

Understanding Leader-Follower and Team-Member Exchange Relationships in Teams: A Multilevel Investigation

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Abstract

In this study, my aim was to advance the research on interpersonal exchange relationships by understanding and exploring how vertical exchange relationships between supervisors and subordinates influence lateral exchange relationships among team members in organizations. Specifically, I sought to integrate social exchange theory and research on team climate and workplace friendship to develop and test a multilevel model. At the individual level, I theorized that leader-member exchange (LMX) quality influences individual team members' perceptions of team-member exchange (TMX) quality. I also hypothesized that workplace friendship acts as a mechanism to mediate the relationship between LMX quality and TMX quality. At the group level, I hypothesized that affective climate moderates the relationship between LMX quality and workplace friendship. I tested the model with data collected from a sample of 215 manager-employee matched dyads working in 36 teams in a large Australian banking organization. Hierarchical linear modeling (HLM) was used to analyze the multilevel data and results provided support for all individual-level and group-level hypotheses. Findings suggest that effective LMX relationships help strengthen workplace friendship between subordinates and coworkers, especially when affective climate is strong in teams. The results of this study have implications for research on LMX, TMX, teamwork, affective climate and multi-level issues in teams.

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