

Repositório ISCTE-IUL

Deposited in *Repositório ISCTE-IUL*:

2019-05-25

Deposited version:

Post-print

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Antino, M., Rico, R. & Thatcher, S. B. (2018). Structuring reality through the faultlines lens: the effects of structure, fairness, and status conflict on the activated faultlines-performance relationship. *Academy of Management Journal*. N/A

Further information on publisher's website:

10.5465/amj.2017.0054

Publisher's copyright statement:

This is the peer reviewed version of the following article: Antino, M., Rico, R. & Thatcher, S. B. (2018). Structuring reality through the faultlines lens: the effects of structure, fairness, and status conflict on the activated faultlines-performance relationship. *Academy of Management Journal*. N/A, which has been published in final form at <https://dx.doi.org/10.5465/amj.2017.0054>. This article may be used for non-commercial purposes in accordance with the Publisher's Terms and Conditions for self-archiving.

Use policy

Creative Commons CC BY 4.0

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a link is made to the metadata record in the Repository
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.



Structuring Reality through the Faultlines Lens: The Effects of Structure, Fairness, and Status Conflict on the Activated Faultlines-performance Relationship

Journal:	<i>Academy of Management Journal</i>
Manuscript ID	AMJ-2017-0054.R4
Manuscript Type:	Revision
Keywords:	Composition/diversity < Group/team characteristics < Organizational Behavior < Topic Areas, Conflict management < Group/team processes < Organizational Behavior < Topic Areas, Social identity theory < Theoretical Perspectives
Abstract:	<p>We investigate how activated team faultlines represent an informal sensemaking structure through which teammates interpret their social reality. Constructed from inter-subgroup comparisons, activated faultlines likely result in status perceptions that are ambiguous or illegitimate. Thus, activated faultlines threaten the justice climate within the team, which drives status conflict, impairing team performance. We explore the effects of team structure clarity in providing certainty or legitimacy around status and structure, ameliorating the negative effect of activated faultlines on team justice climate. We tested our model using a multi-source (three sources), multi-wave cross-lagged design (four waves) on a sample of 271 employees and 41 leaders in 41 teams. We found that the negative relationship between activated faultlines and team performance was mediated by the team justice climate—status conflict causal chain. We also found that team structure clarity reduced activated faultlines negative effect on team justice climate. The results highlight the value of using team faultlines, the social identity approach, and justice theories to understand how diverse teams interpret their social reality that influences their performance. Furthermore, our research provides practical guidance to managers in building clear team structures that minimize the harmful effects of activated faultlines on justice perceptions and team performance.</p>

1
2
3
4 **Structuring Reality through the Faultlines Lens: The Effects of**
5 **Structure, Fairness, and Status Conflict on the**
6 **Activated Faultlines-performance Relationship**
7
8
9

10 **Mirko Antino**

11 ISCTE-IUL, Instituto Universitário de Lisboa
12 m.antino@psi.ucm.es
13

14 **Ramon Rico**

15 University of Western Australia
16 ramon.rico@uwa.edu.au
17
18

19 **Sherry M.B. Thatcher**

20 University of South Carolina
21 sherry.thatcher@moore.sc.edu
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 **STRUCTURING REALITY THROUGH THE FAULTLINES LENS: THE EFFECTS**
4 **OF STRUCTURE, FAIRNESS, AND STATUS CONFLICT ON THE ACTIVATED**
5 **FAULTLINES-PERFORMANCE RELATIONSHIP**
6

7
8 **ABSTRACT**

9 We investigate how activated team faultlines represent an informal sensemaking structure
10 through which teammates interpret their social reality. Constructed from inter-subgroup
11 comparisons, activated team faultlines likely result in status perceptions that are ambiguous
12 or illegitimate. Thus, activated faultlines threaten the justice climate within the team, which
13 drives status conflict, impairing team performance. We explore the effects of team structure
14 clarity in providing certainty or legitimacy around status and structure, ameliorating the
15 negative effect of activated faultlines on team justice climate. We tested our model using a
16 multi-source (three sources), multi-wave cross-lagged design (four waves) on a sample of
17 271 employees and 41 leaders in 41 teams. We found that the negative relationship between
18 activated faultlines and team performance was mediated by the team justice climate—status
19 conflict causal chain. We also found that team structure clarity reduced activated faultlines
20 negative effect on team justice climate. The results highlight the value of using team
21 faultlines, the social identity approach, and justice theories to understand how diverse teams
22 interpret their social reality that influences their performance. Furthermore, our research
23 provides practical guidance to managers in building clear structures that minimize the
24 harmful effects of activated faultlines on justice perceptions and team performance.
25
26
27

28 *Keywords:* Team faultlines, Status conflict, Team justice climate, Team structure
29

30 The capacity of teams to effectively integrate, combine and understand multiple
31 perspectives of diverse employees (van Knippenberg, De Dreu & Homan, 2004) has made
32 teams a popular way to deal with the increasing complexity of today's organizational tasks.
33 Consequently, team diversity management has become a cornerstone of organizational
34 effectiveness (Joshi & Roh, 2009). Organizational scholars have redoubled their efforts to
35 accurately assess the effects of diversity; rather than focus on the dispersion of single
36 attributes, researchers now investigate more complex compositional patterns such as dormant
37 team faultlines (hypothetical dividing lines that create subgroups based on the alignment of
38 multiple attributes; Lau & Murnighan, 1998). Despite the growth in studies exploring the
39 relationship between faultlines and a variety of group process and performance outcomes,
40 there is still enormous untapped potential in our understanding, and conceptualization of
41 faultlines. We argue that when team faultlines are activated, they represent an informal
42 sensemaking structure with important implications for fairness perceptions and status
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 conflict; this view of team faultlines helps reconcile some of the extant disparate findings in
4
5 the field.
6

7
8 The current state of research synthesized in a quantitative review (Thatcher & Patel,
9
10 2012), shows that team faultlines create fractures within teams that result in conflict, inhibit
11
12 team information elaboration and reduce key outcomes, such as decision quality, accuracy
13
14 and performance. Although the majority of studies associate negative outcomes with dormant
15
16 faultlines, there are inconsistencies in the findings; some studies show that dormant faultlines
17
18 can result in positive group processes and performance outcomes under certain contexts
19
20 (Bezrukova, Jehn, Zanutto, & Thatcher, 2009; Cooper, Patel, & Thatcher, 2013; Lau &
21
22 Murnighan, 2005; Meyer, Shemla, & Schermuly, 2011; Xie, Wang, & Qi, 2015). We argue
23
24 that such inconsistencies may be due to at least two issues present in existing research, which
25
26 hinder a complete understanding of team faultlines and their effects on teams.
27
28
29

30
31 First, faultline researchers assume that dormant faultlines are perceived and thus will
32
33 have similar (albeit less strong) effects to activated faultlines (defined as dormant faultlines
34
35 that are also perceived, Lau & Murnighan, 1998), as borne out by Thatcher & Patel (2012).
36
37 However, from a conceptual perspective, dormant faultlines may exist that do not become
38
39 activated. Hence, it is important to investigate the true impact that activated faultlines have on
40
41 organizational team processes and outcomes. Relatedly, in studies on both dormant and
42
43 perceived faultlines there is an assumption that all attributes underlying the faultlines are
44
45 equally important in determining their strength. However, recent research has shown this
46
47 assumption to be erroneous (e.g., Choi & Sy, 2010, Chung et al., 2015; Jehn & Bezrukova,
48
49 2010). It is necessary to consider what attributes team members perceive as relevant within
50
51 their working context (i.e., which attributes are relevant for faultline activation within their
52
53 team) to accurately assess how activated faultlines affect team processes and performance.
54
55 Accordingly, our work extends current thinking in the study of faultlines by explicitly and
56
57
58
59
60

1
2
3 simultaneously examining both the dormant and perceptual conceptualizations of the
4
5 faultlines construct.
6

7
8 Second, faultline scholars have mainly focused on conceptualizing faultlines as a
9
10 compositional feature of the team. Nevertheless, such a perspective restricts the view that
11
12 teams shape the content and meaning of their diversity. We know from recent research that
13
14 the emergent processes of salience are critical to explaining the effects of diversity on team
15
16 process and outcomes (Joshi & Neely, 2018). Building on the social identity approach
17
18 (incorporating self-categorization and social identity theories; Haslam, 2001, Chattopadhyay,
19
20 Tluchowska, & George, 2004a), we conceptualize activated faultlines as an informal
21
22 sensemaking structure through which team members interpret their social reality. Employees
23
24 composing teams interpret their social reality and develop perceptions based on demographic
25
26 similarities/differences as well as status similarities/differences across subgroups
27
28 (Chattopadhyay, Finn, & Ashkanasy, 2010). In the absence of a legitimating organizational
29
30 mechanism (e.g., a formal structure), such perceptions drive intergroup comparisons yielding
31
32 an atmosphere of competition (Sherif, 1966; Correll & Park, 2005) that may be associated
33
34 with perceptions of inequality and unfairness between faultline-based subgroups (Mannix,
35
36 1993; Sachdev & Bourhis, 1991). To explain these relationships, we incorporate the aspects
37
38 of status and legitimacy that are relevant to the social identity approach (Chattopadhyay et al.,
39
40 2004a; Tajfel & Turner, 1986), rather than incorporating distal status and legitimacy theories¹
41
42 (Magee & Galinsky, 2008; Suddaby, Bitektine & Haak, 2017). In doing so, we maintain
43
44 conceptual coherence as the faultlines literature is strongly rooted in the social identity
45
46 approach (Thatcher & Patel, 2012).
47
48
49
50
51
52
53

54
55 ¹ Drawing from the social identity approach (Tajfel & Turner, 1986), we refer to legitimacy as a perception,
56 specifically as the judgment that social actors have regarding the appropriateness of a specific characteristic or
57 social configuration (adapted from Suddaby et al., 2017). We consider status as an intragroup (inter-subgroup)
58 social resource related to prominence and respect (Bendersky & Hays, 2012). This view is coherent with the
59 social identity approach (Tajfel & Turner, 1986), where status is considered as prestige accorded to social actors
60 (subgroups) because of the abstract positions they occupy in social hierarchies (Gould, 2002).

1
2
3 Overall, our study makes several contributions. First, rather than conceptualizing
4 activated faultlines solely as a more fine-grained diversity measure that emphasizes
5 differences in demographic attributes, we view activated faultlines as a sensemaking structure
6 that conveys information about reciprocal influence, status and power (Brown, Lawrence, &
7 Robinson, 2005) and is used by team members to order and understand their social
8 environment. This conceptualization moves us away from viewing team members as passive
9 actors guided by composition structures and moves us toward accepting that individuals use
10 team attributes to create a reality that guides team interactions.
11
12
13
14
15
16
17
18
19
20

21 As a second contribution, we explain how faultlines as a sensemaking structure trigger
22 team members to be conscious of issues associated with subgroup fairness and inter-subgroup
23 status. Perceptions of unfairness and inter-subgroup differences lead teams to experience
24 status conflict (i.e., the attempt to defend or elevate one's own [subgroup's] relative status –
25 Bendersky & Hays, 2012). We show how organizations can legitimize inter-subgroup
26 differences and promote a sense of fairness among employees by using formal structures that
27 communicate clear roles (Chattopadhyay et al., 2004a). We do this by developing a model
28 linking activated faultlines, team justice climate (the shared perceptions of the extent to
29 which team members treat each other fairly –Cropanzano, Li, & James, 2007), status conflict,
30 team structure clarity, and team performance. Using the social identity approach, we integrate
31 fairness perceptions and status conflict into the faultlines literature contributing to a more
32 nuanced view of how activated faultlines impact organizational teams (Bendersky & Hays,
33 2012; Chattopadhyay, George & Shulman, 2008; Jost & Banaji, 1994); this also directly
34 addresses Thatcher & Patel's (2012) call for research to examine the link between faultlines
35 and status.
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54

55 Third, we provide evidence that leaders can reduce the negative impact of activated
56 faultlines on fairness perceptions by introducing a clear structure that legitimates and/or
57
58
59
60

1
2
3 clarifies inter-subgroup status differences, contributing to effective faultlines management.
4
5 Our fourth contribution is the development of a new faultlines measure that incorporates both
6
7 the dormant and perceived facets of faultlines. This new measure complements existing
8
9 measures and stimulates new empirical opportunities for faultline researchers. Our
10
11 hypotheses are tested using longitudinal data over four time periods on a sample of 271
12
13 subordinates and 41 supervisors composing 41 teams from a healthcare organization in Spain.
14
15 Figure 1 summarizes the relationships among the various constructs in our research.
16
17
18

19 -----Insert Figure 1 about here-----
20

21 22 **Theoretical Background and Hypotheses**

23 Previous research has shown that faultline-based alignments create fractures within
24
25 teams that inhibit team performance through group processes (such as increased team conflict
26
27 or reduced elaboration of task relevant information; Rico, Sánchez-Manzanares, Antino, &
28
29 Lau, 2012), and that such effects are stronger when faultlines are activated (Thatcher & Patel,
30
31 2012). These empirical results are mainly explained by the social identity approach (Lau &
32
33 Murnighan, 1998; Kunze & Bruch, 2010, Thatcher, Jehn, & Zanutto, 2003), which focuses on
34
35 how attribute salience results in a categorization process yielding both in-group and out-
36
37 group perceptions (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987; Shemla, Meyer, Greer,
38
39 & Jehn, 2016). More specifically, categorization processes can be explained through the
40
41 saliency of diversity dimensions, based on *comparative and normative fit* (i.e., the degree to
42
43 which the diversity dimensions are related to actual differences between members and how
44
45 meaningful they are for the group members within their group context, respectively) and
46
47 *cognitive accessibility* (i.e., how easily members perceive the differences, and how quickly
48
49 they come to mind). When these three components are present, categorization induces
50
51 subgroup formation and inter-subgroup bias processes that disrupt inter-subgroup relations
52
53 (Turner et al., 1987; van Knippenberg et al., 2004). Based on these theories, Lau and
54
55 Murnighan (1998) proposed that dormant faultlines become activated when team members
56
57
58
59
60

