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**THE EFFECTS OF LEADER MEMBER EXCHANGE
DIFFERENTIATION ON TASK PERFORMANCE AND
ORGANIZATIONAL CITIZENSHIP BEHAVIORS**

GAN, JUNHUI

SINGAPORE MANAGEMENT UNIVERSITY

2024

**The Effects of Leader Member Exchange Differentiation on Task Performance
and Organizational Citizenship Behaviors**

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Submitted to Lee Kong Chian School of Business
in partial fulfillment of the requirements for the Degree of
Doctor of Business Administration

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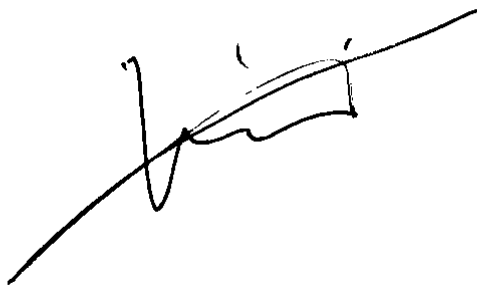
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I hereby declare that this dissertation is my original work and it has been written by me in its entirety.

I have duly acknowledged all the sources of information which have been used in this dissertation.

This dissertation has also not been submitted for any degree in any university previously.

A handwritten signature in black ink, appearing to read 'Gan, Junhui', written over a diagonal line.

Gan, Junhui

19 January 2024

The Effects of Leader Member Exchange Differentiation on Task Performance and Organizational Citizenship Behaviors

Gan, Junhui

Abstract

This study delves into the intricate dynamics of Leader-Member Exchange (LMX) within working teams, with a specific focus on Leader-Member Exchange Differentiation (LMXD) and its subsequent impact on task performance and Organizational Citizenship Behaviors (OCB). Utilizing a comprehensive, multisource dataset comprising 394 employees across 120 store teams in three furnishing shopping malls in Zhejiang Province, China, this research employs a two-wave data collection methodology to examine the proposed theoretical model.

Contrary to prevailing assumptions in the LMX literature, this study reveals that LMXD does not significantly influence anticipated team conflict, nor does it exert indirect effects on task performance and OCB. This finding marks a departure from traditional views on LMXD and prompts a reevaluation of its role in team dynamics. Instead, the research highlights the critical influence of the collective quality of Leader-Member Exchanges (group-mean LMX) on team dynamics. This insight suggests that group-mean LMX serves as a potent determinant in affecting team conflict, thereby indirectly influencing task performance and OCB through the mediating roles of task, relationship, and status conflict.

This dissertation extends the theoretical boundaries of LMX theory beyond individual-level analyses to explore its implications at the team level within organizational contexts. The findings offer substantive contributions to leadership practices, particularly in retail management, emphasizing the strategic importance of fostering positive group-level leader-member interactions to enhance team cohesion

and effectiveness. The study offers valuable insights into LMX dynamics, although its generalizability may be constrained by its focus on the retail sector and its cross-sectional design. These limitations underscore the necessity for future research, including longitudinal studies, to explore these dynamics across diverse organizational settings and over time.

Keywords: Leader-Member Exchange (LMX), Team-Member Exchange (TMX), Team conflict, Task performance, Organizational Citizenship Behavior (OCB).

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Chapter 1 Introduction

In recent decades, there have been much research on the theory of leader member exchange (LMX), with many important developments (Dulebohn et al., 2012). However, most of the studies focus on the effects of LMX differences at the individual level. For example, Matta et al. (2015) showed that the difference in LMX perception between the superior and the subordinate affects the subordinate's work performance and dedication to the organization. Seo et al. (2018) reported the impact of within-group LMX variance on followers' organizational commitment and performance. Generally speaking, most LMX studies are conducted from the perspective of a dyadic relationship between the superior and the subordinate and mainly focus on the individual level, that is, at the followers' level and perspective.

However, employees are not isolated entities in the organization. They interact with leaders as well as associate with colleagues who may have better relationships with leaders in a same working team. This implies that LMX comparisons may also occur among team members (Vidyardhi et al., 2010). Social comparison theory states that individuals assess similarities or differences by comparing with their peers or members in the same organization (Festinger, 1954), which provides a theoretical basis for LMX comparison among team members. Comparing LMX up or down results in different emotional consequences (Festinger, 1954). Currently, only few studies have been conducted on LMX differentiation (LMXD), and most of the studies mainly explore negative emotions such as envy, hostile feelings and relative passive emotions (Kim & Glomb, 2014), negative interpersonal relationships such as ostracism, distrust and relative passive emotions (Robinson et al., 2013), negative performance indicators such as absenteeism and turnover (Vecchio, 2000), counterproductive work behavior (Cohen-Charash & Mueller, 2007) and job

engagement (Schaubroeck & Lam, 2004) at the individual level.

The current studies have not fully examined the positive and negative outcomes resulting from LMXD especially at the team level. Although previous individual studies focus on the dual (positive or negative) effects resulting from LMXD, they largely focus on emotions such as envy as a mediator of the relationship between LMXD and task performance. For example, Pan et al. (2021) have examined the mediation of benign envy or relative passive emotions on the relationship between LMXD and two different types of learning behaviors (i.e., observational learning and advice seeking), and the mediation of malicious envy or relative passive emotions on the relationship between LMXD and social undermining. Lee et al. (2007) examined the impact of LMXD on learning behavior, social undermining behaviors and job performance via envy and relative passive emotions as well.

In addition to individual emotional outcomes, LMXD could also influence team processes such as intrateam conflict, which have not been examined in previous work. Intrateam conflict, which is typically represented by task conflict (Jehn, 1995)– or relationship conflict (De Clercq & Belausteguigoitia, 2017), influences team outcomes. For instance, Farth and Lee (2010) associated task conflict with team creativity, while Ye et al. (2022) associated relationship conflict with team creativity. Humphrey et al. (2017) carried out a study to link (task and relationship) conflict with task performance. They proposed that the presence of relationship conflict in even a single dyad within a team can hinder information exchange, whereas the level of information exchange in teams can unlock task conflict (De Clercq & Belausteguigoitia, 2017). However, these previous studies did not examine the relationship between LMXD and team outcomes via intrateam conflict variables. Intrateam conflict also includes status conflict, which is defined as disputes over

people's relative status positions in their team's social hierarchy. (Bendersky & Hays, 2012). Few studies have studied the relationships between status conflict and possible team outcomes since most studies have focused on task conflict (Hülshager et al., 2009; Jehn, 1995) and relationship conflict. Status conflict refers to disputes over team members' relative status standing in their team's social hierarchy and has been found to effect task performance (Bendersky & Hays, 2012). Once team members establish high LMX with team leaders, they should be provided more resources by the leaders, for instance, team members are more likely to be assigned with challenging yet appealing tasks due to the mutual trust and respect (Liden et al., 2012), which implies their special status within the team. Consequently, LMXD is bound to give rise to status competition among team members and thus team conflict would ensue. Therefore, this paper introduces the concept of status conflict and aims to investigate the relationship between LMXD and status conflict, as well as the resulting outcomes.

Furthermore, the Leader-Member Exchange Differentiation (LMXD) theory mainly focuses on the vertical differences in relationships between subordinates and supervisors (Graen & Uhl-Bien, 1995) and the different outcomes resulting from these differences. However, in the workplace, employees engage not only in vertical interactions with their superiors but also in continuous horizontal interactions with their team members. Seers (1989) described team member exchange (TMX) as the reciprocal relationship among team members, where they contribute ideas and support each other in exchange for help and information from their peers (Liden, Sparrowe, & Wayne, 1997). However, there is limited research in the existing literature on whether TMX plays a moderating role in alleviating or exacerbating the effects of LMXD.

Moreover, most studies on the relationship between team conflict and team performance mainly focus on in-role performance, only few studies have been

performed to evaluate extra-role performance. Bradley et al. (2013) and Tekleab et al. (2009) reported that team task conflict is negatively correlated with task performance. Carnevale and Probst (1998) and Jehn (1997) also observed a negative relationship between task conflict and task performance. However, over the years, the definition of in-role performance has been broadened to include extra-role performance. Although various types of extra-role performance have been identified, Organ's organizational citizenship behaviors have received most attention, which is defined as the discretionary behaviors of an individual that are believed to promote the effectiveness of an organization's functioning (Organ, 1988). Therefore, it is imperative to conduct research on the relationship between team conflict and team OCB to provide more information on the effect of team conflict.

Although there is limited evidence on team influence of LMXD, a recent meta-analysis shows that there is a positive relationship between LMX and task performance as well as citizenship performance, and a negative relationship with counterproductive performance. Moreover, the study shows that emergent state variables including trust, motivation, empowerment, and job satisfaction mediated the relationship between LMX and task and citizenship performance (Martin et al., 2016). This also provides insights of studying LMXD's relationship with team outcomes via team process variables such as intrateam conflict (Rushing, 1965). However, when considering the impact of LMXD on intrateam conflict, we also need to consider LMXD basis, which refers to the standards, resources and factors leading differentiated relationship between supervisors and their subordinates. Chen (2020) found that task performance and OCB performance moderated the relationship between LMXD and team outcomes.

Taking into account the theoretical and research gaps identified above, this

study aims to provide an explanation for how LMXD affects task performance through intrateam conflict, with team member exchange (TMX) moderating this relationship. In doing so, this study seeks to contribute to the existing literature on LMXD in several ways:

First, we test the mediating effect of team conflict in the relationship between LMXD and task performance. We draw from the theory of intrateam conflict (De Wit et al., 2012) to study team reactions to LMXD. According to allocation preferences theory (Leventhal, 1980), when resources and rewards are not fairly distributed owing to LMX differentiation, employees will feel that they are unfairly treated and team productivity and effectiveness could be affected. We propose three types of team conflict as mediators, namely, task conflict, relationship conflict and status conflict to examine their mediating effects.

Secondly, we use team member exchange (TMX) theory as a moderator to enrich LMXD theory. TMX aims to explain patterns and outcomes of interactions among members in organizations, emphasizes the relationships between members of different hierarchical levels within an organization (Graen & Uhl-Bien, 1995).

Chapter 2 Literature Review

2.1 LMXD theory

LMXD theory is rooted in vertical dyad linkage, the core premise of which is that leaders usually develop differentiated vertical exchange with their subordinates. Leaders tend to divide their subordinates into in-team and out-group members. They develop high-quality relationships with in-group subordinates (Dansereau Jr et al., 1975), providing trust and resources to them to better fulfill tasks. In contrast, leaders form low-quality relationships with out-group members, with whom leaders deal simply on the basis of economic contract. As such within team, LMX variability may give rise to frog-pond effect, which refers to the theory that individuals evaluate themselves as worse than they actually are when in a team of higher-performing individuals (Jiang et al., 2014). Accordingly, employees within a working team may evaluate themselves based on comparisons of LMX to other team members, and feel that others are better than themselves due to the upward comparisons. Taken together, social comparison theory provides a basis for researchers to analyze LMXD within a team and explain the mechanism by which LMXD affect team outcomes.

