

Chenwei Liao

Abstract

“Divergent Effects of Leader-Member Exchange Differentiation on Individual and Group Outcomes: A Multilevel Analysis”

Drawing on justice and social comparison theories, this study examined leader-member exchange (LMX) differentiation as a group contextual variable that operates at both the group and individual levels. We hypothesized that LMX differentiation is negatively related to group effectiveness, operationalized as group performance and organizational citizenship behavior (OCB) climate, via its negative impact on procedural justice climate. Also, we proposed that LMX differentiation strengthens the relationship between relative idiosyncratic deals (i-deals), supervisory procedural justice, and employee outcomes at the individual level. Data from a U.S. sample of 961 employees nested in 71 restaurants supported our hypothesized model. Results of our study highlight the contextual role of LMX differentiation in impacting individual and group outcomes.