1
2
3 perceive faultline-based subgroups. In their original theorization, the negative effects of
4
5 faultlines on team processes and outcomes are associated with their activation (Lau &
6
7 Murnighan, 1998).
8
9

10 Notwithstanding the original theorization, the majority of research on faultlines has
11
12 investigated dormant faultlines (Meyer et al., 2014; Thatcher & Patel, 2012); unfortunately,
13
14 this research is unable to conclusively state what attributes contribute to a team's activated
15
16 faultline (Minichilli, Corbetta, & MacMillan, 2010). The results attributed to dormant
17
18 faultlines may or may not be caused by unmeasured faultline activation. Despite the
19
20 importance of investigating activated faultlines in organizations, and some recent efforts in
21
22 studying perceived diversity in the field (Mayo, van Knippenberg, Guilen, & Firfiray, 2016),
23
24 there is a dearth of research on this topic due to the difficulty of obtaining such data (for a
25
26 review, see Meyer et al., 2014). Accordingly, and consistent with the original
27
28 conceptualization of faultlines, we submit that simultaneously considering both the dormant
29
30 and the perceived aspects of faultlines is essential to wholly understanding their effects on
31
32 teams.
33
34
35
36
37

38 Apart from the operationalization of activated faultlines, what is missing in the current
39
40 conversation is how the meanings associated with subgroup configurations caused by
41
42 activated faultlines influence perceptions of fairness and inter-subgroup status. Faultlines
43
44 represent a social configuration of team members that simultaneously considers multiple
45
46 diversity dimensions, where the same team members may be aligned on one dimension
47
48 (sharing a specific attribute that results in a subgroup) and crossed on another dimension
49
50 (sharing a specific attribute with members of other subgroups; Lau & Murnighan, 1998).
51
52 Thus, it is more complex for team members to interpret their reality using a faultlines lens
53
54 (i.e., considering several dimensions at the same time) than focusing on a single diversity
55
56 dimensions separately (e.g., only gender or only age). For example, in a team composed of
57
58
59
60

1
2
3 long-tenured female engineers and administrative assistants, and newcomer male engineers
4 and administrative assistants, team members differ on the attributes of tenure, gender, and job
5 function. Some of the attributes are associated with high status (e.g., long-tenured, male, the
6 engineer job function) and some of the attributes are associated with low status (e.g.,
7 newcomer, female, the administrative assistant job function) (Howell, Harrison, Burris &
8 Detert, 2015; Phillips, Duguid, Thomas-Hunt, & Uparna, 2013). If the team members
9 perceive their reality only on job function (single diversity dimension) then it is very clear
10 that the engineers would represent a high-status subgroup and the assistants would represent a
11 low-status subgroup. However, if team members perceive their reality using a faultline lens,
12 things are more complicated as the faultline creates subgroups of team members who contain
13 both high and low status dimensions (for example, long-tenured female engineers have both
14 high-status and low-status attributes simultaneously). Subgroups of members containing both
15 high- and low-status attributes may perceive unfairness because of their gender, age, or
16 functional background. In this scenario, potential activated faultlines produce an inherently
17 ambiguous inter-subgroup status structure; this sensemaking view of faultlines has not yet
18 been accounted for in extant faultlines research.

19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40 In accordance with the above rationale, we argue that activated faultlines are an
41 informal sensemaking structure that team members use to interpret the social reality derived
42 from the interactions between different subgroups. These interpretations create mental
43 representations of reciprocal influence, inter-subgroup status, and power that are based on
44 perceptions of interpersonal differences (Brown, Lawrence, & Robinson, 2005; Fiol,
45 O'Conner, & Aguinis, 2001; Harrison, Price, Gavin, & Florey, 2002). Due to the complex
46 nature of faultlines these mental representations are often ambiguous with regard to the status
47 hierarchy. Furthermore, with the drive to create a positive sense of self through gaining
48 status, faultlines may also result in perceptions of illegitimate inter-subgroup status
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 distribution, as explained by the social identity approach (Hogg & Terry, 2000;
4 Chattopadhyay et al., 2004a, Chattopadhyay, George, & Lawrence, 2004b). In short, the
5 social identity approach offers theoretical grounding to explain how faultlines provide a
6 social sensemaking structure, but the inter-subgroup status underpinnings of such a structure
7 are likely to be perceived as ambiguous and/or illegitimate. Thus, advancing extant theory,
8 we predict that activated faultlines, as an informal sensemaking structure, drives unfairness
9 perceptions and conflicts over status. We explain these relationships in the next subsections.

19 **The Relationship between Faultlines, Status Conflict, and Team Performance**

21 Since its inception, there have been conceptual arguments (Lau & Murnighan, 1998)
22 and empirical evidence supporting the relationship between dormant faultlines and
23 relationship conflict [“interpersonal incompatibilities among group members, which
24 typically includes tension, animosity, and annoyance among members within a group”; Jehn,
25 1995, p. 258] and/or task conflict [“disagreements among group members about the content
26 of the tasks being performed, including differences in viewpoints, ideas, and opinions”; Jehn,
27 1995, p. 258] (e.g., Choi & Sy, 2010; Thatcher et al., 2003; Molleman, 2005). Furthermore,
28 Jehn & Bezrukova (2010) found that *perceived* faultlines in student groups led to an increase
29 in relationship conflict. Although studying the relationship between dormant or perceived
30 faultlines and task and relationship conflict has been fruitful, we posit that activated faultline
31 teams are especially susceptible to conflict associated with status (attempts to defend or
32 elevate one’s own [subgroup’s] relative status –Bendersky & Hays, 2012). Our investigation
33 of status conflict as a specific mechanism related to status as a social resource and as an
34 identity threat, explains how faultlines influence performance, independent of the
35 interpersonal aspects associated with relationship- and task-related conflict (Bendersky &
36 Hays, 2012). To back our assertion, we first characterize status conflict within the intergroup
37 dynamics that the social identity approach demarcates, and then explain why it is likely to
38 mediate the relationship between activated faultlines and team performance.

1
2
3 According to the social identity approach, individuals and (sub)groups proactively
4 pursue a positive social identity (as a fundamental human motive, Tajfel & Turner, 1986;
5 Chattopadhyay et al., 2004b). A basic strategy to achieve a positive social identity is through
6 social competition, embodied as status conflict. Besides social competition, subgroups can
7 aim for a positive social identity through other strategies, such as social mobility or social
8 creativity (Chattopadhyay et al., 2004a); however, these last two strategies are unlikely to
9 work in activated faultline teams as we explain next.
10
11
12
13
14
15
16
17
18

19 Through social mobility team members dissociate from a low status subgroup to gain
20 membership into a higher status subgroup, such as by assimilating high-status subgroup
21 norms (Chattopadhyay et al., 2004a). Social mobility is unlikely to be successful in activated
22 faultline teams as it concurrently requires that the high-status subgroup members accept the
23 low status subgroup members as equals, and the low status members acquire the norms and
24 values of the high-status subgroup. Additionally, this strategy calls for permeable boundaries
25 between social categories; this is unlikely in faultline-based teams when activated faultlines
26 have resulted in subgroup identification and consequent inter(sub)group biased interactions
27 (Carton & Cummings, 2012).
28
29
30
31
32
33
34
35
36
37
38
39

40 Through a social creativity strategy, low-status team members move up in the status
41 hierarchy by generating alternative ingroup-outgroup comparisons on dimensions that are
42 more positive for their social identity (Tajfel & Turner, 1986), and are not directly related to
43 status in the current context (e.g., athletic or artistic abilities, Oyserman & Harrison, 1998). In
44 faultline-based teams social creativity is unlikely to work because this strategy is a collective
45 response that requires coordination within the entire low-status subgroup. Additionally, when
46 team members differ simultaneously on several dimensions, it complicates efforts for an
47 entire subgroup to create a completely new, unrelated identity.
48
49
50
51
52
53
54
55
56
57

58 Thus, although social creativity and social mobility are common strategies for
59
60

1
2
3 individual employees pursuing status change within organizations (Chattopadhyay et al.,
4
5 2010), we consider social competition to be the most viable strategy for team members
6
7 wishing to alter their status within an activated faultline-based team. Importantly, social
8
9 competition takes into account the desires by both those with perceived low status (e.g., to
10
11 improve their status) and those with perceived high status (e.g., to defend their status).
12
13 Accordingly, activated faultline teams will engage in social competition to enhance positive
14
15 identities as manifested through status conflict (Bendersky & Hays, 2012; Jehn, 1995).
16
17

18
19 Four features describe status conflict: (1) it is motivated by instrumental interests to
20
21 increase or defend one's status associated with a positive identity; this means that individuals
22
23 and subgroups attempt to legitimate their own group over others independently of their
24
25 interpersonal relations; (2) it involves a coalition of actors; (3) it is zero-sum whereby if one
26
27 party wins status, another party loses status; and (4) it is reflected by denigrating or
28
29 aggrandizing behaviors (Bendersky & Hays, 2012). The uniqueness of status conflict
30
31 (compared to other types of conflict) is related to the view of status not as a static emergent
32
33 state, but rather as a negotiable and dynamic social resource. The identity-based structure
34
35 caused by activated faultlines invokes the first two features of status conflict, as explained by
36
37 social identity theories. Note that we are not necessarily concerned with the content of the
38
39 status (e.g., race, gender) or the specific ascription of status to a particular subgroup (e.g.,
40
41 high status, low status); rather, our arguments are based on the idea that the presence of
42
43 subgroups derived from an informal sensemaking structure (activated faultlines) results in
44
45 differential status perceptions between subgroups. Thus, regardless of whether a subgroup is
46
47 in a dominant, submissive, or equal position relative to other subgroups, the saliency of
48
49 subgroups and perceived threats regarding job resources and status push subgroups to
50
51 manipulate the social construction of status relations fueling status conflict (Chattopadhyay et
52
53 al., 2008; Porath, Overbeck, & Pearson, 2008; Zhou, 2005). Consequently, we expect a
54
55
56
57
58
59
60

1
2
3 positive relationship between teams with strong activated faultlines and status conflict.
4

5 The latter two features of status conflict reflect outcomes associated with status
6 conflict in the form of behaviors and status distribution within a team. Status conflict, unlike
7 relationship or task conflict, is defined by its zero-sum nature (Bendersky & Hays, 2012).
8 Meta-analyses of relationship conflict have generally shown that relationship conflict results
9 in a negative net loss for everyone within a team (de Wit, Greer, & Jehn, 2012), with some
10 exceptions (e.g., Jung & Lee, 2015). Likewise, task conflicts are generally seen as
11 detrimental to teams, although some studies have found positive effects (e.g. Jehn, 1995;
12 Hollenbeck et al., 1995). Because status conflict is inherently zero-sum, the negative
13 interactions between subgroups in the form of aggrandizing and denigrating behaviors
14 reinforce subgroup salience, which has negative consequences for teams. For example,
15 research has found that coalitions formed with the aim of increasing or defending status
16 differences creates an environment of reduced communication that impairs team performance
17 (Tost, Gino, & Larrick, 2013). For this reason, we consider status conflict as a unique and
18 specific type of conflict that operates above and beyond other types of conflict and results
19 from perceptions associated with ambiguity or the lack of status legitimacy in teams.
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

40 When activated faultline teams experience status conflict, they will focus at least a
41 portion of subgroup actions on maintaining or enhancing status positions rather than focusing
42 on the team task; as a result, these teams are likely to make suboptimal decisions regarding
43 performance (Bendersky & Hays, 2012; Loch, Huberman, & Stout, 2000; Groysberg, Polzer,
44 & Elfenbein, 2011). In addition to poor use of time management, activated faultline teams
45 experiencing status conflict are likely to have low levels of performance for two other
46 reasons. First, members of a subgroup experiencing status conflict are likely to feel less
47 connected to members of other subgroups resulting in differentiated information seeking and
48 strong judgment biases (Vescio, Snyder, & Butz, 2003; Ruscher & Fiske, 1990). Second,
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 according to Worchel, Rothgerber, Day, Hart, & Butemeyer (1998), status conflict can result
4
5 in increased attention to subgroup goals and tasks, benefitting subgroup performance at the
6
7 expense of overall team performance. Consequently, we expect that activated faultline teams
8
9 will experience status conflict, impairing team performance.
10
11

12 *Hypothesis 1a: The negative relationship between activated faultlines and team*
13 *performance will be mediated by status conflict.*
14

15
16 In the preceding rationale, we argued that activated faultline teams will experience
17
18 status conflict leading to low levels of performance; but it is also important to explore a
19
20 mechanism that explains why activated faultlines cause status conflict. As the intergroup
21
22 relations literature posits, intergroup reactions and status conflicts are influenced by team
23
24 members' views about the inter-subgroup status distribution within the team and the
25
26 legitimacy of their subgroup's status (Tajfel 1974; Tajfel & Turner, 1979; Doosje, Spears, &
27
28 Ellemers, 2002; van Dijk & van Engen, 2013; Christie & Barling, 2010). In the following
29
30 section, we elaborate on a mechanism that explains the positive relationship between
31
32 activated faultlines and status conflict: team justice climate (i.e., a team-level cognition
33
34 expressing shared fairness perceptions of treatment by leaders or other team members; -
35
36 Whitman, Caleo, Carpenter, Horner, & Bernerth, 2012).
37
38
39