The main premise of LMX theory is that leaders cannot develop high-quality exchanges with all of their subordinates due to their limited resources provided by organizations (Kinicki & Vecchio, 1994). Therefore, most leaders tend to develop differentiated relationships (i.e., transactional or socio-emotional relationships) with subordinates (Liden & Maslyn, 1998). Due to social comparison (Wheeler, 2000), subordinates would hold different relationships with the leaders which results in their differentiated LMX-based standing in the teams; that is, LMXD within teams. Therefore, LMXD would influence interactions among team members which in turn influence team outcomes. However, recent studies which have paid attention to

LMXD among employees still treat LMXD as a dyadic variable (i.e. comparison between two team members on their respective LMX). Thus, understanding how LMXD within team influences team process as well as subsequent outcomes is still limited. For the purpose, a recent meta-analysis (Matta & Cornfield, 2018), based on justice perspective, established an indirect negative relationship between LMXD and team effectiveness through team processes and emergent states. However, further studies should include more team outcomes of LMXD and examine other team process variables that mediate the relationships among LMXD and team outcomes.

2.2 Social comparison theory

According to Festinger's (1954) social comparison theory, people make self-evaluation on their own views, beliefs, and whether or not being treated fairly, etc., by taking others' views and positions as reference points (Wood, 1996). The theory reveals two paths of social comparison.

2.2.1 Downward Comparison

Downward comparison means that people tend to compare with someone inferior to themselves. Wills (1981) expressed two views on why people conduct downward comparisons. Firstly, for those with low self-esteem, they are more willing to compare with people who are worse off than themselves, so as to boost their self-esteem. Secondly, people would improve their inner happiness seeing someone who is worse off or unhappy than themselves. Psychological defensive tendency such as "getting pleasure by stepping on others" is used as a means of self-evaluation. In particular, when someone encounters setbacks, he or she would like to change his or her reference target, turning attention to people whose lives are worse than himself or herself, in order to maintain a positive self-evaluation.

2.2.2 Upward social comparison

Collins (1996, 2000) pointed out that people would self-motivate by comparing with others who are superior to oneself, which results in two different effects---contrast versus assimilation effect.

Bhargava and Fisman (2014) termed contrast as distorted perception coupled with sensory differences. For instance, contrast effect occurs when perceptions of targets are influenced by the context. Festinger (1954) points out that people tend to have social comparison with others to make their perception more prominent, especially when they are not sure about their viewpoints. Contrast effect is essentially sensory contrast caused by different backgrounds. In the work context, comparisons with others often create perceived gaps and thus lead to negative emotions such as envy (Pan et al., 2021). For example, an employee was originally relatively satisfied with his job responsibilities and working environment. When he found that one of his colleagues had something that he wanted but did not have--whether it was a salary increase, a promotion or a larger management role, he would experience failure which can arouse passive emotions such as envy, jealousy, hatred and so forth.

Assimilation effect, on the other hand, refers to the process in which people's attitudes and behaviors gradually approach those of reference groups or reference personnel (Stapel & Suls, 2011). It involves individuals' unconscious adjustment toward external environment in a subtle way. Thus, if one sees a person who is better than himself, he may want to be as good as him, while if he sees a person who is worse than himself, he may just want to lower his own standards or performance. The research of Lockwood & Kunda (1997) showed that when aspiring teachers or accountants refer to star employees and realize that their achievements are relevant and practical, they will regard them as role models.

2.3 LMXD and team conflict

Conflict is defined as a cluster of opposing or incompatible interests or desires (Cooper, 2003). The conflict literature generally separates conflict into three types: relationship conflict, task conflict and process conflict (Cosier & Rose, 1977; Pelled, 1996; Pinkley, 1990).

Relationship, task, and process conflict focus on interpersonal relationships, the content and the goals of the work, and how the work gets done, respectively (Jehn, 1997). Meanwhile, conflict researchers also pay attention to status conflict (e.g., Cheng et al., 2013), which is a key team process that affects task task performance (Bendersky & Hays, 2012). Process conflict means disagreements about how tasks are allocated and responsibility to a particular job for each person (Behfar et al., 2011). This study opts to exclude process conflict as a mediator due to its substantial overlap with task conflict in addressing task-related disagreements. While process conflict are centered on issues related to how tasks should be accomplished and delegated (Behfar et al., 2011), task conflict primarily involve differing viewpoints and positions concerning the ultimate goals of the work (Jehn, 1995).

Status conflict, however, is defined as disputes over people's relative status positions in the team's social hierarchy, which may be affected directly by LMXD. Moreover, status conflict exerts a significant negative main effect, moderates the effects of task conflict on task performance (Bendersky & Hays, 2012). The reason why we study status conflict is that compared with other types of conflict, status conflict affect more team members and have a longer-term impact on outcomes (Bendersky & Hays, 2012). The impact of status conflict on performance can be more severe, as it hinders the flow of information more than other types of conflict (Toma & Butera, 2009). Therefore, this paper primarily centers on task conflict, relationship

conflict and status conflict, exploring possible relationship between LMXD and them.

2.3.1 LMXD and Task Conflict

Task conflict is a dispute among team members about the content of a task, including differences in opinions, views, and ideas (Jehn, 1995), and there are two main reasons why LMX differentiation creates task conflict.

First, when there is difference in LMX among employees, those with high-quality LMX will feel obliged to stand along with their supervisors, they are inclined to give up their opinions or judgments at work simply to maintain harmony or favor with their supervisors (Howell & Shamir, 2005). Employees in high-quality LMX relationships often feel a strong sense of loyalty and obligation towards their supervisors. This sense of loyalty can lead them to prioritize maintaining harmony and favorable perceptions over expressing dissenting opinions or judgments. However, those employees with relatively low-quality of LMX communicate less and exchange less with their leaders, so they may lack an accurate understanding of leaders' priority or goals in the work. Therefore, low-quality LMX inevitably leads to different understanding of work tasks among employees, resulting in task conflict.

Second, LMX differentiation can easily lead to the creation of structural holes in social networks. A structural hole occurs when team members in the social network directly connect with some individuals rather than other individuals (Burt, 2004). As shown in figure 2-1, B, C and D have no direct connections but indirect connections via A who is structural hole in the network.

Since leaders have limited time and energy, when they assign important tasks, they often assign a trusted team member to be the general coordinator, and this person who is assigned becomes the only interface between other members and the boss, and the information exchange between them is hindered (Bizzi, 2013), which is called a

structural hole. Structural hole theory is based on the ideal of utilizing others for one's own interests (Obstfeld, 2005). If the person standing in the structural hole position takes advantage of the asymmetry of information to deliberately make things difficult and take advantage of other parts, or take advantage of the position to retaliate against others, then the task conflict triggered at this time will be even greater.

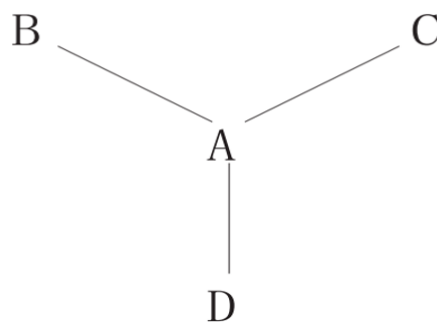


Figure 2-1 Structural hole

Taken together, we propose the following hypothesis:

H1a: LMXD is positively related to task conflict.

2.3.2 LMXD and Relationship Conflict

Relationship conflict, which is grounded on interpersonal incompatibilities, involves emotional components like feeling tension and friction (Jehn, 1995). Relationship conflict emphasizes feelings such as annoyance, frustration, and irritation among team members, different from cognitive conflict such as disputes over capability (Amason, 1996; Pinkley, 1990).

To begin with, the perception of team members inequality can be easily created with LMX differentiation. If employees realize that a colleague or colleagues have been rewarded and promoted because of their relationships with the leaders rather than their abilities or performance, they will feel inwardly unfair and sneer at those who may have high LMX with the leaders (Tracy & Foulsham, 2013). In this

case, the relationship conflict with the team could increase. Cropanzano and Mitchell (2005) pointed out that LMX quality is essentially the rewarding behavior of the leader after the employee has made various contributions or achievements for the organization and the leader. Behaviors, such as providing more resources, encouragement, trust, and understanding, are factors that can bring about a sense of professional belonging and increase organizational commitment for employees. But if they find that the rewards that should be theirs are easily taken away by people who are not capable of contributing, demotivation will occur, which is defined as the lack of interest in and enthusiasm about work which may lead to higher employee turnover, lower levels of engagement, poor communication, and diminished productivity (Liu et al., 2014).

Second, LMXD induces envy in the team. When employees with lower LMX quality are compared with employees with higher LMX quality, employees with lower LMX quality will feel the gap between them and employees with higher LMX quality, and their self-confidence will be lowered, and they are likely to feel unfair and be envious towards employees with higher quality, which will trigger emotional conflict among team members and lead to the occurrence of team hyper competition. Team hyper competition refers to the phenomenon of involution between teams. Each member has an assessment, and in order to complete the task and survive, team members are bound to compete with each other (Horney, 2018). According to LMX, leaders have limited time, energy and resources to share with all subordinates (Erdogan & Bauer, 2010) and thus will naturally treat employees differentially (Liden et al., 2006).

Employees who share the same leader tend to compare with each other. When employees realized that their LMX quality is lower than that of their colleagues who

are not necessarily better in competence and performance than themselves, they would feel envy (Yukl, 2009). When there are differences in LMX relationships between colleagues, in order to obtain limited resources or job opportunities, hyper competition between colleagues may occur where team members are only friends on the surface, team members will show their skills, to curry favor, to please the boss, in order to obtain more resources or support to help themselves to complete the performance assessment. In a sense, in order to achieve the goal, they may do anything to the detriment of others and themselves. Therefore, it is likely that LMX differentiation will affect the interpersonal tension and conflict within the team.

Therefore, we hypothesize:

H1b: LMXD is positively related to relationship conflict.

2.3.3 LMXD and status conflict

People are keen to pursue status in the workplace since high status means special resources, power and influence, and credit, which facilitate performance improvement and success (Ridgeway & Correll, 2006). Often, the higher the position in the workplace, the more one is able to integrate resources and to solve the problems. This is exactly why team members often compete for positions .

Chinese culture is characterized by significant high power distance, where individuals tend to actively strive for higher status and make deliberate efforts to surpass others in the process (Hofstede, 2001).

In the presence of high LMXD within a team, individuals with stronger leader-member relationships are more likely to be allocated higher status and power (Dulebohn et al., 2012), while those with weaker relationships receive lower status. Unequal distribution of status can result in status conflict as members in lower status positions may perceive a sense of unfairness and dissatisfaction, leading to resentment

and conflict with members in higher status positions (Erdogan & Bauer, 2010).

H1c: LMXD is positively related to status conflict.

2.4 Team conflict with task performance and OCB

While team conflict should influence task performance, most studies have paid attention to the relationship between team conflict and in-role performance (Humphrey et al., 2017) rather than that between team conflict and extra-role performance. When analysing task performance, the current study includes both in-role performance and extra-role performance. First of all, MacKenzie & Podsakoff & Fetter (1991) had demonstrated that extra-role performance produces a direct influence on the success or failure of organizations and work efficiency, as well as decision-makers to decide on promotion, salary and other aspects of employees . Secondly, George and Bettenhausen (1990) had confirmed that extra-role performance will essentially produce a greater influence on employees' role perceptions and job attitude compared with in-role performance. By including both in-role performance (team task performance) and extra-role performance (team OCB) in the same research framework, the current study could contribute to comprehensive understanding on the relationship between LMXD and task performance via three kinds of team conflict--team relationship conflict, task conflict and status conflict.

