol.6, pp. 219-247, 1995.
- [5] X.P.Ren and H.Wang, "Leader-Member Exchange and Its Progress Theory, Measurement, Antecedents and Outcomes," *Advances in Psychological Science*, vol.13, pp.788-797, 2005.
- [6] D.Tjosvold, "Power and Social Context in Superior-subordinate Interaction," *Organizational Behavior and Human Decision Processes*, vol.35, pp. 281-293, 1985.
- [7] J.Liang and C.M.Wang, "The Interpersonal Relationship in Chinese Context and Its Impact On Organizational Performance," *Journal of Developments In Psychology*, vol.9, pp. 173-178, 2001.
- [8] C.Hui and G.Graen, "Guanxi and professional leadership in contemporary Sino-American joint ventures in mainland China," *Leadership Quarterly*, vol.8, pp. 451-465, 1997.
- [9] K.S.Law, C.S.Wong, D.Wang, and L.Wang, "Effect of Supervisor-subordinate Guanxi on Supervisory Decisions in China: An Empirical Investigation," *International Journal of Human Resource Management*, vol.11, pp.751-765, 2000.
- [10] Y.F.Chen and D.Tjosvold, "Participative Leadership by American 61-68and Chinese Managers in China: The Role of Relationships," *Journal of Management Studies*, vol.43, pp. 1727-1752, 2006.
- [11] X.W.Guo, "Reviews on the Research of Supervisor-subordinate Relationship in Chinese Context: Leader-Member Exchange and Supervisor-Subordinate Guanxi," *NanKai Business Review*, vol.14, pp.61-68, 2011.
- [12] J.L.Farh, A.S.Tsui, K. Xin, and B.S.Cheng, "The Influence of Relational Demography and Guanxi: The Chinese Case," *Organization Science*, vol.9, pp.471-488, 1998.
- [13] Y.Chen, R.Friedman, E.Yu, W.H.Fang, and X.P. Lu, "Supervisor-Subordinate Guanxi: Developing a Three-Dimensional Model and Scale," *Management and Organization Review*, vol.3, pp. 375-399, 2009.
- [14] Y. T.Wong, H.Y.Ngo, and C.S Wong, "Antecedents and Outcomes of Employees Trust in Chinese Joint Ventures," *Asia Pacific Journal of Management*, vol.20, pp. 481-499, 2003.
- [15] G.G.Huang and X.J.Hu, *Face-Power Game of Chinese People*, China Renmin University Press, BeiJing, vol. 10, pp.5-11, 2004.
- [16] J.D.Luo, C.W.Zhou, and J.Y.Zhang, "The Trust in Chinese Guanxi," Annual conference of the Chinese Sociological Association, ChangChun, Jilin University, 2008.
- [17] G.B.Graen and C.J.Cashman, "A role-making model of leadership in formal organizations: A developmental approach," In: H J G, L LL. Ed. *Leadership frontiers*. Kent State University Press: Kent, pp.143-166, 1975.
- [18] Y.Han and Y.Altman, "Supervisor and Subordinate Guanxi: A Grounded Investigation in the People's Republic of China," *Journal of Business Ethics*, vol.88, pp.91-104, 2009.
- [19] A.P. Fiske, "The four elementary forms of sociality: Framework for a unified theory of social relations," *Psychological Review*, vol.99, pp. 689-723, 1992.
- [20] I.Chow and I.Ng, "The characteristics of Chinese personal ties (guanxi): Evidence from Hong Kong," *Organization Studies*, vol.25, pp.1075-1093, 2004.
- [21] X.Y.Liu and J.Wang, "Abusive supervision and organizational citizenship behaviour: is supervisor-subordinate guanxi a mediator?", *The International Journal of Human Resource Management*, Vol. 24, pp.1471-1489, 2013.
- [22] A.S.Tsui and J.L. Farh, "Where Guanxi Matters: Relational Demography and Guanxi in the Chinese Context," *Work and Occupations*, vol.24, pp.56-79, 1997.
- [23] L.Q.Wei, J.Liu, Y.Y.Chen, and L.Z. Wu, "Political Skill, Supervisor-Subordinate Guanxi and Career Prospects in Chinese Firms," *Journal of Management Studies*, vol. 47, pp.437-454, 2010.
- [24] M.Yuan, "The Effects of Proactive Personality on Job Performance: The Mediation of Supervisor and Subordinate Guanxi," *Shanghai Jiao Tong University*, 2012.
- [25] Z.J.Wang, L.L.Rong, and L.D.Liu, "Operation Mechanism and Effects of Supervisor-Subordinate Guanxi in Chinese Organizations," *Acta Psychologica Sinica*, vol. 43, pp.798- 809, 2011.
- [26] D.E.Warren, T.W.Dunfee, and N.Li, "Social Exchange in China: The Double-Edged Sword of Guanxi," *Journal of Business Ethics*, vol.55, pp.355-372, 2004.
- [27] Y.Han, L.P.Zheng, and Y. Zhu, "Supervisor-Subordinate Guanxi and Trust in Supervisor: A Qualitative Inquiry in the People's Republic of China," *Journal of Business Ethics*, vol.108, pp.313-324, 2012.
- [28] F. Y. Cheung, W.P.Wu, K.K. Chan, and M.L. Wong, "Supervisor-Subordinate Guanxi and Employee Work Outcomes: The Mediating Role of Job Satisfaction," *Journal of Business Ethics*, vol.88, pp. 77-89, 2009.
- [29] K.R.Xin and J.L.Pearce, "Guanxi: Connections as Substitutes for Formal Institutional Support," *Academy of Management Journal*, vol.39, pp.1641-1658, 1996.
- [30] N.Bu and J. Roy, J, "Career success networks in China: Sex differences in network composition and social exchange practices," *Asia Pacific Journal of Management*, vol.22, pp. 381-403, 2005.
- [31] L.J.Song and J.Werbel, "Guanxi as impetus? Career exploration in China and the United States," *Career Development International*, vol. 12, pp. 51-67, 2007.
- [32] C. C Chen, Y.R.Chen, and K.Xin, "Guanxi practices and trust in management: A procedural justice perspective," *Organisation Science*, vol.15, pp.200-209, 2004.
- [33] N.Bozionelos and L. Wang, "An investigation on the attitudes of Chinese workers towards individually-based performance related reward systems," *International Journal of Human Resource Management*, vol.18, pp.284-302, 2007.
- [34] Y.Y.Liu, X.K.Huang, G.L.Ding, and S.Yan, "Impact of Communication Openness to Organizational Commitment Based on Superior-Subordinate Relationships," *Chinese Journal of Management*, vol.8, pp.417-436, 2011.
- [35] R.Li, W.Q.Ling, and S.S.Liu, "traditional values ,supervisor-subordinate guanxi and employee silence behavior: an empirical exploration in native culture," *Management World*, vol.3, pp.127-150, 2012.
- [36] R.Li, W.Q.Ling, and S.S.Liu, "The Antecedents and Outcomes of Psychological Ownership for the Organization: An Analysis from the Perspective of Person-Situation Interactions," *Acta Psychologica Sinica*, vol. 44, pp. 1202-1216, 2012.