40 **The mediational role of team justice climate (TJC) in the activated faultlines and status** 41 **conflict relationship** 42 43

44 In activated faultline-based teams, individuals across subgroups may differ on several
45
46 dimensions that may include both high and low status characteristics, generating a sense of
47
48 status ambiguity. Such ambiguity complicates employee's efforts to use salient dimensions
49
50 (e.g., demographic characteristics) to classify and systematize their work context
51
52 (Chattopadhyay et al. 2004). In fact, in ambiguous status situations, the desire for team
53
54 members to build a positive identity through categorization processes (e.g. classifying
55
56 themselves into a valued ingroup –Turner, 1987) is difficult because of the possibility of
57
58 contradictory stereotypes (Franke, Keinz, & Klausberger, 2013). Hence, the ambiguity
59
60

1
2
3 caused by activated faultline-based teams will likely cause team members to experience
4
5 uncertainty.
6

7
8 In parallel, when there is a clearly-aligned faultline demarcating high status and low
9
10 status subgroups, the informal sensemaking structure represented by the faultline may drive
11
12 perceptions of status illegitimacy caused by stereotype-based information (Hogg & Terry,
13
14 2000; Jost & Banaji, 1994). Status attributions ascribed by society or the organizational
15
16 environment (e.g., being a female in a male dominated industry) can result in non-ambiguous,
17
18 but illegitimate status perceptions. For example, in a male dominated industry, men (a
19
20 dominant category) may be viewed as competent and committed, while women (a
21
22 subordinate category) may be seen as incompetent and not committed (Fiske, Cuddy, &
23
24 Glick, 2007). These societal attributions influence perceived structural relations between
25
26 subgroups thereby justifying discrimination between subgroups (Fiske, Cuddy, Glick, & Xu,
27
28 2002; Glick & Fiske, 1999). Thus, activated faultlines induce uncertainty either through the
29
30 ambiguity that mixed attributions create, and/or through the perceived illegitimate status
31
32 attributions dictated by the social context where teams are embedded.
33
34
35
36

37
38 As a consequence of these non-mutually exclusive ambiguous or illegitimate
39
40 perceptions, members of activated faultline teams will likely experience unfairness
41
42 perceptions (low TJC). Based on the social identity approach (Chattopadhyay et al., 2004a),
43
44 the legitimacy of a specific social stratification relies on two assumptions: that the status
45
46 linked to a specific category reflects the true status in an organizational context (distributive
47
48 justice, Greenberg 1987); and that the distribution process is perceived to be fair (procedural
49
50 justice, Lind & Tyler, 1988). Because the status structure of activated faultline teams lends
51
52 itself to behaviors aimed at increasing or defending one's subgroup status (Chattopadhyay,
53
54 1999; Chattopadhyay, et al., 2004a), members of activated faultline teams will experience
55
56 low levels of TJC (Lamertz, 2002; Lind, Kray, & Thompson, 1998).
57
58
59
60

1
2
3 In sum, the informal sensemaking structure derived from activated faultlines allows
4 for an interpretation of the inter-subgroup status hierarchy that is ambiguous or illegitimate,
5 driving low levels of fairness perceptions (Chattopadhyay et al., 2004a). In this situation,
6 according to the social identity approach, team members will change their behaviors and
7 attitudes to enhance a positive social identity through social competition behaviors (e.g.,
8 status conflict), as a way to reduce uncertainty and/or unfairness perceptions (Hogg &
9 Mullin, 1999; Major et al., 2002). Consequently, status conflict in activated faultline teams
10 results from a desire to enhance a positive identity, and/or to create a more legitimate inter-
11 subgroup status configuration (Hogg & Terry, 2000; Naumann & Bennett, 2000;
12 Chattopadhyay et al., 2004a; Porath et al., 2008). Thus, we submit that a team's sense of
13 unfairness, as manifest by a low TJC causes status conflict in activated faultline teams, which
14 impairs team performance. This results in the following hypotheses:

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31 *Hypothesis 1b: Team justice climate will mediate the relationship between activated*
32 *faultlines and status conflict.*

33 *Hypothesis 1c: The negative relationship between activated faultlines and team*
34 *performance will be mediated by team justice climate and status conflict, such that*
35 *activated faultlines will reduce team justice climate and therefore promote status*
36 *conflict, which in turn will impair team performance.*

37 38 39 **The moderating role of team structure clarity in the relationship between team** 40 **faultlines and team justice climate**

41
42 Despite the presence of ambiguity and illegitimacy in teams with activated faultlines,
43 organizations and leaders can take action to ameliorate the negative effects of activated team
44 faultlines on team justice climate. The use of stereotypes and social comparison mechanisms
45 provide an inter-subgroup status configuration that results in perceptions of unfairness and
46 ultimately, behaviors associated with status conflict. However, organizations can provide a
47 clear team structure to create conditions that legitimate inter-subgroup status differences,
48 reduce ambiguity and attenuate the negative effects of activated faultlines on TJC. Team
49 structure clarity (the lucidity of the structure) is the extent to which a team is organized
50 through an elaborated division of vertical and horizontal labor, and has clear procedures for
51
52
53
54
55
56
57
58
59
60

1
2
3 coordinating and prioritizing work (Bunderson & Boumgarden, 2010).
4

5
6 According to the social identity approach, the extent to which the status of a particular
7
8 category is legitimated can be explained by the norms of organizations and other social
9
10 structures, such as the broader society (Bargh, 1999; van Knippenberg & Ellemers, 1993).
11
12 For example, in a team composed of scientists and managers, acknowledgement of the
13
14 scientist's status by the managers and respectful acknowledgement of the management's
15
16 status by the scientists will result in status legitimacy and a sense of fairness (Zitek &
17
18 Tiedens, 2012). Under these circumstances, status differences are unlikely to result in
19
20 stereotypical perceptions (Hornsey, 2008) or a desire for status change. Accordingly, the
21
22 negative impact of activated faultlines on fairness perceptions (i.e., TJC) can be reduced by
23
24 creating a context where team members clearly perceive inter-subgroup status differences.
25
26 Managers can create such a context by providing teams with clear team structures that reduce
27
28 uncertainty, increase legitimacy around status, and provide common schemas for expectations
29
30 (Fiol, et al., 2001). In fact, when teammates know their roles, procedures and authority
31
32 relations (i.e., status hierarchy), their interactions become predictable, such that work-related
33
34 information exchange becomes more effective (Anderson & West, 1998; Baron, Jennings, &
35
36 Dobbin, 1988; Degoey, 2000).
37
38
39
40
41

42 To better characterize how team structure clarity impacts the activated faultlines–TJC
43
44 relationship, we consider Bunderson and Boumgarden's (2010) main indicators of team
45
46 structure: *hierarchy*, *formalization* and *specialization*. Specifically, clarifying formal
47
48 responsibility positions (i.e., *hierarchy*) can ensure that different pieces of information are
49
50 shared and acknowledged during task-related interactions, setting the stage for justice-related
51
52 information sharing (Larson, Foster-Fishman, & Franz, 1998; Lind, 1995). In this regard,
53
54 clear identification of expert roles (by clarifying who possesses information and where
55
56 particular types of information reside within the team) facilitates information sharing
57
58
59
60

1
2
3 (Stasser, Steward, & Wittenbaum, 1995). In addition, clarity around roles, procedures and
4
5 priorities (i.e., *formalization*), makes member relations and interactions predictable and
6
7 eliminates uncertainty by grounding common perceptions (Edmondson, 1999; Sitkin & Roth
8
9 1993). Finally, *specialization* occurs when team members engage in dyadic exchanges,
10
11 sharing and seeking out information related to their own and their teammates' capabilities
12
13 and responsibilities within the team (i.e. role identification behaviors, Kozlowski, Gully,
14
15 Nason, & Smith, 1999). Through specialization, team members develop a deep understanding
16
17 of their own role, and create reciprocal role expectations that in turn are conducive to a
18
19 shared cognitive structure regarding other's roles and expectations (the basis for the
20
21 construction of a justice climate). Thus, team structure clarity creates the conditions that
22
23 allow members in activated faultline teams to reduce their focus on demographic
24
25 categorizations and refocus their efforts on shared understandings of interaction and hence,
26
27 develop a common view of fairness, as evidenced by high levels of TJC. In this regard,
28
29 perceived inter-subgroup status legitimacy reduces potential threats caused by differences
30
31 among subgroups (Chattopadhyay et al., 2004a; Tyler, 2006) and when inter-subgroup status
32
33 distribution in a team is clear and legitimated through organizational actions, team members
34
35 are more likely to accept the status differences (Chattopadhyay et al., 2004a). For these
36
37 reasons, we submit that team structure clarity will reduce the negative impact of activated
38
39 faultlines on TJC.
40
41
42
43
44
45
46

47 In contrast, unclear team structures perpetuate ambiguity around role relationships, as
48
49 well as uncertainty and illegitimacy perceptions around the inter-subgroup status hierarchy,
50
51 created by activated faultlines that jeopardizes fairness perceptions (Fiol, et al., 2001). In
52
53 other words, without a clear formal structure, activated faultlines provide the baseline
54
55 informal sensemaking structure guiding team member interactions centered on subgroups and
56
57 perceived status. Under such circumstances, common interpretations of fairness will be
58
59
60

1
2
3 impaired, yielding negative perceptions of TJC. Accordingly, we submit that:
4

5
6 *Hypothesis 2: Team structure clarity moderates the activated faultlines–TJC–status*
7 *conflict mediated relationship, such that clear team structures attenuate the mediated*
8 *indirect effect of the activated faultlines–TJC–status conflict relationship, and unclear*
9 *team structures perpetuate the existing mediated indirect effect of the activated*
10 *faultlines–TJC–status conflict relationship.*
11

12 **METHOD**

13 **Organizational Context**

14
15 The data were collected from a Spanish healthcare organization delivering social
16 healthcare services, such as psychological services and social rehabilitation for socially
17 marginalized or brain-damaged people, and those suffering from intellectual incapacitation.
18 Accordingly, the organization has a range of diverse employees, who are equipped with a
19 variety of technical skills and expertise. The organization has a team-based structure, where
20 teams consist of social workers, sociologists, psychologists, educators and in some cases
21 social technicians (workers who perform many of the same functions as social workers, but
22 do not have the formal education or qualifications to hold the title of social worker). The
23 main task of these teams is to monitor and provide daily support for the service beneficiaries
24 who have a high risk of social exclusion. These teams establish social rehabilitation programs
25 for the beneficiaries and, when required, intervene in emergencies (i.e., specific psychiatric
26 treatment) by contacting the Spanish public healthcare system. As one example of a social
27 rehabilitation program, beneficiaries were trained to collect used oil from families in private
28 households, transform the used oil into soap, and return the soap to the families who provided
29 the used oil. To facilitate this program, the team members discussed and agreed on action
30 protocols with respect to the expected impact of this activity on the beneficiaries. The three
31 main goals linked with this particular program were: stigma reduction associated with the
32 beneficiaries from the community; development of a new set of skills (soap-production); and
33 an increase in the beneficiaries' social network.
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

59 This organization is ideal for examining the relationships proposed in our model for
60

1
2
3 three main reasons. First, the organization operates under a team-based structure whereby
4 each team is led by a supervisor and has its own set of beneficiaries and performance
5 assessments. Second, each team is an intact unit such that an individual belongs to only one
6 team and the team members see themselves as being part of a distinct team. Effective
7 completion of tasks requires a high level of interdependence and there is mutual
8 responsibility for the team outcomes. And third, team supervisors are given latitude with
9 respect to team organization and functioning, such that some teams function as decentralized
10 units and other teams operate within formal structures.

21 **Sample**

22
23 Our study required collection of data via multisource survey instruments at four
24 different time periods at six-week intervals. During the first wave of data collection we
25 distributed questionnaires to 512 team members and received 411 complete questionnaires
26 (first response rate = 80.27%); additionally, we surveyed team supervisors (response rate of
27 89.39%, 59 out of 66 surveys distributed). During the second data collection, we sent surveys
28 to the 411 members who completed the first survey and received 367 completed surveys
29 (second response rate = 71.67%). A response rate of 60.35% was achieved during the third
30 data collection stage, based on our receipt of 309 completed surveys from the 367 surveys
31 solicited (those that completed the first two surveys). The fourth and final data collection
32 wave focused on surveying team supervisors and yielded a response rate of 77.27% (51
33 surveys returned out of 66 surveys distributed). Teams with lower than 60% within-team
34 response rate, which is established as the minimum requirement for meaningful aggregation
35 of data to the team level (Timmerman, 2005), or with no matched upper-level manager data
36 were excluded. Thus, the final study sample included 271 employees in 41 teams.² Of the 271

57
58 ² In a posthoc power analysis, with $N = 41$, $\alpha = .050$, and $f^2 = .315$ (estimated through the average $R^2_{Adjusted}$), we
59 obtained a power of $1 - \beta = .868$, which is consistent with the requirements for mediation analysis (Pan, Liu,
60 Miao & Yuan, 2018). This analysis was calculated using the G*Power 3.1.9.2 software (Faul, Erdfelder, Lang,
& Buchner, 2007).