2.4.1 Task Conflict and team task performance

Although task conflict may enhance task performance by decreasing cognitive overload (Carnevale & Probst, 1998), it evokes constructive suggestions and encourage brain-storming which in turn reduces potential costs associated with arbitrary decisions (De Dreu & West, 2000). Thus, team task conflict should contribute to team task performance as task conflict facilitates team members' frequent communications and feedbacks (De Dreu & West, 2001), which in turn helps

them to clarify team objectives and improve their mutual understanding towards accomplishing mutual objectives. In fact, research shows that task conflict improves team efficacy, which regards team members' efficacy towards the accomplishment of their team task (Lindsley & Thomas, 1995).

2.4.2 Task Conflict and OCB

Contrary to previous assumptions, team task conflict can actually enhance team OCB (Jungst & Janssens, 2020). Task conflict, when managed effectively, can stimulate critical thinking and encourage a diversity of viewpoints within a team. This open exchange of ideas can lead to greater understanding and cohesion among team members (De Dreu & Carnevale, 2003). Positive engagement in task conflict can foster a sense of commitment and belonging, prompting employees to go beyond their basic job requirements and engage more actively in OCBs (Tjosvold, 1988).

When employees engage in task conflict, they are often compelled to communicate more effectively, seeking to understand and integrate diverse perspectives. This heightened communication can lead to improved relationships and a stronger sense of team unity (Jehn & Mannix, 2001). As team members feel more connected and committed to their team, their willingness to engage in OCBs, such as helping others and volunteering for additional tasks, increases (Vandewalle et al, 1995).

Moreover, task conflict can clarify roles and responsibilities within a team. By discussing and debating different aspects of their work, team members can reach a clearer understanding of their individual roles, thereby reducing role ambiguity and overload (Amason, 1996). This clarity can empower employees, making them more likely to take initiative and exhibit OCBs (Jex et al., 2003).

Furthermore, the challenge presented by task conflict can be motivating,

leading to higher levels of job satisfaction and engagement. When team members successfully navigate conflict, they often experience a sense of achievement and fulfillment, which can spill over into proactive and cooperative behaviors characteristic of OCB (Podsakoff et al., 2000).

In light of these perspectives, team task conflict, when approached constructively, can actually foster an environment conducive to OCB. The dynamic and interactive nature of task conflict can enhance team communication, clarify roles, and strengthen team cohesion, all of which are essential ingredients for fostering OCB.

Based on what have been stated and analyzed, the following hypothesis is offered:

H2: Team task conflict is positively related to team task performance (H2a) and OCB (H2b).

2.4.3 Relationship Conflict and team task performance and OCB

Relationship conflict illustrates the interpersonal disharmony among the team members, which is accompanied by tension and even animosity among members (Jehn, 1995). As a matter of fact, relationship conflict affects team task performance and team OCB.

Relationship conflict will affect the sense of trust among members (Ye et al., 2022), leading to negative emotions or rude behaviors, such as mutual slander, bad words or cold war. (Amason & Schweiger, 1997). Negative emotions accumulate to deteriorate team members' attributions of others' behavior (Simons & Peterson, 2000) and thus hurt trust between each other. Trust is proposed to be related to performance (Kramer, 1999; McAllister, 1995)(e.g.,; Mayer, Davis & Schoorman, 1995;), since it would induce relationship-related trust (e.g., interpersonal ties or positive emotional

affiliation for others, Lewicki et al., 2005) and calculus-related trust (Rousseau & Tijoriwala, 1998)(e.g., cognitive evaluation of the other party's capability to accomplish the transaction), which destroy reciprocal cooperation as well as efficiency and quality of team task performance. Furthermore, relationship conflict, developing negative attitudes toward jobs or rackling out brains to avoid problem-solving within the team, disturbs team creativity (Ye et al., 2022) and subsequent task performance.

Similarly, as argued above, relationship conflict induces distrust among team members, which results in negative affection, such as job dissatisfaction (DeChurch & Marks, 2001). Obviously, teams with negative affections are more likely to have lower team OCB - the extent of citizenship behaviors displayed by team members (Vigoda-Gadot, 2007). In addition, relationship conflict will lead to asymmetry and obstruction of information (Thiel et al.2018) which further reduces team cohesion. Evidence shows that teams with low cohesion exhibit low OCB at team level (Chiniara & Bentein, 2018), which leads to the following hypotheses.

H3: Team relationship conflict is negatively related to team task performance (H3a) and OCB (H3b).

2.4.4 Status Conflict with team task performance and OCB

Tracy & Faulsam (2013) point out that status competition often implies a zero-sum game, where one person's gaining higher status means that another person must lower his or her position in the hierarchy. Members usually resort to unconventional means of domination to stabilize or enhance their status (Magee & Galinsky, 2008). For example, Anderson and Kilduff (2009) point out in their literature that when a team is in conflict, the high-status person will not easily compromise and lose his or her advantage and status, while the low status person will use dominant,

unconventional means to gain a competitive advantage in the conflict, which will result in a tense team atmosphere that is extremely detrimental to the organization.

2.4.5 With team task performance

To begin with, it is important to note that status conflict is structural, as highlighted by Bendersky and Hays (2012). These conflict stem from social positions and status within a group, as observed in (Bakke et al., 1950) study, and can result in disputes and tensions among team members. In contrast to task and relationship conflict, which are specific to certain issues (Thompson et al., 1988), status conflict are influenced by the structure of the social network of the group. Therefore, the impact of status conflict on task performance can be significant, as they can disrupt team dynamics, create tension, and lead to disputes among team members.

In addition, status conflict exert a distinct influence on group performance by stimulating competitive negotiation strategies that impede information sharing within the group because of their zero-sum outcomes (Berger et al., 1998), longer-term implications (Blau, 1964), and greater allies or bystanders (Gould, 1999). Studies on group decision-making have revealed that competition impedes the sharing of information (Toma & Butera, 2009). As sharing information is essential for attaining optimal joint outcomes (De Dreu et al., 2008), its restriction is likely hazardous to group performance (Srivastava et al., 2006).

Furthermore, individuals may make suboptimal or even clearly irrational decisions that compromise team task performance due to their personal motivation to defend their status interests by challenging or defending their position in the group hierarchy (Hambrick & Cannella Jr, 1993). When individuals focus more on maintaining their status within the team hierarchy rather than achieving team outcomes, the team learning process can be hindered (Crane & Searle, 2016),

resulting in negative impact on task performance.

2.4.6 With OCB

Status conflict can lead to disputes and tense atmosphere among team members, thereby undermining team cohesion (Kang, 2022). Low group cohesion can suppress the emergence of organizational citizenship behavior such as responsibility consciousness, initiative, and altruistic behavior (Podsakoff et al., 2000).

Besides, status conflict may also result in conflict and dissatisfaction among employees, affecting their loyalty and identification with the organization (Reichers, 1986), and thus reducing their contributions and commitment to the organization.

Additionally, status conflict may also distract employees' attention and energy. Diverting or distracting employees' attention can affect their resource allocation, and thereby harm task performance. In teams, status conflict can involve employees in too much in psychological or behavioral struggles with others (De Waal-Andrews et al., 2015). Under conditions of limited cognitive resources, OCB may suffer as a result (Kanfer & Ackerman, 1989).

Thus, we hypothesize:

H4: Team status conflict is negatively related to team task performance(H4a) and OCB(H4b).

Taking together the above hypotheses, we hypothesize that team conflict is the link between LMXD with task performance (team task performance and team OCB). In other words, the effect of LMX differentiation travels through team conflict to shape group outcomes. Therefore, we propose following chain hypotheses:

H5: Team task conflict mediates the relationship between LMXD and team task performance (H5a) and OCB (H5b).

H6: Team relationship conflict mediates the relationship between LMXD and

team task performance (H6a) and OCB (H6b).

H7: Team status conflict mediates the relationship between LMXD and team task performance (H7a) and OCB (H7b).

2.5 Moderating impact of TMX

Team member exchange (TMX) refers to an individual's perception of the exchange relationship with their team members (Seers, 1989). It focuses on the mutual exchange of feedback, recognition, and ideas among members. This exchange is based on the reciprocity principle, suggesting that individuals contribute to others and, in turn, receive similar support from other team members (Wech, 2001). In a high-TMX environment, team members engage in meaningful interactions, exchanging both tangible and intangible resources (Liu et al., 2011). Conversely, in a low-TMX environment, although team members might develop long-term relationships, they are more inclined to have psychological connections rather than economic interactions within teams (Schermyly et al., 2016).

2.5.1 Moderation of TMX between LMXD and task conflict

Liu et al. (2011) indicated that there is a positive correlation between TMX and employees' willingness to actively share knowledge. Dayan et al. (2009) pointed out that social exchange relationships develop when team members perceive reciprocal trust and helping behavior from one another. Thus, if employees perceive that they are in a low-quality TMX environment, they are less likely to share information proactively, fearing that their colleagues will not reciprocate the same efforts. Only when they perceive that TMX is of high quality, employees are willing to share information to demonstrate their commitment to the social exchange relationship (Liu et al., 2011).

In a high-quality TMX climate, the moderating role of TMX becomes pivotal in influencing the relationship between LMXD and team task conflict. Specifically, TMX moderates this relationship in such a way that the positive relationship between LMXD and team task conflict is weakened when TMX is high. In scenarios where TMX quality is high, team members receiving greater resources, more open communication, and higher levels of trust (Shih & Wijaya, 2017) contribute to a more pronounced effect of LMXD on task conflict, compared to environments with low-quality TMX where team members may feel marginalized and less engaged. Consequently, the effect of LMXD on task conflict becomes less significant in teams with high TMX, leading to a weaker relationship between these variables, as opposed to teams with low TMX where this relationship might be less evident.

2.5.2 Moderation of TMX between LMXD and relationship conflict

In high-quality TMX climates, the shift in team members' self-concept, from 'I' to 'we' as indicated by Brewer and Gardner (1996), becomes more pronounced. This shift aligns with the concept of generalized exchange described by Keup et al. (2004), where team interests supersede personal interests. As a result, in environments with high-quality TMX, employees are more likely to experience positive and comfortable interactions, as noted by Tse et al. (2008). This leads to a moderating effect of TMX on the relationship between LMXD and intrateam relationship conflict. Specifically, when employees perceive LMXD in the context of high TMX, they are inclined to prioritize team interests and minimize interpersonal clashes within the team. This implies that the presence of high TMX weakens the potential positive impact of LMXD on relationship conflict.

Conversely, in situations where TMX is low, the focus of employees shifts more towards individual interests, as highlighted by Flynn (2003). Under these

conditions, when LMXD is perceived, there is a tendency for less social exchange among team members. This lack of exchange can exacerbate the effects of LMXD, leading to increased instances of relationship conflict, as suggested by Zhao (2015). Hence, TMX acts as a critical moderator, influencing how LMXD affects relationship conflict within teams, with its impact varying depending on the level of TMX.

2.5.3 Moderation of TMX between LMXD and status conflict

In teams with high-quality TMX, the dynamics of collaborative work and open communication are more pronounced, as suggested by Liden et al. (2000). This favorable environment fosters a shared understanding among team members, effectively reducing potential status conflict. In such settings, team members are less likely to feel that their contributions are undervalued or that they are treated unfairly compared to others. This aspect of high-quality TMX can mitigate the potential negative impact of Leader-Member Exchange Differentiation (LMXD) on status conflict.

However, if team leaders exhibit favoritism towards members with high-quality TMX, providing them with greater resources and support while neglecting those with low-quality TMX, the latter may experience feelings of being unrecognized and undervalued. As Hogg (2001) suggests, this situation can lead to status inequality and conflict among team members. In this context, TMX's moderating role becomes crucial. It moderates the relationship between LMXD and status conflict in such a way that in environments with high-quality TMX, the likelihood of status conflict due to LMXD is reduced. Conversely, in environments with low-quality TMX, the disparity in treatment and support may exacerbate the impact of LMXD on status conflict, leading to increased feelings of inequality and

heightened status conflict within the team.

Thus, we propose following chain hypotheses:

H8a: TMX moderates the positive relationship between LMXD and team task conflict, such that the relationship between LMXD and team task conflict should be weaker with high rather than low TMX.

H8b: TMX moderates the positive relationship between LMXD and team relationship conflict, such that the relationship between LMXD and team relationship conflict should be weaker with high rather than low TMX.

H8c: TMX moderates the positive relationship between LMXD and team status conflict, such that the relationship between LMXD and status conflict should be weaker with high rather than low TMX.

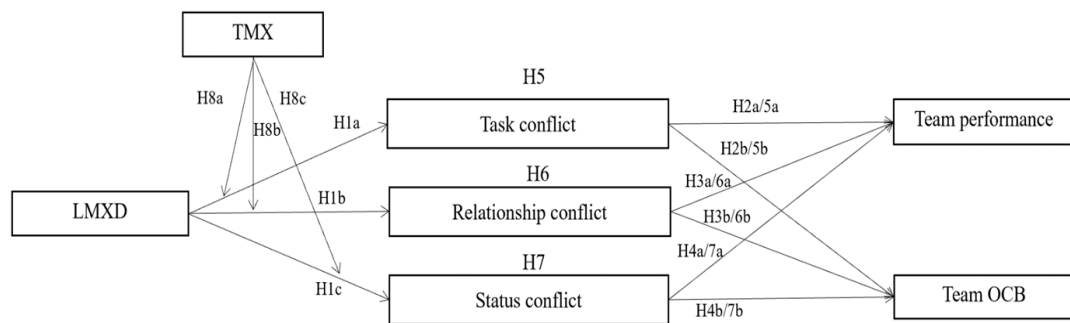


Figure 2-2 Conceptual framework of Group-level LMXD

2.6 Control variables

2.6.1 LMX quality within the team

We plan to control LMX quality within the team (i.e., group-mean LMX) as studies show LMX differentiation and LMX quality within the team jointly could impact team outcomes (Boies & Howell, 2006; Le Blanc & González-Romá, 2012; Nishii & Mayer, 2009; Seo et al., 2018). We want to ensure that any observed effects of LMX differentiation would not due to the relationship between team-level LMX

and outcomes.

2.6.2 Team size

We include team size as a control because of its correlation with some of the dependent variables and was operationalized with the number of employees working in each store. (Erdogan & Bauer, 2010; Yu et al., 2018).

2.6.3 Team characteristics and sample source

Given that the teams in our study were drawn from various functional domains, I controlled for team characteristics in our analyses to mitigate potential effects attributable to functional differences. To this end, function was operationalized using dummy variables. Moreover, considering the distribution of these teams across three different shopping malls, I controlled for sample source in our analysis.

Chapter 3 Methods

3.1 Participants and procedure

I conducted a multisource, two-wave data collection from three home furnishing shopping malls located in Zhejiang Province, China. These malls are part of the Macalline Group, a renowned enterprise in the home furnishing industry. Notably, Macalline Group is a state-owned enterprise that holds a controlling interest in A-share listings on the stock market. Its primary business model is centered around leasing mall space to a variety of home furnishing brand companies, generating revenue primarily through lease and property management fees. The range of home furnishing products available includes, but is not limited to, furniture, home appliances, flooring, tiles, and a comprehensive selection of home decoration materials. Each brand company operating within these malls has its own operational team, overseen by a supervisor responsible for day-to-day management. In parallel, the mall's overarching management team is responsible for unified planning and marketing management of these brands. To ensure smooth operations, each floor of the mall is assigned dedicated Floor Managers who coordinate and oversee the daily activities of the brand companies.

The data collection process received approval from the Institutional Review Board (IRB) of SMU (IRB-23-082-E019(623)). At Time 1, which was in August 2023, surveys were distributed to 401 employees, constituting team members across 122 teams. The surveys for team members included items on Leader-Member Exchange (LMX), Team-Member Exchange (TMX), task conflict, relationship conflict, and status conflict. Out of these, 400 employees from 122 teams completed the survey, yielding a response rate of 99.7%. Approximately three weeks later, in September 2023 (Time 2), surveys were administered again to the same teams' employees from

Time 1, focusing this time on their perceptions of team Organizational Citizenship Behavior (OCB). A total of 399 employees from 122 teams responded, resulting in a response rate of 99.5%. Additionally, Floor Managers from 122 teams were invited to assess the task performance for each team. Of these, 120 teams were evaluated by their respective mall floor managers, leading to a response rate of 98.3%. The final sample comprised 394 employees nested within 120 teams. The team size ranged from 3 to 8, with an average size of 3.29 (SD = 0.74). Regarding the demographic composition, the average age of the employees was 34.37 years, 25.16% were male, and 78.00% held a bachelor's or associate degree.

3.2 Ethical considerations

I submitted an application to the Institutional Review Board (IRB) of SMU on 19 June, 2023 and it was approved on 20 June 2023 as below:

Category 1: Exempt from Further IRB Review

Title of Research: The Effects of Leader Member Exchange Differentiation (LMXD) on Task Performance and Organizational Citizenship Behaviors (OCB)

SMU-IRB Approval Number: IRB-23-082-E019(623)

3.3 Measures

A comprehensive list of survey items is included in Appendix A. Considering that the survey was conducted in China, I adhered to the standard back-translation procedure as outlined by Brislin (1980) to accurately translate the original English scales into Mandarin Chinese. Unless specified otherwise, respondents were instructed to answer the questionnaire items using a 5-point Likert scale, where 1 represents 'Strongly disagree' and 5 signifies 'Strongly agree'. Detailed descriptions of all scale items can be found in the Appendix.

3.3.1 LMXD (Time 1)

Following prior studies (e.g., Ma & Qu, 2010; Y. Chen et al., 2014;), I calculate within-group standard deviation in individual assessed LMX scores to measure LMXD. LMX will be measured using Graen and Uhl-Bien (1995) seven-item scale (LMX-7). A sample item question is “How well does your leader understand your job problems and needs?”. For more details, please refer to Appendix A. The Cronbach’s α for the LMX scale was .812.

3.3.2 TMX (Time 1)

I used the 10 items adapted from Seers et al. (1995) to measure TMX. The items were designed to assess the perceived exchange relationship between individual members and their team members, using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) for response options. A sample question is “How well do other team members of your team understand your problems and needs?”. The Cronbach’s α for the scale was .857. Employees’ responses were aggregated to the team level, mean $R_{wg(j)} = .898$; $ICC1 = .102$, $ICC2 = .273$, $F = 1.376$, $p < .05$.

3.3.3 Task conflict (Time 1)

I asked employees to rate their task conflict on a 5-point scale (ranging from 1= strongly disagree to 5= strongly agree) based on a 4-item measure (Jehn, 1995). A sample item question is “How much friction is there among members in your work unit?” The Cronbach’s α for the scale was .877. Employees’ responses were aggregated to the team level, mean $R_{wg(j)} = .765$; $ICC1 = .372$, $ICC2 = .661$, $F = 2.946$, $p < .001$.

3.3.4 Relationship conflict (Time 1)

I invited employees to rate their relationship conflict on a 5-point four

item(Jehn, 1995) scale (ranging from 1= strongly disagree to 5=strongly agree). A sample item is “There is a lot of emotional conflict among members in my work unit.” The Cronbach’s α for the scale was .884. Employees’ responses were aggregated to the team level, mean $R_{wg(j)} = .775$; $ICC1 = .442$, $ICC2 = .722$, $F = 3.596$, $p < .001$.

3.3.5 Status conflict (Time 1)

I asked employees to rate their status conflict on a 7-point scale (ranging from 1= to no extent to 5= to a great extent) based on a 4-item measure (Bendersky & Hays, 2012). A sample item question is “My team members experienced conflict due to members trying to assert their dominance.” The Cronbach’s α for the scale was .835. Employees’ responses were aggregated to the team level, mean $R_{wg(j)} = .755$; $ICC1 = .381$, $ICC2 = .669$, $F = 3.023$, $p < .001$.

3.3.6 Task performance (Time 2)

Floor managers were invited to rate task performance of each team. The rationale for employing floor managers is that they possess data regarding the performance of each team. Moreover, compared to the direct supervisors of these teams, they tend to be more objective, making the data collected from their assessments more credible. Task performance was rated by using a five item 5-point scale (1 = well below average, 5 = well above average) compiled by De Jong et al. (2010) and Henderson and Lee (1992). Each floor manager was asked to indicate the performance of the work group as a whole. Thus, the work group was the referent and levels of task performance in general, across all team members, were reported (cf. Ehrhart, 2004; Koys, 2001). A sample item question is “The store’s ability to meet their goals”. The Cronbach’s α for the scale was .700.

3.3.7 Team OCB (Time 2)

Considering that the team's supervisors and Floor Managers are usually

occupied with their respective tasks, it might be challenging for them to calmly observe the Organizational Citizenship Behavior (OCB) of their team members. On the other hand, employees, who interact closely with each other on a daily basis, are in a better position to observe or sense the OCB among team members. Therefore, we have invited team members to evaluate team OCB.

OCB was rated by team members by using a seven item 5-point scale developed by Raver and Gelfand (2005). Each employee was asked to indicate the extent to which citizenship behaviors occurred in the work group that he or she belonged to as a whole. Thus, the work group was the referent and levels of team citizenship behaviors enacted in general, across all team members, were reported (Ehrhart, 2004; Koys, 2001). A sample item question is “In this team, team members take steps to try to prevent problems with other crew members”. The Cronbach’s α for the scale was .871. Employees’ responses were aggregated to the team level, mean $R_{wg(j)} = .904$; $ICC1 = .287$, $ICC2 = .570$, $F = 2.324$, $p < .001$.

3.3.8 Control variables

Firstly, I controlled for the overall quality of Leader-Member Exchange (LMX) within each team (i.e., group-mean LMX). This step was crucial because prior studies have indicated that both LMX differentiation and within-team LMX quality can jointly impact team outcomes (Boies & Howell, 2006; Le Blanc & González-Romá, 2012; Nishii & Mayer, 2009; Seo et al., 2018). The aim was to ensure that any observed effects of LMX differentiation were not confounded by the relationship between team-level LMX and outcomes. The aggregation of employees’ LMX responses to the team level yielded a mean $R_{wg(j)}$ of .94, $ICC1$ of .227, $ICC2$ of .500, F -value of 1.963, and a significance level of $p < .001$.