1
2
3 employees, 68% were female, the average age was 35.55 years ($SD = 7.54$) and mean
4
5 organizational tenure was 4.94 years ($SD = 3.33$). Team sizes ranged from 4 to 9 people.
6
7 Overall, 25 teams and 241 employees were excluded from the final data analysis; there were
8
9 no statistically significant differences between respondents and non-respondents with respect
10
11 to age, gender, organizational tenure, and educational background.
12
13

14 15 **Procedure**

16 Archival demographic data, including information on age, gender, organizational
17
18 tenure, and educational background was collected for the entire population of employees
19
20 from the Human Resources Department. Before starting data collection, one of the authors
21
22 met with team supervisors to explain the data collection procedure (e.g., to describe the
23
24 process to ensure respondent confidentiality), to obtain buy-in, and to answer any questions.
25
26 Surveys were completed and returned to a secure mailbox located at one of the author's
27
28 universities. We anonymized the sample by providing each potential participant (the entire
29
30 population of employees) with a code that was included on the surveys to enable matching of
31
32 participant data across the different surveys. Our first wave of data collection (Time 1) was
33
34 designed to elicit team member's responses to survey items around faultline perceptions,
35
36 team structure clarity, and some of the control variables (intra-team conflict and task
37
38 complexity). During this same period, each team supervisor evaluated the clarity of their
39
40 team's structure. Six weeks later (Time 2), surveys were sent to team members to measure
41
42 team justice climate. During Time 3, our surveys asked team members to answer questions
43
44 about team processes, including status conflict. Our fourth and final data collection (Time 4)
45
46 focused on supervisors' assessments of their team's performance.
47
48
49
50
51
52

53 54 **Measures**

55 **Activated Faultlines.** Researchers investigating faultlines have struggled with how
56
57 best to measure team faultlines. Although several algorithms and programs have been
58
59 developed to "objectively" estimate a team's dormant faultline based on demographic
60

1
2
3 attributes (Thatcher et al., 2003; Meyer et al., 2014), extant evidence suggests that faultline
4 effects are more pronounced when they are perceived (Jehn & Bezrukova, 2010; Rico et al.,
5 2012). Consistent with our theoretical approach, our activated faultlines measurement
6 integrates both perspectives, weighting a dormant faultline's strength with the perception of
7 activation; this means that attributes that are perceived to be the most influential in creating
8 an activated faultline-based subgroup are weighted most heavily. Calculating our measure of
9 activated faultlines involves five steps. In Step 1, we selected the demographic characteristics
10 that were relevant for calculating activated faultlines (i.e., educational background, gender,
11 organizational tenure, and age) in our sample. Our selection was based on two criteria: a)
12 extant empirical evidence showing that team members categorize themselves based on these
13 attributes (Tsui, Egan, & O'Reilly, 1992); and b) the relevance of these attributes for the
14 teams included in our sample (Thatcher & Patel, 2012), assessed through a round of
15 interviews with several team members and supervisors not included in our sample. For
16 example, these interviewees informed us that organizational tenure is a very important
17 dimension in the company, as team members often view the opinions of long-tenured
18 employees to be more valuable than short-tenured employees.

19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40 In Step 2 we estimated faultline strength using Shaw's (2004) procedure, which offers
41 high measurement quality for teams with up to 10 members (Meyer et al., 2014). Following
42 Shaw's (2004) procedure, we converted the continuous variables into categorical ones³, and
43 then created four separate dormant faultline scores whereby each attribute was used as the
44 primary attribute to ascertain the extent of alignment. For example, if we begin with the
45 attribute of age, we determine the strength of the dormant faultline based on age and then
46 measure the extent to which the other attributes of gender, educational background, and
47 organizational tenure align with the age faultline. To obtain the overall dormant faultline
48
49
50
51
52
53
54
55
56
57
58
59
60

³ We used quartiles based on the mean values in the sample (i.e., 4 categories for each continuous variable).

1
2
3 strength measure, we computed the mean of the four dormant faultline strength scores (age,
4 gender, educational background, and organizational tenure) (Shaw, 2004). As previously
5 discussed, this dormant faultline measure, like other dormant faultline measures, treats all
6 attributes as equally important, and does not capture whether a particular attribute or
7 combination of attributes activates a faultline (i.e., age is more relevant or triggered in a
8 specific context; Chrobot-Mason, Ruderman, Weber, & Ernst, 2009; Thatcher & Patel, 2012).
9

10
11
12
13
14
15
16
17 To overcome such limitations and to capture a team's activated faultline, we introduce
18 a perceptual element in the next step (Step 3). Following Jehn and Bezrukova (2010), we
19 asked team members about the perceived relevance of the dormant faultline based on each
20 specific attribute (i.e. "I noticed that my team split into different subgroups based on *age...*
21 *gender... etc.*")⁴. Thus, we obtained an indicator of the extent to which a faultline was
22 activated on a particular attribute or combination of attributes within a team.
23
24
25
26
27
28
29

30
31 In Step 4, we multiplied the dormant faultline strength score derived for each attribute
32 in Step 2 by the extent to which a faultline along the same attribute was perceived to exist as
33 described in Step 3. For example, the dormant faultline strength score for age was multiplied
34 by the perception that an activated faultline was perceived to exist based on age. This allowed
35 us to capture the extent to which each possible demographic attribute contributes to an overall
36 activated faultline. Therefore, our final activated faultline measure (Step 5) was calculated by
37 averaging the different *weighted* faultline strength scores of each demographic attribute (age,
38 gender, educational background, and organizational tenure). This measure captures the extent
39 to which there are activated faultlines by including the strength of the dormant and perceived
40 faultline in each team (Please see Appendix A for more details about the computation and the
41
42
43
44
45
46
47
48
49
50
51
52
53
54

55
56
57
58
59
60
4 All the items were measured with a 5-point scale (1=strongly disagree to 5 = strongly agree). Descriptive statistics for each attribute were: educational background ($M = 2.05$; $SD = .88$); gender ($M = 1.31$; $SD = .68$); organizational tenure ($M = 1.87$; $SD = 1.17$) and age ($M = 1.36$; $SD = .68$). Aggregation indexes (ICC1 and ICC2, Bliese, 2000; Bliese, Maltarich & Hendricks, 2017) for each attribute were as follows: educational background: ICC1 = .10; ICC2 = .39; gender: ICC1 = .09; ICC2 = .39; organizational tenure: ICC1 = .12; ICC2 = .44; and age: ICC1 = .10; ICC2 = .37).

1
2
3 validity of our activated faultline measure).
4

5 As described earlier, many of our variables were measured via a survey instrument.
6
7 Unless otherwise noted, all survey items are measured on a 5-point Likert scale where the
8
9 anchors range from 1 (strongly disagree) to 5 (strongly agree).
10

11
12 **Team Justice Climate.** We adapted the intraunit justice climate scale developed by
13
14 Li & Cropanzano (2009) so that it captures perceptions of fairness within the team.
15
16 According to Li and Cropanzano (2009), the construct includes three dimensions of justice
17
18 climate that are applicable to the unit (i.e., the team): distributive justice, procedural justice,
19
20 and interactional justice. We measured distributive team justice climate using five items
21
22 reflecting the extent to which team members contribute equitably to the team effort (e.g.,
23
24 “The recognition my teammates have received for their performance is appropriate
25
26 considering the quality of the work they have completed”). Procedural team justice climate
27
28 was also measured with a five-item scale reflecting members’ evaluations of the procedures
29
30 used within the teams. These items are similar to Colquitt’s (2001) items (e.g., My teammates
31
32 are able to express their views and feelings about the way decisions are made in the team).
33
34 We adapted Donovan, Drasgow, and Munson’s (1998) four-item scale to measure
35
36 interactional team justice climate (e.g., The way my teammates make decisions is applied
37
38 consistently). The inclusion of all fourteen items into our measure presents an acceptable
39
40 reliability score ($\alpha = .84$), and team aggregation was warranted ($ICC1 = .23$; $ICC2 = .58$).
41
42
43
44
45

46
47 **Team Structure Clarity.** We adapted Bunderson and Boumgarden’s (2010) 5-item
48
49 scale to reflect team structure clarity from the supervisor’s point of view (e.g., In my team
50
51 individual roles are very clear and teammates don’t stray from them). The scale showed an
52
53 acceptable reliability ($\alpha = .87$). We also asked team members to rate team structure clarity
54
55 from their own perspective, using the same 5 items ($ICC1 = .28$; $ICC2 = .66$). As additional
56
57
58
59
60

1
2
3 evidence for validity, the team member and the supervisor scores are highly related ($r = .65$; p
4 $<.01$); we decided to use the supervisors' ratings to differentiate the sources of information.
5
6

7
8 **Status Conflict.** We employed Bendersky and Hays' (2012) 9-item scale (e.g., My
9 team experienced conflicts due to members trying to assert their dominance) to measure
10 status conflict. The scale presented an acceptable reliability ($\alpha = .88$), and team level
11 aggregation was justified ($ICC1 = .26$; $ICC2 = .56$).
12
13
14
15

16
17 **Team Performance.** We combined the criteria proposed by Ancona and Caldwell
18 (1992) and van der Vegt and Bunderson (2005) to measure team performance: efficiency,
19 quality of innovations, productivity, adherence to schedules, adherence to budgets, and
20 overall achievement. Team supervisors responded to one item for each criterion (e.g., The
21 team accomplishes the task smoothly and efficiently). The response anchors for these items
22 ranged from 1, "far below average," to 5, "far above average." Each supervisor was asked to
23 compare the performance of his or her team with the performance of teams that performed
24 similar tasks. The scale reliability was acceptable ($\alpha = .84$).
25
26
27
28
29
30
31
32
33
34

35 **Control variables.** Several variables were controlled for in our research, due to their
36 potential to affect our results. We controlled for task complexity, since it has been shown to
37 be a key variable in understanding the impact of diversity in complex teams (Wegge, Roth,
38 Neubach, Schmidt, & Kanfer, 2008). For that purpose, we adapted Morgeson & Humphrey's
39 (2006) three-item measure of the job complexity dimension included in the Work Design
40 Questionnaire to the team-level (e.g. My team has to solve complex tasks). This scale
41 reflected an acceptable reliability ($\alpha = .87$).
42
43
44
45
46
47
48
49
50

51 Additionally, to study the effect of activated faultlines beyond the effects of diversity
52 within the team, we controlled for team-level diversity by computing an overall heterogeneity
53 measure that included the attributes used in our activated faultlines measure (Bezrukova,
54 Spell, & Perry, 2010; Jehn, Northcraft, & Neale 1999). Gender and educational background
55
56
57
58
59
60

1
2
3 diversity were computed using Blau's (1977) heterogeneity index. We used the standard
4 deviation to measure team heterogeneity for tenure and age (Bedeian & Mossholder, 2000;
5 Harrison & Klein, 2007). Following the procedure suggested by Jehn et al (1999), we
6 averaged the heterogeneity variables to calculate the overall team heterogeneity control
7 variable. We also controlled for team size, central among the compositional variables that
8 have been shown to influence team processes and outcomes (Ancona & Caldwell, 1992);
9 team size was obtained by the human resources department of the company.

10
11
12
13
14
15
16
17
18
19 Finally, to ensure that we captured the mediation effect of status conflict rather than
20 other types of conflict as hypothesized in H1, we controlled for intra-team conflict. In doing
21 so, we used Jehn's (1995) eight-item scale that showed acceptable reliability ($\alpha = .80$).

22 23 24 25 26 **RESULTS**

27 **Analytical Approach**

28
29 Before testing our hypotheses, we assessed the measurement model by running
30 several Confirmatory Factor Analyses (CFA). Given the nature of our data (categorical) we
31 ran CFA using Robust Maximum likelihood (MLM in the Mplus Software) using the
32 polychoric correlation matrix, a method that is demonstrated to be robust under our
33 circumstances (Finney & Distefano, 2006). Our results showed that the three-factor model
34 (team justice climate, team structure clarity, status conflict) presented a reasonable fit to our
35 data (CFI .92. NFI .90. RMSEA .07), while the single-factor model (CFI .72. NFI .85.
36 RMSEA .16) had an unacceptable fit (Hu & Bentler, 1999).

37
38
39
40
41
42
43
44
45
46
47 We provide the means, standard deviations, and correlations of the variables in Table
48 1. Table 1 shows that activated faultlines are negatively related to performance ($r = -.48$; p
49 $< .01$) and to team justice climate ($r = -.55$; $p < .01$) and are positively related to status
50 conflict ($r = .49$; $p < .01$). Team justice climate is negatively related to status conflict ($r = -$
51 $.64$; $p < .01$).

52
53
54
55
56
57
58
59 -----Insert Table 1 about here-----
60

Hypotheses Tests

To test our hypotheses, we conducted several bootstrapping analyses (5000 resamples) following Hayes's (2013) recommendation employing his Process macro. Hypothesis 1c (H1c) predicts a double mediation model, where the negative relationship between activated faultlines and team performance is mediated by status conflict (H1a), and the positive relationship between activated faultlines and status conflict is mediated by TJC (H1b). Regarding Hypothesis 1a, as shown in Table 2, the direct effect of activated faultlines on team performance was not significant ($M_{direct\ effect} = -0.85$, $SE = 0.65$, $t(-1.32)$, $p = .19$) while the indirect effect was significant ($M_{indirect\ effect} = -0.96$, $SE_{Boot} = 0.61$, $95\% CI = -2.63/-0.15$) suggesting that the activated faultlines–team performance relationship is mediated by status conflict, when controlling for other types of conflict. Thus, Hypothesis 1a is supported.