Secondly, team size was included as a control variable due to its correlation

with some dependent variables. It was operationalized by counting the number of employees in each store, as suggested by Erdogan and Bauer (2010) and Yu et al. (2018).

Thirdly, I controlled for other team characteristics, namely average team gender and average team tenure, using data provided by the Human Resource Management Department. These variables were controlled for due to their established relationship with team processes, performance, and Organizational Citizenship Behavior (OCB) (Akgün et al., 2007; Hu & Judge, 2017; Lim & Klein, 2006). Team tenure was measured in months, indicating the duration of an employee's membership in the team.

Finally, since the teams were distributed across three different shopping malls, I controlled for sample source of these distinct mall environments by including two dummy variables in the analysis.

3.4 Analytic strategy

To test our hypotheses, given that all focal variables are at the same level and are continuous variables, we conducted path analysis and bias-corrected bootstrapping simulation in Mplus 8 (Muthén & Muthén, 2017) to test the indirect effects as well as moderating effects. Accordingly, I ran bootstrap with 2000 replications to examine the confidence intervals (CIs) of the indirect effects.

Chapter 4 Results

4.1 Confirmatory factor analyses

The means, standard deviations, and correlations among the measured variables are in Table 4-1. As we can see, LMXD is negatively correlated to TMX ($r = -.18, p < .05$), while team task conflict is negatively correlated to team OCB ($r = -.23, p < .05$). In addition, team relationship conflict is negatively correlated with both team task performance ($r = -.25, p < .01$) and team OCB ($r = -.40, p < .001$). Similarly, team status conflict is negatively correlated with both team task performance ($r = -.19, p < .05$) and team OCB ($r = -.46, p < .001$). These results provided primary support for the hypotheses.

Prior to hypothesis testing, I conducted confirmatory factor analyses (CFA) in Mplus 8 (Muthén & Muthén, 2017) to ensure the distinctiveness of self-reported measures at Time 1. Specifically, given that LMX, TMX, task conflict, relationship conflict, and status conflict are reported by the same source in the same timepoint (i.e., Time 1), I ran a five-factor model to rule out the common method bias and confirm the distinctiveness among the five variables. Results suggested that five-factor model ($\chi^2(367) = 751.94, p < .001$; CFI = .923, RMSEA = .051, SRMR = .046], fit the data better than any of the four-factor alternatives (i.e., the alternative model with LMX and task conflict merged into a single factor ($\Delta\chi^2(4) = 664.209, p < .01$), the alternative model with LMX and relational conflict merged into a single factor ($\Delta\chi^2(4) = 646.801, p < .01$), the alternative model with LMX and status conflict merged into a single factor ($\Delta\chi^2(4) = 578.736, p < .01$), the alternative model with LMX and TMX merged into a single factor ($\Delta\chi^2(4) = 529.392, p < .01$), the alternative model with task conflict and relational conflict merged into a single factor ($\Delta\chi^2(4) = 240.689, p < .01$), the alternative model with task conflict and status

conflict merged into a single factor ($\Delta\chi^2(4) = 351.126, p < .01$), the alternative model with task conflict and TMX merged into a single factor ($\Delta\chi^2(4) = 664.209, p < .01$), the alternative model with relational conflict and status conflict merged into a single factor ($\Delta\chi^2(4) = 252.896, p < .01$), the alternative model with relationship conflict and TMX merged into a single factor ($\Delta\chi^2(4) = 1074.096, p < .01$), and the alternative model with status conflict and TMX merged into a single factor ($\Delta\chi^2(4) = 758.047, p < .01$). The model comparison results showed that the measures capture distinct constructs.

Table 4-1 Means, Standard Deviations, and Correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. Team size	3.29	.74												
2. Team average tenure	23.89	16.96	.03											
3. Team average gender	.25	.29	.24**	-.12										
4. Dummy 1 for shopping malls	.49	.50	.37**	-.12	.23*									
5. Dummy 2 for shopping malls	.33	.47	-.25**	.15	-.11	-.69**								
6. Group-mean LMX	3.49	.43	.04	.18	.05	-.11	.15							
7. LMXD	.50	.30	-.03	.01	-.11	-.02	.07	-.18						
8. TMX	3.56	.36	.09	.04	.05	-.18*	.12	.53**	-.18*					
9. Task conflict	2.51	.73	.03	-.09	.06	.22*	-.26**	-.28**	-.08	-.13				
10. Relationship conflict	2.41	.77	.06	-.17	.08	.29**	-.29**	-.37**	-.02	-.25**	.81**			
11. Status conflict	2.70	.71	.13	-.22*	.18*	.42**	-.34**	-.39**	-.05	-.23*	.64**	.73**		
12. Team task performance	3.52	.51	-.02	.19*	-.07	-.14	.17	.26*	.07	.20*	-.11	-.25*	-.19*	
13. Team OCB	3.69	.47	-.03	.189*	-.01	-.189*	.15	.542**	-.12	.663**	-.225*	-.402**	-.455**	.07

Note: * $p < 0.05$, ** $p < 0.01$, two-tailed. N = 120 teams.

4.2 Hypothesis testing

We applied path analysis to test the mediation model and the first-stage moderated mediation model, the results are shown in Table 4-2, Table 4-3, and Table 4-4.

As shown in Table 4-3, after controlling for team size, team average tenure, team average gender, the difference between malls, and group-mean LMX, LMXD is not significantly related to team task conflict ($b = -.27, p > .10$), relationship conflict ($b = -.16, p > .10$), or status conflict ($b = -.20, p > .10$), failing to support hypothesis 1a, 1b, and 1c, respectively.

As for the relationships between task conflict and team outcomes, task conflict positively related to both team task performance ($b = .19, p = .085$, marginally significant) and team OCB ($b = .20, p < .05$), in support of hypothesis 2a and 2b. As for the relationships between relationship conflict and team outcomes, relationship conflict negatively related to both team task performance ($b = -.26, p < .05$) and team OCB ($b = -.19, p = .053$, marginally significant), in support of hypothesis 2a and 2b. As for the relationship between status conflict and team outcomes, status conflict had an insignificant relationship with team task performance ($b = .05, p > .10$, failing to support hypothesis 4a), while had a negative relationship with team OCB ($b = -.18, p < .05$, in support of hypothesis 4b).

As Table 4-2 demonstrates, using 2000 bootstrap replications, I did not find any significant indirect effects of LMXD on team task performance (indirect effect = $-.051$, 95%CI $[-.212, .013]$, through task conflict; indirect effect = $.043$, 95%CI $[-.046, .233]$, through relationship conflict; indirect effect = $-.010$, 95%CI $[-.116, .031]$, through status conflict) or team OCB (indirect effect = $-.053$, 95%CI $[-.195, .011]$, through task conflict; indirect effect = $.030$, 95%CI $[-.031, .189]$,

through relationship conflict; indirect effect = .036, 95%CI [-.019, .158], through status conflict) through any type of team conflict. Therefore, hypothesis 5a, 5b, 6a, 6b, 7a, and 7b were not supported.

As shown in Table 4-4, the moderating role of TMX on the relationship between LMXD and team task conflict was not significant ($b = .29, p > .10$), failing to support hypothesis 8a. Similarly, the moderating role of TMX on the relationship between LMXD and team relationship conflict was not significant ($b = .22, p > .10$), failing to support hypothesis 8b. Finally, the moderating role of TMX on the relationship between LMXD and team status conflict was not significant ($b = -.06, p > .10$), failing to support hypothesis 8c.

Table 4-2 Summary of Indirect Effects with LMXD as the independent variable

Path and effects	Estimates	95% confidence intervals
LMXD → Task conflict → Task performance	-.051	[-.212, .013]
LMXD → Relationship conflict → Task performance	.043	[-.046, .233]
LMXD → Status conflict → Task performance	-.010	[-.116, .031]
LMXD → Task conflict → Team OCB	-.053	[-.195, .011]
LMXD → Relationship conflict → Team OCB	.030	[-.031, .189]
LMXD → Status conflict → Team OCB	.036	[-.019, .158]

Note. N = 120 teams. None of the indirect effects was significant.

Table 4-3 Path Analysis Results of the Proposed Mediation Model

	Task conflict		Relationship conflict		Status conflict		Task performance		Team OCB	
	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>
Intercept	4.38***	.64	4.61***	.61	4.68***	.52	2.48***	.61	2.63***	.45
Team size	-.04	.09	-.02	.11	-.01	.09	.02	.05	.00	.05
Team average tenure	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Team average gender	.08	.24	.10	.24	.25	.20	-.08	.16	.05	.13
Dummy 1 for three malls	.12	.17	.26	.17	.43**	.16	-.02	.13	-.04	.11
Dummy 2 for three malls	-.25	.16	-.18	.16	-.07	.17	.10	.14	-.04	.11
Group-mean LMX	-.46**	.17	-.59***	.15	-.58***	.13	.25 ⁺	.13	.44***	.09
LMXD	-.27	.20	-.16	.22	-.20	.18	.18	.16	-.06	.16
Task conflict							.19 ⁺	.11	.20*	.08
Relationship conflict							-.26*	.12	-.19 ⁺	.10
Status conflict							.05	.12	-.18*	.09
<i>R Square</i>	.15*		.22***		.33***		.26**		.46***	

Note: ⁺ p < .10, * p < .05, ** p < .01, *** p < .001, two-tailed. N = 120 teams.

Table 4-4 Path Analysis Results of the Proposed First-Stage Moderated Mediation Model

	Task conflict		Relationship conflict		Status conflict		Task performance		Team OCB	
	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>
Intercept	4.24***	.75	4.25***	.68	4.65***	.59	2.57***	.59	2.60***	.43
Team size	-.05	.09	-.02	.11	-.01	.09	.02	.05	.00	.05
Team average tenure	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Team average gender	.07	.25	.09	.24	.26	.20	-.08	.16	.05	.13
Dummy 1 for three malls	.13	.18	.24	.18	.44**	.17	-.02	.13	-.04	.11
Dummy 2 for three malls	-.25	.16	-.18	.16	-.07	.17	.10	.14	-.04	.11
Group-mean LMX	-.45*	.21	-.51**	.18	-.60***	.16	.25 ⁺	.13	.44***	.09
LMXD	-.20	.24	-.12	.26	-.21	.23	.18	.16	-.06	.16
TMX	.05	.24	-.14	.25	.03	.21				
LMXD × TMX	.29	.72	.22	.76	-.06	.50				
Task conflict							.19 ⁺	.11	.20*	.08
Relationship conflict							-.26*	.12	-.19 ⁺	.10
Status conflict							.05	.12	-.18*	.09
<i>R Square</i>	.15*		.22***		.33***		.26**		.46***	

Note: ⁺ p < .10, * p < .05, ** p < .01, *** p < .001, two-tailed. N = 120 teams.

4.3 Discussion the results with LMXD as the independent variable

4.3.1 Results

Our results show that team conflict are significantly or partially significantly related to task performance and OCB, which supported hypotheses H2b, H3a, H4b, and partially supported H2a and H3b. However, H4a was not supported, indicating that team status conflict is not negatively related to team task performance.

Unfortunately, in our study, we found that the relationship between LMXD as independent variable and team conflict as mediating variables was not significant. The results thus failed to support hypotheses 1a, 1b, and 1c. Additionally, the moderating effect of TMX was proven to be insignificant, which does not support hypotheses 8a, 8b, and 8c. We considered the possibility that the observed phenomena could be attributed to the geographical locations of the three malls under investigation.

However, consistent results emerged even though I conducted analyses respectively with the different samples from three respective malls, indicating no noteworthy variations attributable to either the specific city or mall-related factors. The failure to detect the significant effect of LMXD on mediating variables might be associated with the leasing business model of the malls we investigated or the home furnishing industry. Future researchers should further examine the results by analyzing other industries or companies with different business models.

Surprisingly, in the data presented in table 4-1, LMX, previously considered a control variable, plays a dominant role in our model. It shows significant correlation with the mediating variable--three different types of team conflict, the moderating variable--TMX, and the outcome variables--task performance and team OCB. To explore further LMX's effect, we test an alternative model with LMX as the independent variable.

4.3.2 Explanation

This discrepancy in findings may be attributed to the sample diversity within our study, which encompassed 120 different units or stores. It is plausible that these varied units or stores harbored critical differences such as corporate culture and management styles at a higher organizational level that were not controlled for or observed in our study. Take Gujia and Fotile as an example, Gujia, a home furnishing brand, may have a corporate culture that emphasizes innovation and employee empowerment, leading to a high degree of autonomy and creativity in its stores. In contrast, Fotile, another home furnishing brand, might have a more traditional, hierarchical management style, focusing on efficiency and strict adherence to company protocols.

These differences in corporate culture and management styles can significantly impact how leadership and team conflict play out in each store. For instance, in Gujia's stores, due to the innovative and empowering culture, there might be more open communication and collaborative decision-making. This environment could influence the effectiveness of LMXD in predicting outcomes like conflict resolution. In Fotile's stores, the more traditional and hierarchical structure might lead to different dynamics, where LMXD could have a different impact, perhaps correlating more strongly with outcomes like task efficiency or adherence to standards.

Such unobserved variances could significantly influence the effectiveness of LMXD in predicting outcomes in our model. The absence of a consistent pattern in the predictive capacity of LMXD across these diverse units suggests a potential limitation in the applicability of LMXD to varied organizational contexts. This indicates that the underlying dynamics of LMXD may differ significantly across different organizational settings, necessitating a more nuanced approach in future

research to account for these unobserved heterogeneities.

4.4 LMX Theory

LMX, foundational in understanding team dynamics, posits that leaders form unique relationships with each subordinate, impacting team performance and cohesion. High group-mean LMX relationships, characterized by psychological safety and empowerment, foster authentic behavior and risk-taking, essential for effective leadership and team success (DiTomaso & Hooijberg, 1996). These relationships reduce turnover, enhance performance (Hantula, 2009), and mitigate team conflicts, promoting cooperation and satisfaction (Boies & Howell, 2006). Intersecting with LMX is Team-Member Exchange (TMX), which reflects peer interaction quality and moderates the impact of LMX on team conflict. In high TMX environments, negative effects of diverse LMX relationships are reduced, facilitating collaboration and lessening conflicts. In contrast, low group-mean TMX intensifies challenges from varied LMX relationships, increasing potential conflicts (Graen & Uhl-Bien, 1995). Additionally, LMX is crucial in managing task, relationship, and status conflicts within teams. Strong group-mean LMX relationships encourage open communication and trust, mitigating conflicts, while perceived favoritism in LMX can create feelings of inequality and dissatisfaction (De Dreu & Weingart, 2003; Jehn, 1995).

4.5 Alternative Hypotheses

In light of the unexpected outcomes derived from our primary model, particularly regarding LMXD's role as an independent variable and its interaction with team conflict, it has become imperative to revisit and refine our theoretical framework. This re-examination has led us to introduce a series of alternative hypotheses and a revised conceptual model (Figure 4-1). These are specifically designed to probe deeper into the direct relationship between LMX and team conflict, as well as between TMX and task performance. The intent behind these alternative hypotheses is two-fold: firstly, to bridge the gaps revealed by our initial analysis and, secondly, to offer a more incisive and comprehensive understanding of how LMX, at the group level, impacts team conflict, and in turn, influences task performance and OCB.

To better understand the differences between alternative hypotheses and the original hypotheses, when a hypothesis is adjusted, it is renamed with '-revised' appended to its original number. For instance, H1a becomes H1a-revised, indicating a modification in its content. On the other hand, if there is no change in the content, the hypothesis retains its original number.

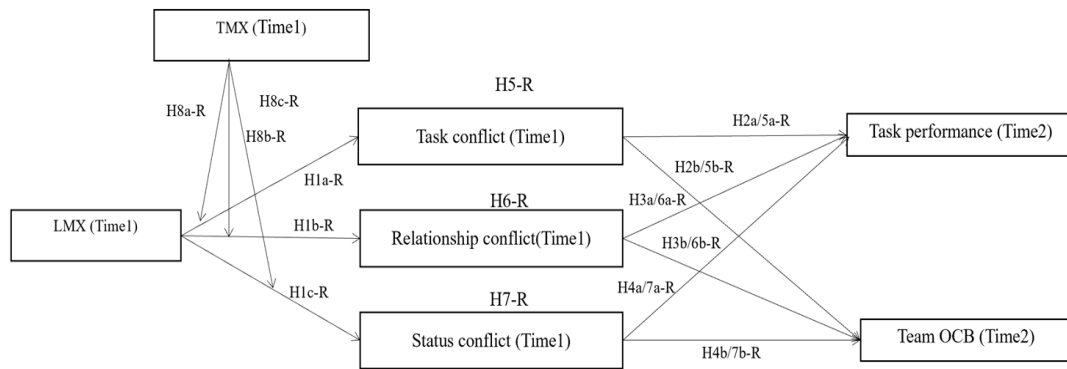


Figure 4-1 Revised conceptual model

H1a-revised: LMX is negatively related to task conflict.

H1b-revised: LMX is negatively related to relationship conflict.

H1c-revised: LMX is negatively related to status conflict.

H2: Team task conflict is positively related to task performance(H2a) and OCB(H2b).

H3: Team relationship conflict is negatively related to task performance (H3a) and OCB(H3b).

H4: team status conflict is negatively related to task performance(H4a) and OCB(H4b).

H5-revised: Team task conflict mediates the relationship between LMX and task performance (H5a-revised) and OCB (H5b-revised).

H6-revised: Team relationship conflict mediates the relationship between LMX and task performance(H6a-revised) and OCB(H6b-revised).

H7-revised: Team status conflict mediates the relationship between LMX and task performance(H7a-revised) and OCB(H7b-revised).

H8a-revised: TMX moderates the negative relationship between LMX and team task conflict, such that the negative relationship between LMX and team task

conflict should be stronger with high rather than low TMX.

H8b-revised: TMX moderates the negative relationship between LMX and team relationship conflict, such that the negative relationship between LMX and team relationship conflict should be stronger with high rather than low TMX.

H8c-revised: TMX moderates the negative relationship between LMX and team status conflict, such that the negative relationship between LMX and status conflict should be stronger with high rather than low TMX.

4.6 Examination of alternative model results with LMX as the independent variable

We applied path analysis to test the mediation model and the first-stage moderated mediation model with LMX rather than LMXD as the independent variable. First, all the aggregation statistics supported the aggregation of employees' responses of LMX to the team level (mean $R_{wg(j)} = .94$; ICC1 = .227, ICC2 = .500, $F = 1.963$, $p < .001$). The results of path analyses and bootstrapping are shown in Table 4-5, Table 4-6, and Table 4-7.

As can be seen from Table 4-6, after controlling for team size, team average tenure, team average gender, and the difference between malls, group-mean LMX significantly related to team task conflict ($b = -.42$, $p < .05$), relationship conflict ($b = -.57$, $p < .001$), and status conflict ($b = -.56$, $p < .001$).

As for the relationships between task conflict and team outcomes, task conflict positively related to both team task performance ($b = .17$, $p = .09$, marginally significant) and team OCB ($b = .20$, $p < .05$). As for the relationships between task conflict and team outcomes, relationship conflict negatively related to both team task performance ($b = -.26$, $p < .05$) and team OCB ($b = -.19$, $p = .051$, marginally significant). As for the relationships between status conflict and team outcomes, status

conflict had an insignificant relationship with team task performance ($b = .05$, $p > .10$), while had a negative relationship with team OCB ($b = -.18$, $p < .05$).

As shown in Table 4-5, with 2000 bootstrap replications, I found significant indirect effect of group-mean LMX on team task performance through task conflict (indirect effect = $-.073$, 95% CI $[-.245, -.002]$). Similarly, I found significant indirect effect of group-mean LMX on team task performance through relationship conflict (indirect effect = $.147$, 95% CI $[.021, .370]$). However, I found insignificant indirect effect of group-mean LMX on team task performance through status conflict (indirect effect = $-.025$, 95% CI $[-.160, .102]$).

Additionally, with 2000 bootstrap replications, I found significant indirect effect of group-mean LMX on team OCB through task conflict (indirect effect = $-.083$, 95% CI $[-.230, -.018]$). However, I found insignificant indirect effect of group-mean LMX on team OCB through relationship conflict (indirect effect = $.108$, 95% CI $[-.009, .278]$). Finally, I found significant indirect effect of group-mean LMX on team OCB through status conflict (indirect effect = $.098$, 95% CI $[.010, .222]$).

Table 4-5 Summary of Indirect Effects with LMX as the independent variable

Path and effects	Estimates	95% confidence intervals
LMX → Task conflict → Task performance	-.073	[-.245, -.002]
LMX → Relationship conflict → Task performance	.147	[.021, .370]
LMX → Status conflict → Task performance	-.025	[-.160, .102]
LMX → Task conflict → Team OCB	-.083	[-.230, -.018]
LMX → Relationship conflict → Team OCB	.108	[-.009, .278]
LMX → Status conflict → Team OCB	.098	[.010, .222]

Note. N = 120 teams. Bold type indicates significant indirect effects.

As shown in Table 4-7, the moderating role of TMX on the relationship between group-mean LMX and team task conflict was not significant ($b = -.309$,

$p > .10$). Similarly, the moderating role of TMX on the relationship between group-mean LMX and status conflict was not significant ($b = -.16, p > .10$). However, the moderating role of TMX on the relationship between group-mean LMX and team relationship conflict was significant ($b = -.58, p < .05$). Following Aiken and West's (1991) suggestion, we plotted the simple slope (Figure 4-2) to illustrate the interaction pattern above and below the mean of TMX. Results indicated that slope of LMX for high TMX ($b = -.89, p < 0.001$) and low TMX ($b = -.39, p < 0.05$) are both significant, and there was a significant difference between these two slopes ($p < .05$). As seen in Figure 2, the negative slope of high TMX was steeper than the low TMX group. That is, TMX strengthened the negative relationship between group-mean LMX and relationship conflict.