-----Insert Table 2 about here-----

Regarding hypothesis 1b, as shown in Table 3, the direct effect of activated faultlines on status conflict was not significant (Model on status conflict: $M_{direct\ effect} = 0.59$, $SE = 0.71$, $t(0.83)$, $p = .41$) while the indirect effect through team justice climate was significant ($M_{indirect\ effect} = 0.93$, $SE_{Boot} = 0.41$, $95\% CI = 0.35 /2.07$). Thus, Hypothesis 1b is supported.

As shown in Table 3, we employed a multistep process to test the double mediation model (Hypothesis 1c). In the first step (Model on team justice climate) activated faultlines reflected a negative and significant relationship with TJC ($M_{effect} = -3.53$, $SE = 1.13$, $t(-3.12)$, $p > .01$). In the second step (Model on status conflict), activated faultlines had no significant relationship ($M_{effect} = .59$, $SE = 0.71$, $t(0.83)$, $p = .41$) with status conflict, while TJC had a negative significant relationship ($M_{effect} = -0.26$, $SE = 0.09$, $t(-2.78)$, $p > .01$) with status conflict. In the third step (Model on team performance), activated faultlines had no significant relationship ($M_{effect} = -.69$, $SE = 0.70$, $t(-.98)$, $p = .33$) with team performance, TJC had no significant relationship ($M_{effect} = 0.06$, $SE = 0.10$, $t(0.66)$, $p = .51$) with team performance, but status conflict did have a negative significant relationship ($M_{effect} = -0.58$,

SE = 0.16, $t(-3.51)$, $p > .01$) with team performance. The total effect of activated faultlines on team performance was negative and significant ($M_{total\ effect} = -1.82$, $SE = 0.74$, $t(-2.45)$, $p = .01$) as the indirect effect of the activated faultlines–TJC–status conflict–team performance relationship was significant ($M_{indirect\ effect\ (Standardized)} = -0.11$, $SE_{Boot} = 0.05$, $95\% CI = -0.27/-0.03$). The ratio of the indirect effect to the total effect showed that a significant proportion of variability is explained by the hypothesized double mediation model ($M_{ratio\ effect} = .29$, $SE_{Boot} = 12.43$, $95\% CI_{Boot} = 0.06/1.66$). In conclusion, the activated faultlines–team performance relationship is mediated by TJC and status conflict, when controlling for other types of conflict, supporting hypothesis 1c.

-----Insert Table 3 about here-----

To test hypothesis 2 regarding the moderating effect of team structure clarity on the activated faultlines–TJC–status conflict relationship, as shown in Table 4, we used a moderated mediation model. In the first step, we tested for the interaction term (activated faultlines x team structure clarity) on status conflict, and it was significant ($M_{interaction\ effect} = 3.05$, $SE = 1.37$, $t = 2.22$, $p = 0.03$). The direct effect of activated faultlines on status conflict was not significant ($M_{direct\ effect} = 0.59$, $SE = 0.71$, $t(0.83)$, $p = .41$), but the indirect effect changed depending on the moderator. More specifically, our results show that a clear team structure moderates the mediated relationship between activated faultlines, TJC, and status conflict. An unclear team structure (1 SD below the mean = 2.36) perpetuates the mediated relationship between activated faultlines, TJC, and status conflict ($M_{conditional\ indirect\ effect} = 1.60$, $SE = 0.69$, $95\% CI_{Boot} = 0.50/3.20$). However, the indirect effect of the activated faultlines–TJC–status conflict relationship is progressively attenuated as the team structure becomes clearer. Accordingly, when the team structure is moderately clear (mean value = 3.27) the conditional indirect effect is weakened ($M_{conditional\ indirect\ effect} = 0.86$, $SE_{Boot} = 0.37$, $95\% CI_{Boot} = 0.29/1.79$). Finally, a clear team structure (1 SD over the mean = 4.18) weakens the

1
2
3 conditional indirect effect of the activated faultlines–TJC–status conflict relationship even
4 further, becoming non-significant ($M_{conditional\ indirect\ effect} = 0.12$, $SE_{Boot} = 0.47$, $95\% CI_{Boot} = -$
5
6 $0.62/1.44$). The above variations of the indirect effect on the activated faultlines–TJC–status
7
8 conflict relationship (depending on the moderator) were significant ($Index_{ModeratedMediation} = -$
9
10 0.80 , $SE_{Boot} = .50$, $95\% CI = -1.97 /-.02$). In sum, as reported in Table 4 and shown in Figure
11
12
13 2, clear team structures reduce the negative activated faultlines–TJC–status conflict
14
15 relationship, supporting Hypothesis 2.
16
17

18
19 -----Insert Table 4 and Figure 2 about here-----
20

21 22 **DISCUSSION**

23 **Theoretical implications**

24 Building on the social identity approach, our model offers new insights on how
25 faultlines can disrupt team performance and provides information on strategies to counteract
26 such negative effects. Deviating from the predominant view of team faultlines, we describe
27 how activated faultlines represent an informal sensemaking structure that team members
28 adopt to interpret and provide meaning about their team social environment and inter-
29 subgroup status differences. To date, most of the faultlines research has centered on studying
30 the direct effect of objective (dormant) configurations of diversity on team processes and
31 outcomes. We show the importance of understanding how activated faultlines result in
32 unfairness perceptions that lead teams to engage in conflict over status, instead of focusing on
33 their common task; we show how this is especially detrimental for team performance in the
34 absence of clear and legitimizing information (i.e., team structure clarity). By conceptualizing
35 faultlines in a way that incorporates inter-subgroup status perceptions, we begin to
36 understand why activated faultlines can be so damaging for teams. Not only do demographic
37 similarities and differences divide team members, but the belief that some team members
38 may be unfairly reaping the benefits associated with ambiguous or illegitimate status
39 distinctions helps to explain the disruptive nature of activated faultlines.
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 Accordingly, our findings complement and extend previous theory on the well-
4 grounded team faultlines–team conflict–team performance causal chain (Thatcher & Patel,
5 2012). Despite being a key aspect of organizational working environments (Gould, 2002),
6 status conflict has not been investigated in extant faultlines literature (Thatcher & Patel,
7 2012), and has not been investigated as related to fairness perceptions within a team. In this
8 regard, we introduce a couple of unique twists to the status conflict literature by suggesting
9 that: first, in the absence of other formal structures (Tiedens, Unzueta, & Young, 2007),
10 activated faultlines play a prominent role in establishing an ambiguous and/or illegitimate
11 inter-subgroup status hierarchy built from team member differences; and second, although
12 (inter-subgroup) status hierarchies are negotiable and contested (Bendersky & Hays, 2012),
13 conflict about status can emerge through perceptions of unfairness caused by perceived rather
14 than actual inter-subgroup status differences stemming from activated faultlines.
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

30
31 Our findings are also highly relevant for team justice theory and research. First, by
32 focusing on team-level justice perceptions and moving beyond fairness perceptions
33 associated with organizational authorities, we strengthen recent developments in justice
34 theory (e.g., Whitman et al., 2012). Second, by revealing how activated faultlines drive
35 justice perceptions within the team, we extend justice theories to contexts that provide
36 informal sensemaking structures (i.e., activated faultlines), triggering social identity based
37 mechanisms that can disrupt the construction of high levels of TJC. Finally, based on Spell,
38 Bezrukova, Haar, and Spell's (2011) findings that faultlines exacerbate the relationship
39 between organizational distributive injustice perceptions and relational and task conflict
40 perceptions. Our study suggests that activated faultlines can actually be the impetus for
41 perceptions of low levels of fairness. Thus, our work complements research on individual-
42 level views of justice perceptions and advocates the importance of looking at justice from a
43 team-level perspective.
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 Our work addresses the call for new research in teams where the structure is
4 externally imposed (i.e., where a formal leader creates a given structure and where different
5 teams operate under different levels of structure) rather than self-emerging (Bunderson &
6 Boumgarden 2010). In so doing, we find that when teams have activated faultlines, and their
7 formal structure is clear, team members are more likely to have high levels of justice
8 perceptions within the team (i.e., TJC). This finding is coherent with fairness heuristic theory
9 postulates regarding how clear formal team structures counteract the negative effects of
10 informal team structures (Lind, 1995), such as those built around activated faultlines. Further,
11 our pattern of results aligns with extant research suggesting that team structure augments
12 agreement about the tasks to be done and team member relationships (Mathieu, Heffner,
13 Goodwing, Salas, & Cannon-Bowers, 2000). This is especially relevant for activated
14 faultline-teams, where teammates may be informally structured around identity-based
15 subgroups rather than identified with the team as a whole (Carton & Cummings, 2012;
16 Thatcher & Patel, 2012).

17
18
19 In sum, and consistent with social identity theory (Chattopahyay et al., 2004a; Hogg
20 & Terry, 2000) a clear team structure provides an alternative and legitimate interpretative
21 framework for activated faultline-teams. The clear team structure precludes team members
22 from relying on the ambiguous and/or illegitimate sensemaking structure provided by
23 activated faultlines to interpret their social reality. Our findings are important for researchers
24 interested in the relationship between structure-based theories and social identity theories.
25 Whereas previous research shows that structuring teams around task roles prevents
26 inter(sub)group bias and facilitates information elaboration and high inclusive identification
27 (van Ginkel & van Knippenberg, 2008, Rico et al., 2012), our results provide evidence that
28 team structure clarity can also reduce the negative effects of inter(sub)group bias after
29 subgroup categorizations have already occurred. The value of this finding suggests that
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 categorization effects, and the theories that explain these effects, should incorporate relevant
4
5 situational factors. Additionally and consistent with social identity theories (Hogg & Terry,
6
7 2000), our findings suggest that identity-based mechanisms are the “default” option that
8
9 individuals use in ordering the social world. This finding also explains why in the absence of
10
11 other information, activated faultlines may be a natural, yet disruptive, sensemaking structure
12
13
14 for teams.

17 **Measurement implications**

19 In addition to the theoretical implications described above, our activated faultlines
20
21 measure advances the diversity literature by capturing both the dormant and perceptual
22
23 components of the faultlines construct. While previous measurement approaches effectively
24
25 capture dormant faultline strength (e.g., Meyer et al., 2014; Thatcher et al., 2003) and faultline
26
27 distance (Bezrukova et al., 2009; Zanutto, Bezrukova, & Jehn, 2011), they do not capture
28
29 whether teams actually experience faultlines. The majority of the studies investigating
30
31 perceived or activated faultlines have been conducted in the laboratory where contexts or
32
33 team compositions have been manipulated to activate the faultline (e.g., Rico et al., 2012).
34
35 Jehn & Bezrukova (2010) investigated both dormant and activated faultlines in student
36
37 groups where group composition was manipulated, but they kept the two aspects of the
38
39 faultlines construct separate, without studying their joint impact on performance and
40
41 processes. Accordingly, being able to measure activated faultlines in organizational settings
42
43 represents a new contribution to the faultlines literature.

48 Many of the original studies on team faultlines discussed the importance of
49
50 “weighting” demographic attributes to reflect their differential relevance or importance
51
52 (Thatcher et al., 2003; Thatcher & Patel, 2012; Jehn & Bezrukova, 2010; Choi & Sy, 2010).
53
54 Our measurement approach provides a solution to this issue, capturing the strength of a
55
56 dormant faultline, and the extent to which each of the attributes in the dormant faultline is
57
58
59
60

1
2
3 actually activated. Thus, it offers researchers an integrative solution to an old problem,
4
5 pursuant to recent methodological developments in the field (e.g., Mayo et al., 2016).
6
7

8 By reconciling the two streams of faultlines studies – streams that utilize measures of
9
10 dormant faultlines and streams that measure perceptions of faultlines or manipulate faultlines
11
12 so they are activated, we offer a promising measurement approach to those interested in
13
14 gauging the effects of faultlines on teams in a variety of settings. We believe it is promising
15
16 for two main reasons: first, it provides researchers with the ability to assess the importance of
17
18 differentially-weighted faultlines in teams; and second, it simultaneously captures the
19
20 objective structure and perceived categorization salience of different diversity attributes. Our
21
22 measure enables researchers to address recent calls in the teamwork research to attend to the
23
24 dynamic evolution of team constructs (Collins, Gibson, Quigley, & Parker, 2016). For
25
26 example, if a company introduces specific policies around gender equality and integration,
27
28 this would not change the underlying dormant gender faultline of a specific team, but it may
29
30 change the internal “weighting”, so that the resulting activated faultline may look different
31
32 from the original activated faultline. Through our measurement approach, researchers can
33
34 trace changes in the faultline configuration of a given team over time. This opens the door to
35
36 exploring the dynamic evolution of team faultlines, a neglected area in the faultlines literature
37
38 (Thatcher & Patel, 2012), but which represents a new frontier for future research. For
39
40 instance, it is now possible to determine whether different attributes contribute to faultline
41
42 activation (as a function of specific contextual elements) or whether an activated faultline
43
44 crystallizes over time.
45
46
47
48
49
50

51 **Practical implications**

52
53 Our study also has important practical implications that deserve to be discussed. From
54
55 a functional approach to leadership (Fleishman et al., 1992), our activated faultline measure
56
57 allows organizations and managers to know both when faultlines have the potential to form
58
59 (dormant), and to gauge from time to time the degree to which team members perceive that
60

1
2
3 faultlines have become activated. This information can aid managers in knowing when the
4 threat from faultlines is real, rather than having managers worry about potential unlimited
5 attribute combinations fostering faultlines that are not activated.
6
7
8
9

10 In addition to the diagnostic recommendations, our results show that in a team with
11 activated faultlines, low levels of TJC and status conflict are both related to reductions in
12 team performance. Combining our results regarding status conflict with extant leadership
13 research (Cho, Overbeck, & Carnevale, 2011), there are certain elements that leaders should
14 consider. First, leaders may clarify and adjust both structural and task characteristics (i.e.,
15 interdependence/autonomy, Rico, Molleman, Sanchez-Manzanares & van der Vegt, 2007) to
16 provide teams with a legitimate sensemaking structure that increases fairness perceptions and
17 diminishes status conflict and its subsequent impairment on team performance. More
18 specifically, leaders can assign internal roles and responsibilities according to the task,
19 responding to the necessity for team-members to have a clear understanding of the social
20 order and status hierarchy. Second, team leaders need to be aware of team member's status
21 expectations, especially in diverse teams where members may feel that their specific
22 knowledge is more valuable than other types of knowledge. Status expectations may also
23 exist because of individual differences, where people with high self-esteem and self-efficacy
24 tend to expect high status (Ali, McWhirter, & Chronister, 2005). In order to alter the nature of
25 the underlying biases of an informal sensemaking structure caused by activated faultlines,
26 managers could employ environmental stimulation strategies, emphasizing or de-emphasizing
27 some of the faultline attributes to change the internal perceptual configuration of identity-
28 based subgroups, with the goal of reducing perceptions of unfairness. For example, managers
29 who fear a strong activated age-based faultline may be able to defuse the activation by
30 adopting age-inclusive strategies (such as diversity training or showing the value of age
31 diversity) to reduce the salience and potential split around an age faultline (Homan, Van
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 Knippenberg, Van Kleef & De Dreu, 2007).