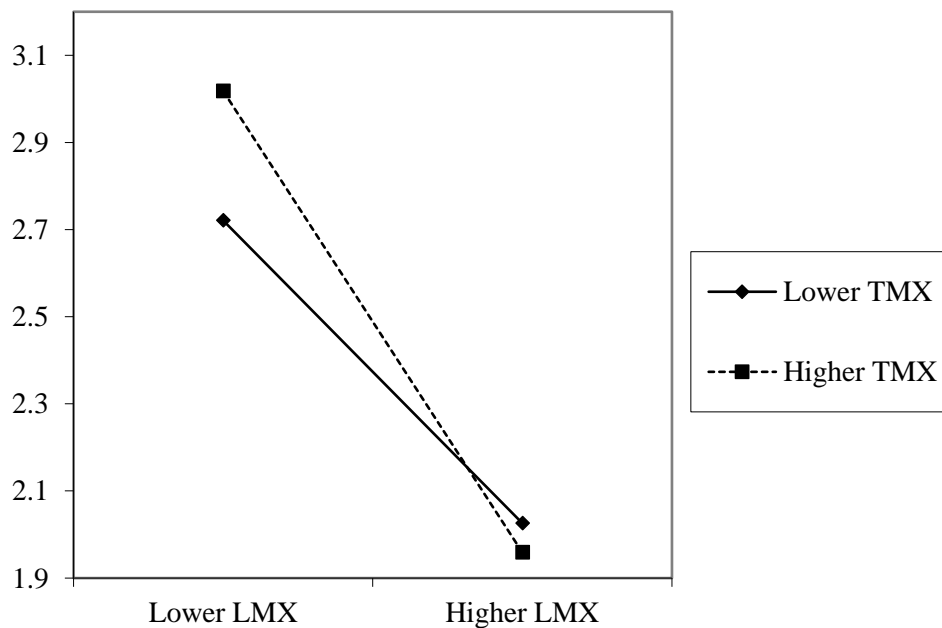


Figure 4-2 The Moderating Role of TMX on the Relationship Between LMX and Team Relationship Conflict

Table 4-6 Path Analysis Results of the Mediation Model with LMX as the Independent Variable

	Task conflict		Relationship conflict		Status conflict		Task performance		Team OCB	
	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>
Intercept	4.13***	.61	4.46***	.57	4.50***	.48	2.69***	.57	2.56***	.42
Team size	-.05	.09	-.02	.11	-.01	.08	.02	.05	.00	.05
Team average tenure	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Team average gender	.11	.24	.12	.24	.28	.19	-.10	.16	.05	.12
Dummy 1 for three malls	.11	.17	.26	.17	.43**	.16	-.01	.13	-.04	.11
Dummy 2 for three malls	-.27 ⁺	.16	-.19	.16	-.08	.17	.11	.14	-.04	.11
Group-mean LMX	-.42*	.17	-.57***	.15	-.56***	.12	.22 ⁺	.12	.45***	.09
Task conflict							.17 ⁺	.09	.20*	.08
Relationship conflict							-.26*	.13	-.19 ⁺	.10
Status conflict							.05	.12	-.18*	.09
<i>R Square</i>	.14*		.21***		.32***		.24**		.47***	

Note: ⁺ p < .10, * p < .05, ** p < .01, *** p < .001, two-tailed. N = 120 teams.

Table 4-7 Path Analysis Results of the First-Stage Moderated Mediation Model with LMX as the Independent Variable

	Task conflict		Relationship conflict		Status conflict		Task performance		Team OCB	
	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>	<i>Est.</i>	<i>SE</i>
Intercept	2.72***	.30	2.54***	.34	2.59***	.29	3.45***	.31	4.11***	.25
Team size	-.06	.09	-.03	.11	-.01	.08	.02	.05	.00	.05
Team average tenure	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Team average gender	.10	.24	.11	.24	.27	.20	-.10	.16	.05	.12
Dummy 1 for three malls	.13	.18	.23	.18	.43**	.17	-.01	.13	-.04	.11
Dummy 2 for three malls	-.27	.16	-.20	.16	-.08	.17	.11	.14	-.04	.11
Group-mean LMX	-.53**	.20	-.64***	.18	-.60***	.16	.22 ⁺	.12	.45***	.09
TMX	.15	.23	-.02	.24	.06	.21				
LMX × TMX	-.31	.41	-.58*	.29	-.16	.36				
Task conflict							.17 ⁺	.09	.20*	.08
Relationship conflict							-.26*	.13	-.19 ⁺	.10
Status conflict							.05	.12	-.18*	.09
<i>R Square</i>	.14*		.23***		.32***		.24**		.46***	

Note: ⁺ p < .10, * p < .05, ** p < .01, *** p < .001, two-tailed. N = 120 team

Chapter 5 Discussion

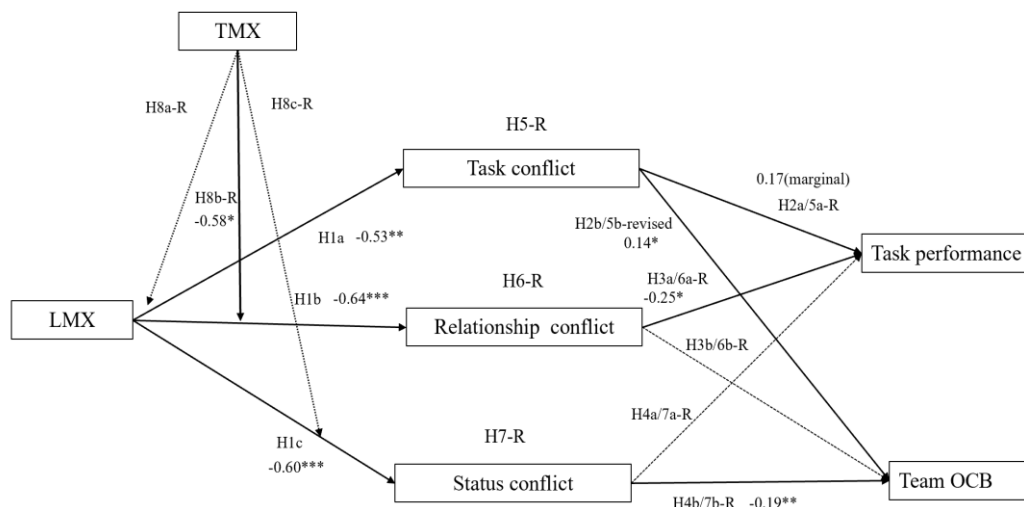


Figure 5-1 test results of alternative model

The findings from this study provide a comprehensive understanding of how LMX at the team level influences various team conflict and their subsequent impact on task performance and OCB.

The analysis reveals the relationship between group-mean LMX and team conflict. In particular, group-mean LMX is significantly negatively related to reduced team task conflict, relationship conflict, and status conflict, which supports the H1a-revised, H1b-revised and H1c-revised that higher LMX quality at the team level is associated with lower degrees of different kinds of conflict within the team.

Furthermore, task conflict is marginally positively related to team task performance (H2a) and significantly positively related to team OCB (H2b). This partially supports the hypothesis H2, suggesting a nuanced relationship where the impact on task performance is marginal but more pronounced on OCB. Relationship conflict negatively influenced team task performance (H3a) but did not significantly impact team OCB (H3b). This partially supports the hypothesis H3, suggesting that

the effects of relationship conflict may differ depending on the aspect of team performance being examined. Status conflict did not significantly impact team task performance (H4a) but negatively affected team OCB (H4b). This partially supports the hypothesis H4, indicating that the impact of status conflict may vary depending on the type of task performance considered.

Moreover, as indicated in Tables 5-1, there are significant indirect effects of group-mean LMX on task performance through task conflict (H5a-revised) and relationship conflict (H6a-revised), but not through status conflict (H7a-revised). Apart from relationship conflict, there are significant indirect effects of group-mean LMX on OCB through task conflict (H5b-revised) and status conflict (H7b-revised). The results also reveal that TMX significantly moderates the relationship between group-mean LMX and team relationship conflict (H8b-revised), but not between group-mean LMX and task conflict (H8a-revised) or status conflict (H8c-revised)

5.1 Theoretical implications

The findings from my study offer several significant theoretical implications for the understanding of Leader-Member Exchange (LMX) theory, conflict management, and team outcomes in organizational behavior. These implications can be outlined as follows:

5.1.1 Extension of LMX Theory to Team Level Conflict

Traditionally, LMX theory has focused on the dyadic relationships between leaders and individual members (Matta et al., 2015; Seo et al., 2018). My study contributes to the theoretical expansion of LMX by demonstrating its applicability and relevance to team-level results. The aggregation of LMX to the team level and its subsequent impact on team conflict and performance contributes to LMX theory from team-level perspective, suggesting that the collective quality of leader-member

relationships within a team is a critical predictor of team conflict.

Furthermore, the research underscores the complexity and multifaceted nature of team conflict in organizational settings. It highlights that the impact of LMX on task performance and team OCB depends on different types of team conflict. For instance, task conflict, which have been seen negatively (Howell & Shamir, 2005), can under certain conditions enhance task performance and OCB. It is possible that social desirability bias, where respondents in a Chinese cultural context might view conflict negatively (Han & Guo,2014), could have influenced our data collection. This cultural nuance may affect how team members perceive and report conflict within teams, potentially impacting our study's results.

The study's approach to examine LMX at the team level offers a more comprehensive understanding of how leader-member interactions, in conjunction with team conflict can influence task performance and OCB (Tu & Zhang, 2021)(Jiang& Jiang& Zhang, 2013;). These insights contribute significantly to the theoretical development of LMX theory, providing a more robust framework for exploring LMX and team conflict in modern organizational contexts.

The findings revealed that the relationship between LMXD and team conflict was not statistically significant. In contrast, when LMXD was replaced with LMX, most hypothesized relationships were supported by our model. This discrepancy in findings may be attributed to the sample diversity within our study, which encompassed 120 different units or stores. It is plausible that these varied units or stores harbored critical differences such as strategic priorities, market positioning, target customer demographics, and operational processes at a higher organizational level that were not controlled for or observed in our study. Such unobserved variances could significantly influence the effectiveness of LMXD in predicting outcomes in

our model. The absence of a consistent pattern in the predictive capacity of LMXD across these diverse units suggests a potential limitation in the applicability of LMXD to varied organizational contexts. This indicates that the underlying dynamics of LMXD may differ significantly across different organizational settings, necessitating a more nuanced approach in future research to account for these unobserved heterogeneities.

5.1.2 Unraveling the Dual-Edged Effect of LMX on Team Outcomes Through Varied Conflict Types

This dissertation enhances the understanding of LMX by detailing its distinctive effects on team outcomes in the context of task, relationship, and status conflict. The empirical evidences gathered challenge the conventional belief that conflict invariably impede team function, instead unveiling a variety of nuanced effects. This research contributes to the LMX literature by proposing that team conflict have multifaceted impacts on task performance and OCB.

In hypothesis H2b, it can be seen that contrary to previous assumptions, team task conflict can actually enhance team OCB (Jungst & Janssens, 2020). The dynamic and interactive nature of task conflict can enhance team communication, clarify roles, and strengthen team cohesion, all of which are essential ingredients for fostering OCB. Additionally, the observed positive impact of task conflict on task performance suggests that task conflict plays a beneficial role in enhancing both task performance and OCB. However, the study finds that when task conflict mediate the relationship between LMX and task performance, as well as that between LMX and OCB, there is an indirect negative impact. In contrast, LMX has been identified as having a positive and indirect effect on task performance via relationship conflict, and simultaneously, the study demonstrates a positive and indirect effect of LMX on OCB, mediated by

status conflict. This delineates the dual role of LMX, highlighting how different types of conflict can either hinder or facilitate team success.

These findings necessitate a reconsideration of the conflict's role within the LMX narrative, indicating that the effects of LMX on team outcomes are mediated by team conflict. The study advances beyond the simplistic view of conflict within LMX theory, advocating a more intricate comprehension on how leader-member relationships manage the complexities of team conflict. It encourages future LMX inquiries to employ a discerning perspective that recognizes the diverse impacts of different conflict types on team processes and outcomes, which thereby promotes a more elaborate theoretical approach to LMX analysis.

5.1.3 Role of TMX in Moderating LMX Impacts

The integration of TMX as a moderating factor specifically in the relationship between LMX and team relationship conflict represents a nuanced advancement in the LMX theoretical framework.

This study underscores the significant role of TMX in moderating the dynamics between group-mean LMX and team relationship conflict. TMX, indicative of the quality of interactions among team members (Seers et al., 1995), transcends being a mere parallel to LMX. Instead, it acts as a crucial element that significantly alters the landscape of team's relationship conflict. Notably, in scenarios where TMX is robust, it can intensify the negative impact of LMX on team relationship conflict. This highlights the intricate and sometimes surprising ways in which internal team relationships - both vertical (leader-member) and horizontal (member-member) - influence specific types of team-level conflict. By focusing on this particular interplay, the research offers a more targeted understanding of team conflict and opens avenues for exploring how strengthening TMX can specifically mitigate

relationship conflict within teams, thereby enhancing overall team cohesion and effectiveness

Future research could delve into how TMX moderates various aspects of LMX's impact, aiming to uncover new strategies for enhancing task performance and OCB in diverse organizational settings. Such an approach could lead to more effective leadership and team development programs, taking into account the complex network of relationships within teams.

5.2 Managerial implications

5.2.1 For Leadership Practices

The findings of this study emphasize the strategic importance of cultivating high-quality LMX as a means to reduce team conflict and improve overall task performance and OCB. Leaders should recognize that the quality of their interactions with team members can significantly influence the team's outcomes.

Moreover, understanding the nuances of different types of conflict – such as task, relationship, and status conflict – and their unique impacts on team outcomes is crucial. Leaders' adept in identifying and addressing these conflict can foster a more cohesive and effective team environment. This requires a leader to be not only a supervisor but also a mediator and coach, providing support and guidance to navigate through conflict, thereby enhancing task performance and OCB.

5.2.2 For Team Development

The research underscores the importance of understanding the indirect influence of LMX on team outcomes, particularly in the context of team relationship conflict. This insight is crucial for developing effective team development interventions aimed at conflict management. Training programs and workshops designed to help teams identify and address the root causes of conflict become more

effective when they incorporate the understanding of how LMX dynamics indirectly affect team outcomes through relational conflict. This approach enables organizations to devise tailored strategies that not only enhance team cohesion and effectiveness but also specifically target the mitigation of relational conflict within teams.

Furthermore, team development initiatives should emphasize building strong TMX relationships. TMX significantly moderates the effects of LMX on relationship conflict, as opposed to other types of team conflict. By fostering open communication, mutual respect, and collaboration among team members, organizations can create a positive team climate that effectively complements the leader's efforts in managing and leading the team. This dual focus on both the vertical dynamics of leader-member relationships (LMX) and the horizontal dynamics among team members (TMX) is essential for a holistic approach to team development. Such initiatives not only enhance task performance and dynamics but also address the specific challenges posed by relational conflict, thereby contributing to a more cohesive and productive team environment.

5.3 Limitations and future research

In this research, we encountered unexpected challenges with the application of LMXD as a predictive variable. Our findings revealed an absence of a consistent relationship between LMXD and team outcomes, leading to non-findings in several hypothesized relationships. This section discusses possible reasons behind these outcomes and suggests directions for future research.

Sample Diversity and Uncontrolled Organizational Variables: Our study encompassed a diverse sample of 120 different units or stores, potentially harboring critical differences at a higher organizational level. These variances, which were not controlled for or observed, could have significantly influenced the effectiveness of

LMXD in predicting outcomes. The diversity in organizational cultures, management practices, and team structures across these units might have led to varying impacts of LMXD, resulting in inconsistent findings.

Complexity of LMXD Dynamics: LMXD represents the variation in the quality of leader-member relationships within a team. The complexity of these dynamics may not have been fully captured in our study, leading to an oversimplification of the LMXD concept. Future research should consider more nuanced measures of LMXD that account for the intricate nature of leader-member interactions and their differential impacts on team members.

Theoretical Framework and Model Specification: The unexpected outcomes may also point to limitations in our theoretical framework and model specification regarding LMXD. It suggests a need to revisit and refine our understanding of how LMXD interacts with team conflict and other organizational processes. This may include exploring alternative hypotheses and developing a more robust conceptual model that accurately reflects the multifaceted nature of LMXD.

Need for Context-Specific Studies: The lack of consistent findings underscores the importance of conducting context-specific studies. Future research should explore LMXD in varied organizational settings, considering the unique aspects of each context that may influence the relationship between LMXD and team outcomes.

ICC2 Value Consideration: We acknowledge that the ICC2 value of TMX (ICC2 = .273) is a bit low. Scholars believe that a slightly lower ICC(2) value does not preclude aggregation when the concept is identified as a team-level construct and is accompanied by a high Rwg value and significant between-group differences (Chen & Bliese, 2002). Furthermore, recent studies have also found that when Rwg and

ICC(1) values meet expectations, and the F test is significant, an ICC(2) value above 0.25 is considered acceptable (Chiu et al., 2016). Therefore, although the ICC2 value in our study is modest, it remains within an acceptable range considering the strong group-level reliability and significant between-group variation our data exhibits. But still, this could be seen as a limitation, as it suggests that there might be considerable variability within teams or units that our model does not account for. Such variability might have influenced the effectiveness of LMXD as a predictive variable for team outcomes. Future research should consider employing methods to enhance the reliability of within-cluster measurements, potentially through more homogeneous sampling or refined data collection techniques. Addressing this limitation could lead to more consistent findings and a clearer understanding of the impacts of LMXD in organizational settings.

In conclusion, the challenges encountered with LMXD in this study highlight the need for a more comprehensive and context-sensitive approach in future research. This will enable a deeper understanding of the role and impact of LMXD in diverse organizational environments, contributing to the refinement of leadership theories and practices.

Chapter 6 Conclusion

This dissertation provides a comprehensive understanding of how Leader-Member Exchange (LMX) at the team level influences team dynamics, particularly conflict, and their impact on task performance and Organizational Citizenship Behaviors (OCB). The study reveals that a higher quality of group-mean LMX is associated with reduced team conflict, including task, relationship, and status conflict, thereby supporting the hypothesis that better leader-member relationships at the team level lead to fewer conflict. Task conflict, while traditionally viewed negatively, is shown to have a marginally positive relationship with team task performance and a significant positive relationship with team OCB. This challenges the conventional view of conflict as solely detrimental, suggesting a more nuanced understanding where the nature and management of the conflict have varied impacts on team outcomes.

The study extends LMX theory to team-level conflict, highlighting the importance of the collective quality of leader-member relationships within a team. It underscores the complexity of team conflict in organizational settings, showing that LMX's impact on task performance and OCB is neither linear nor straightforward. In some scenarios, task conflict can enhance task performance and OCB, indicating that the effects of LMX on team outcomes are mediated by team conflict.

Significantly, the study identified indirect effects of group-mean LMX on team task performance and OCB through task and status conflict, but not through relationship conflict. The role of Team Member Exchange (TMX) as a moderating factor in the relationship between LMX and team conflict is also highlighted. TMX, representing the quality of interactions among team members, is shown to have a significant moderating effect on the relationship between group-mean LMX and team

relationship conflict.

The findings from this research contribute to a better understanding of the intricate dynamics between leader-member and member-member interactions within teams. They suggest that both vertical (leader-member) and horizontal (member-member) interactions are critical in shaping the team's atmosphere, resolving conflict, and influencing performance and OCB. This study opens up new avenues for future research to explore how TMX moderates various aspects of LMX's impact and develop more effective leadership and team development programs considering the complex network of relationships within teams.

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Appendix A

Scales of Study Variables

LMX (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (not at all) to 7 (to a large extent).]

1. How well does your leader understand your job problems and needs?
2. How well does your leader recognize your potential?
3. How well does your leader is satisfied with what you do?
4. Regardless of how much formal authority he/ she has built into his/her position, what are the chances that your leader would use his/her power to help you solve problems in your work?
5. Regardless of the amount of formal authority your leader has, what are the chances that he/ she would bail you out" at his / her expense?
6. I have enough confidence in my leader that I would defend and justify his/her decision if he/she were not present to do so?
7. My working relationship with my leader is extremely good.

TMX (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).]

1. How often do you make suggestions about better work methods to other team members?
2. Do other members of your team usually let you know when you do something that makes their jobs easier (or harder)?
3. How often do you let other team members know when they have done something that makes your job easier (or harder)?
4. How well do other members of your team recognize your potential?
5. How well do other members of your team understand your problems and needs?

6. How flexible are you about switching job responsibilities to make things easier for other team members?
7. In busy situations, how often do other team members ask you to help out?
8. In busy situations, how often do you volunteer your efforts to help others on your team?
9. How willing are you to help finish work that had been assigned to others?
10. How willing are other members of your team to help finish work that was assigned to you?

Task conflict (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).]

1. Members in my work unit often have disagreements regarding the work being done.
2. There are a lot of conflict about ideas among members in my work unit.
3. There is a lot of conflict about the work we do among members in my work unit.
4. There are a lot of differences of opinion among members in my work unit.

Relationship conflict (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).]

1. There is a lot of friction among members in my work unit.
2. There are a lot of personality conflict in my work unit.
3. There is a lot of tension among members in my work unit.
4. There is a lot of emotional conflict among members in my work unit.

Status conflict (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).]

1. My team members frequently took sides (i.e., formed coalitions) during conflict.
2. My team members experienced conflict due to members trying to assert their dominance.

3. My team members competed for influence.
4. My team members disagreed about the relative value of members' contributions.

Team performance (rated by floor managers of each team at Time 2)

Relative to an average store, please rate this store with regard to each of the following dimensions.

well below average, 5 well above average

1. The number of sales of the store. (from AMJ)
2. The quality of sales of the store. (from AMJ)
3. Your overall evaluation of the store's effectiveness. (from AMJ)
4. The efficiency of store operations. (from MS, efficiency dimension)
5. The store's ability to meet their goals. (from MS, effectiveness dimension)

Team organizational citizenship behavior (rated by team members at Time 1)

[Measured on a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) by supervisors.]

1. In this team, team members help each other out if someone falls behind in his/her work
2. In this team, team members willingly share their expertise with other members of the crew
3. In this team, team members try to act like peacemakers when other crew members have disagreements.
4. In this team, team members take steps to try to prevent problems with other crew members.
5. In this team, team members willingly give of their time to help crew members who have work-related problems.
6. In this team, team members "Touch base" with other crew members before

initiating actions that might affect them.

7. In this team, team members encouraging each other when someone is down.