4
5 Beyond these general recommendations and building on our results, a managerial
6 strategy that provides teams with a clear structure (i.e., clarity around roles, procedures and
7 priorities) will make team member interactions more predictable and less uncertain.
8 Introducing a clear structure should help teams that are struggling with ambiguity or
9 illegitimacy perceptions as a result of activated faultlines by reducing perceptions of
10 unfairness. Further, based on research by Antino, Rico, Sanchez-Manzanares & Lau (2013),
11 team leaders can strengthen team knowledge regarding *who knows what* in the team, to
12 reinforce both role clarity as well as a sense of justice. In this regard and from a job design
13 perspective, it is important to note that clarifying roles makes it easier for team members to
14 understand how best to work together.

25 26 27 28 **Limitations and future research**

29
30 There are some opportunities for future research that build off the limitations of our
31 study. To begin, like most survey-based studies, our measures (although we employed three
32 sources of information) are perceptual in nature, except those based on demographic
33 information that are used as part of our activated faultline measure. In this regard, further
34 research will benefit by including non-obtrusive process measures (i.e., behaviorally-coded
35 indicators of status conflict) and objective performance indicators. In this way, and in
36 addition to subjective indicators, we can obtain a more comprehensive and robust view of
37 activated faultlines on team performance.

38
39 Further, our study (as in most organizational field research) incorporates a research
40 design that does not allow manipulation of independent variables. Thus, we were unable to
41 run the study under the necessary controls that causality assertions require. Accordingly,
42 although we opted for a cross-lagged and multisource approach, we cannot ensure causality
43 in our results. Further studies should replicate our findings with research designs that enable
44 testing of causal relationships. Also, our results come from a specific organizational and
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 cultural context. Because status dynamics can be related to specific cultures, our research
4 should be replicated across cultures to confirm generalizability (Merriam et al., 2001).
5
6

7
8 Although our cross-lagged design offers temporal separation in the measurement of
9
10 different variables, we did not completely capture the temporal dynamics associated with our
11
12 activated faultlines measure. In order to rectify this situation, faultlines researchers could
13
14 employ longitudinal research designs to study how activated faultlines change in response to
15
16 team contexts or external stimuli. For example, future researchers could study whether there
17
18 is a pattern with respect to which diversity dimensions are more relevant to the activated
19
20 faultline over time (e.g., do most teams experience activated faultlines based mainly on
21
22 gender at first followed by activated faultlines on educational background at a later point in
23
24 time?). Another study could investigate how a variety of internal (team-based) or external
25
26 (industry-based) stimuli trigger different “weightings” associated with the activation of
27
28 demographic characteristics. Thus, a team would have the same dormant faultline strength
29
30 but a different activated faultline strength over time. While previous measures may not help
31
32 in these endeavors, our proposed measure provides a way to pursue such research.
33
34
35
36

37
38 Additionally, our results provide new avenues for future research addressing the
39
40 relationship between activated faultlines and TJC. Specifically, the negative relation between
41
42 activated faultlines and TJC offers new insights for social information processing theory
43
44 (Salancik & Pfeffer, 1978), since the categorization mechanisms (potentially related to the
45
46 faultline-based splits) could corrupt team members’ work-related discussions and
47
48 interpretation of work-related events. In a similar manner, attraction–selection–attrition
49
50 research might benefit from our results as a way of understanding subgroup asymmetries of
51
52 common climate perceptions (Schneider, 1987). Although we found that activated faultlines
53
54 led to low levels of TJC, teams with many activated faultlines represent an ideal context for
55
56
57
58
59
60

1
2
3 investigating how subgroupings may impair the emergence of a collective climate over time
4
5 (Harrison et al., 2002), as well as a collective shared representation of the team structure.
6
7

8 In our theorizing, we focused on exploring the relationship between activated
9
10 faultlines and constructs associated with fairness, legitimacy and inter-subgroup status.
11
12 However, there are other potential constructs that might be impacted by the informal
13
14 sensemaking structure caused by activated faultlines. Given the renewed attention to the
15
16 importance of psychological safety (Anderson & West, 1998 & Edmonson, 1999) for team
17
18 performance in highly innovative technological environments (Duhigg, 2016), researchers
19
20 could study the impact of activated faultlines on the creation of a shared sense of safety
21
22 within a team. As an informal sensemaking structure, activated faultlines may lead team
23
24 members to trust out-subgroup members less than in-subgroup members, reducing safety
25
26 climate perceptions, and harming team learning and performance (Edmonson, 1999).
27
28 Furthermore, in line with our results showing the benefits that a clear team structure provides
29
30 to faultline-based teams, future research could study whether specific leadership styles help
31
32 to provide such clarity, for example studying the impact of directive versus empowering
33
34 leadership styles (Lorinkova, Pearsall, & Sims, 2013).
35
36
37
38
39

40 **Conclusion**

41 By investigating status and legitimacy in the context of social identity theories, we
42
43 show that activated faultlines reduce team performance through status conflict; we also
44
45 illustrate that the relationship between activated faultlines and status conflict can be explained
46
47 through reduced perceptions of fairness (low levels of TJC). By investigating these
48
49 relationships in a health-care organization using a cross-lagged design, we show that such
50
51 negative effects can be managed through application of a clearly-defined formal team
52
53 structure. Our results show that teams are not at the mercy of their composition; clarity
54
55 around structure goes a long way in ensuring that activated faultline teams perceive fairness
56
57 that subsequently improves performance.
58
59
60

REFERENCES

- 1
2
3
4
5
6 Ali, S. R., McWhirter, E. H., & Chronister, K. M. 2005. Self-efficacy and vocational outcome
7 expectations for adolescents of lower socioeconomic status: A pilot study. *Journal of*
8 *Career Assessment*, 13(1): 40-58.
- 9 Ancona, D. G., & Caldwell, D. F. 1992. Bridging the boundary: External activity and
10 performance in organizational teams. *Administrative Science Quarterly*, 37: 634-665.
- 11 Anderson, N. R., & West, M. A. 1998. Measuring climate for work group innovation:
12 development and validation of the team climate inventory. *Journal of Organizational*
13 *Behavior*, 19: 235-258.
- 14 Antino, M., Rico, R., Sanchez-Manzanares, M., & Lau, D. 2013. Rethinking Team Diversity
15 Management: Evidence-Based Strategies for Coping with Diversity Threats. In Salas et
16 al., (eds): *Developing and Enhancing Teamwork in Organizations: Evidence-based*
17 *Best Practices and Guidelines*. John Wiley & Sons, Inc.
- 18 Antino, M. (2014, November). Integrating Faultlines Activation Measurement in a Real
19 Organizational Setting: An Exploratory Study. Paper presented at the annual meeting of
20 the Spanish National Social Psychology Association, Sevilla, Spain.
- 21 Bargh JA. 1999. The cognitive monster. In S. Chaiken & Y. Trope (Eds.), *Dual Process*
22 *Theories in Social Psychology* (pp. 361–382). New York: Guilford Press.
- 23 Baron, J. N., Jennings, P. D., & Dobbin, F. R. 1988. Mission control? The development of
24 personnel systems in US industry. *American Sociological Review*, 497-514.
- 25 Bedeian, A. G., & Mossholder, K. W. 2000. On the use of the coefficient of variation as a
26 measure of diversity. *Organizational Research Methods*, 3: 285-297.
- 27 Bendersky, C., & Hays, N. A. 2012. Status conflict in groups. *Organization Science*, 23:
28 323-340.
- 29 Bezrukova, K., Jehn, K. A., Zanutto, E. L., & Thatcher, S. M. 2009. Do workgroup faultlines
30 help or hurt? A moderated model of faultlines, team identification, and group
31 performance. *Organization Science*, 20: 35-50.
- 32 Bezrukova, K., Spell, C. S., & Perry, J. L. 2010. Violent splits or healthy divides? Coping
33 with injustice through faultlines. *Personnel Psychology*, 63: 719-751.
- 34 Blau, P. M. 1977. *Inequality and Heterogeneity: A Primitive Theory of Social Structure*
35 (Vol. 7). New York: Free Press.
- 36 Bliese, P. D. 2000. Within-group agreement, non-independence, and reliability: Implications
37 for data aggregation and analysis. Klein, Katherine J. (Ed); Kozlowski, Steve W. J. (Ed).
38 2000. *Multilevel Theory, Research, and Methods in Organizations: Foundations,*
39 *Extensions, and New Directions*: 349-381. San Francisco, CA, US: Jossey-Bass.
- 40 Bliese, P. D., Maltarich, M. A., & Hendricks, J. L. 2017. Back to Basics with Mixed-Effects
41 Models: Nine Take-Away Points. *Journal of Business and Psychology*, 1-23.
- 42 Brown, G., Lawrence, T. B., & Robinson, S. L. 2005. Territoriality in organizations.
43 *Academy of Management Review*, 30: 577-594.
- 44 Bunderson, J. S., & Boumgarden, P. 2010. Structure and learning in self-managed teams:
45 Why “bureaucratic” teams can be better learners. *Organization Science*, 21: 609-624.
- 46 Carton, A. M., & Cummings, J. N. 2012. A theory of subgroups in work teams. *Academy of*
47 *Management Review*, 37: 441-470.
- 48 Chattopadhyay, P. 1999. Beyond direct and symmetrical effects: The influence of
49 demographic dissimilarity on organizational citizenship behavior. *Academy of*
50 *Management Journal*, 42(3): 273-287.
- 51 Chattopadhyay, P., Tluchowska, M., & George, E. 2004a. Identifying the ingroup: A closer
52 look at the influence of demographic dissimilarity on employee social identity. *Academy*
53 *of Management Review*, 29(2): 180-202.
- 54
55
56
57
58
59
60

- 1
2
3 Chattopadhyay, P., Finn, C., & Ashkanasy, N. M. 2010. Affective responses to professional
4 dissimilarity: A matter of status. *Academy of Management Journal*, 53: 808-826.
- 5 Chattopadhyay, P., George, E., & Shulman, A. D. 2008. The asymmetrical influence of sex
6 dissimilarity in distributive vs. colocated work groups. *Organization Science*, 194: 581-
7 593.
- 8
9 Chattopadhyay, P., George, E., & Lawrence, S. A. 2004b. Why does dissimilarity matter?
10 Exploring self-categorization, self-enhancement, and uncertainty reduction. *Journal of*
11 *Applied Psychology*, 89(5): 892-900.
- 12 Cho, Y., Overbeck, J. R., & Carnevale, P. J. 2011. Chapter 5 Status Conflict in Negotiation.
13 *Negotiation and Groups (Research on Managing Groups and Teams*, Volume 14
14 Emerald Group Publishing Limited, 14: 111-136.
- 15 Choi, J. N., & Sy, T. 2010. Group level organizational citizenship behavior: Effects of
16 demographic faultlines and conflict in small work groups. *Journal of Organizational*
17 *Behavior*, 31: 1032-1054.
- 18 Christie, A. M., & Barling, J. 2010. Beyond status: relating status inequality to performance
19 and health in teams. *Journal of Applied Psychology*, 95: 920-932.
- 20 Chrobot-Mason, D., Ruderman, M. N., Weber, T. J., & Ernst, C. 2009. The challenge of
21 leading on unstable ground: Triggers that activate social identity faultlines. *Human*
22 *Relations*, 62: 1763-1794.
- 23 Chung, Y., Liao, H., Jackson, S. E., Subramony, M., Colakoglu, S., & Jiang, Y. 2015.
24 Cracking but not breaking: Joint effects of faultline strength and diversity climate on
25 loyal behavior. *Academy of Management Journal*, 58: 1495-1515.
- 26 Collins, C.G., Gibson, C.B., Quigley, N., & Parker, S.K. 2016. Unpacking Team Dynamics
27 with growth modeling: an approach to test, refine and integrate Theory. *Organizational*
28 *Psychology Review*, 6(1): 63-91.
- 29 Colquitt, J. A. 2001. On the dimensionality of organizational justice: A construct validation
30 of a measure. *Journal of Applied Psychology*, 86: 386-400.
- 31 Colquitt, J. A., Noe, R. A., & Jackson, C. L. 2002. Justice in teams: Antecedents and
32 consequences of procedural justice climate. *Personnel Psychology*, 55: 83-109.
- 33 Cooper, D., Patel, P. C., & Thatcher, S. M. 2013. It depends: Environmental context and the
34 effects of faultlines on top management team performance. *Organization Science*, 25:
35 633-652.
- 36 Correll, J., & Park, B. 2005. A model of the ingroup as a social resource. *Personality and*
37 *Social Psychology Review*, 9: 341-359.
- 38 Cropanzano, R., Li, A., & James, K. 2007. Intraunit justice and interunit justice and the
39 people who experience them. *Research in Multilevel Issues*, 6: 415-437.
- 40 DeGoey, P. 2000. Contagious justice: Exploring the social construction of justice in
41 organizations. *Research in Organizational Behavior*, 22: 51-102.
- 42 DeVellis, R.F. 2001. *Scale Development. Theory and Applications*. Newbury Park: Sage
43 Publications; 1991.
- 44 de Wit, F.R.C, Greer, L.L., & Jehn, K.A. 2012. The paradox of intragroup conflict: a meta-
45 analysis. *Journal of Applied Psychology*, 97: 360-390.
- 46 Doosje, B., Spears, R., & Ellemers, N. 2002. Social identity as both cause and effect: The
47 development of group identification in response to anticipated and actual changes in the
48 intergroup status hierarchy. *British Journal of Social Psychology*, 41: 57-76.
- 49 Donovan, M. A., Drasgow, F., & Munson, L. J. 1998. The Perceptions of Fair Interpersonal
50 Treatment Scale: development and validation of a measure of interpersonal treatment in
51 the workplace. *Journal of Applied Psychology*, 83: 683-692.
- 52 Duhigg, C. 2016. What Google learned from its quest to build the perfect team. *New York*
53 *Times Magazine*, 26, 2016.
- 54
55
56
57
58
59
60

- 1
2
3 Edmondson, A. 1999. Psychological safety and learning behavior in work teams.
4 *Administrative Science Quarterly*, 44: 350-383.
- 5 Fleishman, E. A., Mumford, M. D., Zaccaro, S. J., Levin, K. Y., Korotkin, A. L., & Hein, M.
6 B. 1992. Taxonomic efforts in the description of leader behavior: A synthesis and
7 functional interpretation. *Leadership Quarterly*, 24: 245-287.
- 8 Faul, F., Erdfelder, E., Lang, A. G., & Buchner, A. 2007. G* Power 3: A flexible statistical
9 power analysis program for the social, behavioral, and biomedical sciences. *Behavior*
10 *Research Methods*, 39: 175-191.
- 11 Finney, S.J. & DiStefano, C. 2006. Non-Normal and Categorical Data in Structural Equation
12 Modeling. In GR Hancock, RO Mueller (eds.), *Structural Equation Modeling: A*
13 *Second Course*: 269-314. Information Age Publishing.
- 14 Fiol, C. M., O'Connor, E. J., & Aguinis, H. 2001. All for one and one for all? The
15 development and transfer of power across organizational levels. *Academy of*
16 *Management Review*, 26: 224-242.
- 17 Fiske, S. T., Cuddy, A. J., Glick, P., & Xu, J. 2002. A model of (often mixed) stereotype
18 content: competence and warmth respectively follow from perceived status and
19 competition. *Journal of Personality and Social Psychology*, 82: 878-884.
- 20 Fiske, S. T., Cuddy, A. J., & Glick, P. 2007. Universal dimensions of social cognition:
21 Warmth and competence. *Trends in Cognitive Sciences*, 11(2): 77-83.
- 22 Franke, N., Keinz, P., & Klausberger, K. 2013. "Does this sound like a fair deal?":
23 Antecedents and consequences of fairness expectations in the individual's decision to
24 participate in firm innovation. *Organization Science*, 24: 1495-1516.
- 25 Glick, P., & Fiske, S. T. 1999. Sexism and other "isms": Interdependence, status, and the
26 ambivalent content of stereotypes. In W. B. Swann, Jr., J. H. Langlois, & L. A. Gilbert
27 (Eds.), *Sexism and Stereotypes in Modern Society: The Gender Science of Janet*
28 *Taylor Spence* (pp. 193-221). Washington, DC: American Psychological Association.
- 29 Gould, R. V. 2002. The Origins of Status Hierarchies: A Formal Theory and Empirical Test1.
30 *American Journal of Sociology*, 107: 1143-1178.
- 31 Greenberg, J. 1987. A taxonomy of organizational justice theories. *Academy of Management*
32 *Review*, 12(1): 9-22.
- 33 Groysberg, B., Polzer, J. T., & Elfenbein, H. A. 2011. Too many cooks spoil the broth: How
34 high-status individuals decrease group effectiveness. *Organization Science*, 22(3): 722-
35 737.
- 36 Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. 2002. Time, teams, and task
37 performance: Changing effects of surface-and deep-level diversity on group functioning.
38 *Academy of Management Journal*, 45: 1029-1045.
- 39 Harrison, D. A., & Klein, K. J. 2007. What's the difference? Diversity constructs as
40 separation, variety, or disparity in organizations. *Academy of Management Review*, 32:
41 1199-1228.
- 42 Haslam, S. A. 2001. *Psychology in Organizations: The Social Identity Approach*. Thousand
43 Oaks, CA: Sage Publications.
- 44 Hayes, A. F. 2013. *Introduction to Mediation, Moderation, and Conditional Process*
45 *Analysis: A Regression-based Approach*. Guilford Press.
- 46 Hayes, A. F. (2015). An index and test of linear moderated mediation. *Multivariate*
47 *Behavioral Research*, 50(1), 1-22.
- 48 Hogg, M. A., & Terry, D. I. 2000. Social identity and self-categorization processes in
49 organizational contexts. *Academy of Management Review*, 25(1): 121-140.
- 50 Hogg, M. A., & Mullin, B.-A. 1999. Joining groups to reduce uncertainty: Subjective
51 uncertainty reduction and group identification. In D. Abrams & M. A. Hogg (Eds.),
52 *Social Identity and Social Cognition*: 249-279. Oxford: Blackwell.
- 53
54
55
56
57
58
59
60

- 1
2
3 Hollenbeck, J. R., Ilgen, D. R., Segoe, D. J., Hedlund, J., Major, D. A., & Phillips, J. 1995.
4 Multilevel theory of team decision making: Decision performance in teams incorporating
5 distributed expertise. *Journal of Applied Psychology*, 80: 292-316.
- 6 Homan, A. C., Van Knippenberg, D., Van Kleef, G. A., & De Dreu, C. K. 2007. Bridging
7 faultlines by valuing diversity: diversity beliefs, information elaboration, and
8 performance in diverse work groups. *Journal of Applied Psychology*, 92(5): 1189-1199.
- 9 Hornsey, M. J. 2008. Social identity theory and self-categorization theory: A historical
10 review. *Social and Personality Psychology Compass*, 2(1): 204-222.
- 11 Hu, L. T., & Bentler, P. M. 1999. Cutoff criteria for fit indexes in covariance structure
12 analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling:
13 A Multidisciplinary Journal*, 6(1): 1-55.
- 14 Jehn, K. A. 1995. A multimethod examination of the benefits and detriments of intragroup
15 conflict. *Administrative Science Quarterly*, 256-282.
- 16 Jehn, K. A., & Bezrukova, K. 2010. The faultline activation process and the effects of
17 activated faultlines on coalition formation, conflict, and group outcomes. *Organizational
18 Behavior and Human Decision Processes*, 112: 24-42.
- 19 Jehn, K. A., Northcraft, G. B., & Neale, M. A. 1999. Why differences make a difference: A
20 field study of diversity, conflict and performance in workgroups. *Administrative Science
21 Quarterly*, 44: 741-763.
- 22 Joshi, A., & Roh, H. 2009. The role of context in work team diversity research: A meta-
23 analytic review. *Academy of Management Journal*, 52: 599-627.
- 24 Joshi, A., & Neely, B. H. 2018. A Structural-Emergence Model of Diversity in Teams.
25 *Annual Review of Organizational Psychology and Organizational Behavior*, (5): 361-
26 385.
- 27 Jost, J. T., & Banaji, M. R. 1994. The role of stereotyping in system justification and the
28 production of false consciousness. *British Journal of Social Psychology*, 33(1): 1-27.
- 29 Jung, E. J., & Lee, S. 2015. The combined effects of relationship conflict and the relational
30 self on creativity. *Organizational Behavior and Human Decision Processes*, 130: 44-
31 57.
- 32 Kozlowski, S. W., Gully, S. M., Nason, E. R., & Smith, E. M. 1999. Developing adaptive
33 teams: A theory of compilation and performance across levels and time. D. R. Ilgen, &
34 Elaine D. Pulakos. *The Changing Nature of Performance: Implications for Staffing,
35 Motivation, and Development. Frontiers of Industrial and Organizational Psychology:*
36 240-292. San Francisco, CA: Jossey-Bass.
- 37 Kunze & Bruch, 2010. Age-based faultlines and perceived productive energy: The moderation
38 of transformational leadership. *Small Group Research*, 41(5): 593-620.
- 39 Lamertz, K. 2002. The social construction of fairness: Social influence and sense making in
40 organizations. *Journal of Organizational Behavior*, 23(1): 19-37.
- 41 Larson, J. R., Foster-Fishman, P. G., & Franz, T. M. 1998. Leadership style and the
42 discussion of shared and unshared information in decision-making groups. *Personality
43 and Social Psychology Bulletin*, 24: 482-495.
- 44 Lau, D. C., & Murnighan, J. K. 1998. Demographic diversity and faultlines: The
45 compositional dynamics of organizational groups. *Academy of Management Review*, 23:
46 325-340.
- 47 Lau, D. C., & Murnighan, J. K. 2005. Interactions within groups and subgroups: The effects
48 of demographic faultlines. *Academy of Management Journal*, 48: 645-659.
- 49 Li, A., & Cropanzano, R. 2009. Fairness at the group level: Justice climate and intraunit
50 justice climate. *Journal of Management*, 35: 564-599.
- 51
52
53
54
55
56
57
58
59
60

- 1
2
3 Lind, E. A. 1995. Justice and authority relations in organizations. In R. S. Cropanzano & K.
4 M. Kacmar (Eds.) *Organizational Politics, Justice, and Support: Managing the Social*
5 *Climate of the Workplace*: 83-96. Westport, CT: Quorum Books.
- 6 Lind, E. A., Kray, L., & Thompson, L. 1998. The social construction of injustice: Fairness
7 judgments in response to own and others' unfair treatment by authorities. *Organizational*
8 *Behavior and Human Decision Processes*, 75(1): 1-22.
- 9 Lind, E. A., & Tyler, T. R. 1988. *The Social Psychology of Procedural Justice*. New York:
10 Plenum Press.
- 11 Loch, C.H., B.A. Huberman & Stout, S. 2000. Status competition and performance in work
12 groups. *Journal of Economic Behavior and Organization* 43: 35-55.
- 13 Lorinkova, N. M., Pearsall, M. J., & Sims, H. P. 2013. Examining the differential
14 longitudinal performance of directive versus empowering leadership in teams. *Academy*
15 *of Management Journal*, 56: 573-596.
- 16 Magee, J. C., & Galinsky, A. D. 2008. 8 Social Hierarchy: The self-reinforcing nature of
17 power and status. *Academy of Management Annals*, 2(1): 351-398.
- 18 Major, B., Gramzow, R. H., McCoy, S. K., Levin, S., Schmader, T., & Sidanius, J. 2002.
19 Perceiving personal discrimination: the role of group status and legitimizing ideology.
20 *Journal of Personality and Social Psychology*, 82(3): 269-282.
- 21 Mannix, E. A. 1993. Organizations as resource dilemmas: The effects of power balance on
22 coalition formation in small groups. *Organizational Behavior and Human Decision*
23 *Processes*, 55: 1-22.
- 24 Mathieu, J. E., Heffner, T. S., Goodwin, G. F., Salas, E., & Cannon-Bowers, J. A. 2000. The
25 influence of shared mental models on team process and performance. *Journal of Applied*
26 *Psychology*, 85(2): 273-281.
- 27 Mayo, M., van Knippenberg, D., Guillen, L., & Firfiray, S. 2016. Team diversity and
28 categorization salience: capturing diversity blind, intergroup-biased, and multicultural
29 perceptions. *Organizational Research Methods*. 19(3): 433-474.
- 30 Merriam, S. B., Johnson-Bailey, J., Lee, M. Y., Kee, Y., Ntseane, G., & Muhamad, M. 2001.
31 Power and positionality: Negotiating insider/outsider status within and across cultures.
32 *International Journal of Lifelong Education*, 20(5): 405-416.
- 33 Meyer, B., Glenz, A., Antino, M., Rico, R., & González-Romá, V. 2014. Faultlines and
34 Subgroups A Meta-Review and Measurement Guide. *Small Group Research*, 45: 633-
35 670.
- 36 Meyer, B., Shemla, M., & Schermuly, C. C. 2011. Social category salience moderates the
37 effect of diversity faultlines on information elaboration. *Small Group Research*, 42(3):
38 257-282.
- 39 Minichilli, A., Corbetta, G., & MacMillan, I. C. 2010. Top Management Teams in Family
40 Controlled Companies: 'Familianness', 'Faultlines', and their Impact on Financial
41 Performance. *Journal of Management Studies*, 47: 205-222.
- 42 Molleman, E. 2005. Diversity in demographic characteristics, abilities and personality traits:
43 Do faultlines affect team functioning? *Group Decision and Negotiation*, 14: 173-193.
- 44 Morgenson, F. P. & Humphrey. 2006. The Work Design Questionnaire (WDQ): Developing
45 and Validating a Comprehensive Measure for Assessing Job Design and the Nature of
46 Work. *Journal of Applied Psychology*, 91: 1321-1339.
- 47 Naumann, S. E., & Bennett, N. 2000. A case for procedural justice climate: Development and
48 test of a multilevel model. *Academy of Management Journal*, 43: 881-889.
- 49 Oyserman, D., & Harrison, K. 1998. Implications of cultural context: African American
50 identity and possible selves. *Prejudice*, 281-300
- 51 Pan, H., Liu, S., Miao, D., & Yuan, Y. 2018. Sample size determination for mediation
52 analysis of longitudinal data. *BMC Medical Research Methodology*, 18: 32.
- 53
54
55
56
57
58
59
60

- 1
2
3 Porath, C. L., Overbeck, J. R., & Pearson, C. M. 2008. Picking up the gauntlet: How
4 individuals respond to status challenges. *Journal of Applied Social Psychology*, 387,
5 1945-1980.
6
7 Rico, R., Molleman, E., Sánchez-Manzanares, M. & van der Vegt, G. 2007. The Effects of
8 Diversity Faultlines and Team Task Autonomy on Decision Quality and Social
9 Integration. *Journal of Management* 33: 111-132.
10
11 Rico, R., Sánchez-Manzanares, M., Antino, M., & Lau, D. 2012. Bridging team faultlines by
12 combining task role assignment and goal structure strategies. *Journal of Applied*
13 *Psychology*, 97: 407-420.
14
15 Ruscher, J. B., & Fiske, S. T. 1990. Interpersonal competition can cause individuating
16 processes. *Journal of Personality and Social Psychology*, 58: 832-843.
17
18 Sachdev, I., & Bourhis, R. Y. 1991. Power and status differentials in minority and majority
19 group relations. *European Journal of Social Psychology*, 21: 1-24.
20
21 Salancik, G. R., & Pfeffer, J. 1978. A social information processing approach to job attitudes
22 and task design. *Administrative Science Quarterly*, 224-253.
23
24 Schneider, B. 1987. The people make the place. *Personnel Psychology*, 403, 437-453.
25
26 Shemla, M., Meyer, B., Greer, L., & Jehn, K. A. 2016. A review of perceived diversity in
27 teams: Does how members perceive their team's composition affect team processes and
28 outcomes? *Journal of Organizational Behavior*, 37: 89-106.
29
30 Shaw, J. B. 2004. The development and analysis of a measure of group faultlines.
31 *Organizational Research Methods*, 7: 66-100.
32
33 Sherif, M. 1966. *Group Conflict and Cooperation: Their Social Psychology*. London:
34 Routledge & Kegan Paul.
35
36 Sitkin, S. B., & Roth, N. L. 1993. Explaining the limited effectiveness of legalistic
37 "remedies" for trust/distrust. *Organization Science*, 4: 367-392.
38
39 Spell, C. S., Bezrukova, K., Haar, J., & Spell, C. 2011. Faultlines, fairness, and fighting: A
40 justice perspective on conflict in diverse groups. *Small Group Research*, 42(3): 309-
41 340.
42
43 Stasser, G., Stewart, D. D., & Wittenbaum, G. M. 1995. Expert roles and information
44 exchange during discussion: The importance of knowing who knows what. *Journal of*
45 *Experimental Social Psychology*, 31: 244-265.
46
47 Suddaby, R., Bitektine, A., & Haack, P. 2017. Legitimacy. *Academy of Management*
48 *Annals*, 11: 451-478.
49
50 Tajfel, H. 1974. Social identity and intergroup behaviour. *Social Science Information*, 13:
51 65-93.
52
53 Tajfel, H., & Turner, J. C. 1979. An integrative theory of intergroup conflict. *The Social*
54 *Psychology of Intergroup Relations*, 33: 74-82.
55
56 Tajfel, H., & Turner, J. 1986. The social identity theory of intergroup behaviour. In Worchel
57 & Austin WG (Eds.) *Psychology of Intergroup Relations* (pp. 7-24). Chicago: Nelson
58 Hall.
59
60 Thatcher, S. M., Jehn, K. A., & Zanutto, E. 2003. Cracks in diversity research: The effects of
diversity faultlines on conflict and performance. *Group Decision and Negotiation*, 12:
217-241.
Thatcher, S. M., & Patel, P. C. 2012. Group faultlines a review, integration, and guide to
future research. *Journal of Management*, 38: 969-1009.
Tiedens, L. Z., Unzueta, M. M., & Young, M. J. 2007. An unconscious desire for hierarchy?
The motivated perception of dominance complementarity in task partners. *Journal of*
Personality and Social Psychology, 93: 402-416.

- 1
2
3 Tost, L. P., Gino, F., & Larrick, R. P. 2013. When power makes others speechless: The
4 negative impact of leader power on team performance. *Academy of Management*
5 *Journal*, 56(5): 1465-1486.
- 6 Tsui, A., Egan, T., & O'Reilly, C. 1992. Being different: Relational demography and
7 organizational attachment. *Administrative Science Quarterly*, 37: 549-579
- 8 Turner, J. C., Hogg, M. A., Oakes, P. J., Reicher, S. D., & Wetherell, M. S. 1987.
9 *Rediscovering the Social Group: A Self-categorization Theory*. Cambridge, MA, US:
10 Basil Blackwell.
- 11 Tyler, T. R. 2006. Psychological perspectives on legitimacy and legitimation. *Annual Review*
12 *of Psychology*, 57: 375-400.
- 13 van Der Veegt, G. S., & Bunderson, J. S. 2005. Learning and performance in multidisciplinary
14 teams: The importance of collective team identification. *Academy of Management*
15 *Journal*, 48: 532-547.
- 16 van Dijk, H., & van Engen, M. L. 2013. A status perspective on the consequences of work
17 group diversity. *Journal of Occupational and Organizational Psychology*, 86: 223-241.
- 18 van Ginkel, W. P., & van Knippenberg, D. 2008. Group information elaboration and group
19 decision making: The role of shared task representations. *Organizational Behavior and*
20 *Human Decision Processes*, 105(1): 82-97.
- 21 van Knippenberg, D., De Dreu, C. K., & Homan, A. C. 2004. Work group diversity and
22 group performance: an integrative model and research agenda. *Journal of Applied*
23 *Psychology*, 89: 1008-1023.
- 24 van Knippenberg, A., & Ellemers, N. 1993. Strategies in intergroup relations. In M. A. Hogg
25 & D. Abrams (Eds.), *Group Motivation: Social Psychological Perspectives* (pp. 17-32).
26 London: Harvester Wheatsheaf.
- 27 Vescio, T. K., Snyder, M., & Butz, D. A. 2003. Power in stereotypically masculine domains:
28 a Social Influence Strategy X Stereotype Match model. *Journal of Personality and*
29 *Social Psychology*, 85: 1062-1078.
- 30 Wegge, J., Roth, C., Neubach, B., Schmidt, K. H., & Kanfer, R. 2008. Age and gender
31 diversity as determinants of performance and health in a public organization: the role of
32 task complexity and group size. *Journal of Applied Psychology*, 93: 1301-1313.
- 33 Whitman, D. S., Caleo, S., Carpenter, N. C., Horner, M. T., & Bernerth, J. B. 2012. Fairness
34 at the collective level: A meta-analytic examination of the consequences and boundary
35 conditions of organizational justice climate. *Journal of Applied Psychology*, 97: 776-
36 791.
- 37 Worchel, S., Rothgerber, H., Day, E. A., Hart, D., & Butemeyer, J. 1998. Social identity and
38 individual productivity within groups. *British Journal of Social Psychology*, 37: 389-
39 413.
- 40 Xie, X. Y., Wang, W. L., & Qi, Z. J. 2015. The effects of TMT faultline configuration on a
41 firm's short-term performance and innovation activities. *Journal of Management &*
42 *Organization*, 21(05): 558-572.
- 43 Zanutto, E., Bezrukova, K., & Jehn, K. A. 2011. Revisiting faultline conceptualization:
44 Measuring faultline strength and distance. *Quality and Quantity*, 3, 701-714.
- 45 Zitek, E. M., & Tiedens, L. Z. 2012. The fluency of social hierarchy: the ease with which
46 hierarchical relationships are seen, remembered, learned, and liked. *Journal of*
47 *Personality and Social Psychology*, 102(1): 98-108.
- 48 Zhou, X.G. 2005. The institutional logic of occupational prestige ranking:
49 Reconceptualization and re-analyses. *American Journal of Sociology*, 111: 90-140.
- 50
51
52
53
54
55
56
57
58
59
60

Table 1: Descriptives and correlations.

<i>Variables</i>	<i>M</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1. Activated faultlines T1	0.15	.11	1							
2. Team structure clarity T1	3.27	.91	.16	1						
3. Team justice climate T2	3.41	.93	-.55**	.19	1					
4. Status conflict T3	2.39	.57	.49**	-.07	-.64**	1				
5. Team performance T4	3.76	.59	-.48**	.18	.59**	-.59**	1			
6. Task complexity T1	3.04	.53	.11	-.17	-.25	.18	-.25	1		
7. Team size T1	6.60	1.06	.05	-.02	.06	-.11	.08	.35*	1	
8. Heterogeneity T1	0.18	0.14	.03	.01	-.16	.03	-.25	-.08	-.15	1
9. Team Conflict T3	3.25	0.74	.37*	-.02	-.36*	.46*	-.38*	-.17	.02	.25

Note: N = 41. * = $p < .05$; ** = $p < .01$

Table 2. Activated faultlines, status conflict, and team performance.

<i>Models and Variables</i>	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>	<i>95%IC</i>	<i>R²_{adjusted}</i>
<i>Model on Status Conflict</i>						.21**
Activated faultlines T1	1.53	.69	2.20	.03		
Task complexity T1	.31	.15	2.04	.04		
Team size T1	-.13	.07	-1.82	.07		
Heterogeneity T1	-.42	.56	-.74	.46		
Team conflict T3	.32	.11	2.86	.01		
<i>Model on Team Performance</i>						.16**
Status conflict T3	-.63	.14	-4.24	.01		
Activated faultlines T1	-.85	.65	-1.32	.19		
Task complexity T1	-.09	.14	-.70	.48		
Team size T1	-.08	.06	-1.20	.23		
Heterogeneity T1	-1.14	.50	-2.26	.03		
Team conflict T3	.01	.11	.09	.92		
<i>Indirect effect</i>						
(H1a) Status Conflict T3	-.96	(Boot) .61			-2.63 / -0.15	

Note: N = 41. * = $p < .05$; ** = $p < .01$

Table 3. Activated faultlines, team justice climate, status conflict, and team performance

<i>Models and Variables</i>	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>	<i>95%IC</i>	<i>R²_{adjusted}</i>
<i>Model on Team Justice Climate</i>						.56**
Activated faultlines T1	-3.53	1.13	-3.12	.00		
Task complexity T1	-.52	.24	-2.13	.04		
Team size T1	.16	.12	1.31	.19		
Heterogeneity T1	-.63	.92	-.68	.49		
Team conflict T3	-.27	.18	-1.51	.13		
<i>Model on Status conflict</i>						.17**
Team justice climate T2	-.26	.09	-2.78	.00		
Activated faultlines T1	.59	.71	.83	.41		
Task complexity T1	.17	.14	1.16	.25		
Team size T1	-.09	.07	-1.33	.19		
Heterogeneity T1	-.59	.52	-1.12	.26		
Team conflict T3	.24	.10	2.33	.02		
<i>Indirect effect activated faultlines – team justice climate – status conflict</i>						
(H1b) Indirect effect	.93	(Boot)	.41		0.35 / 2.07	
<i>Model on Team Performance</i>						.17**
Team justice climate T2	.06	.10	.66	.51		
Status conflict T3	-.58	.16	-3.51	.00		
Activated faultlines T1	-.69	.70	-.98	.33		
Task complexity T1	-.07	.14	-.54	.59		
Team size T1	-.08	.076	-1.24	.22		
Heterogeneity T1	-1.07	.51	-2.08	.04		
Team conflict T3	.01	.11	.12	.90		
<i>Total effect activated faultlines on team performance</i>						

1
2
3
4 Activated faultlines T1 -1.82 .74 -2.45 .01
5
6

7
8 *Direct effect activated faultlines on*
9 *team performance*

10 Activated Faultlines T1 -.69 .70 -.98 .33
11
12

13
14
15 *Indirect effect activated faultlines –*
16 *team justice climate – status*
17 *conflict - team performance*
18

19
20 **(H1c)** (standardized indirect
21 effect) -.11 (*Boot*) .05 -0.27 / -0.03
22

23
24 *Ratio of indirect effect to total*
25 *direct effect*
26

27 *Activated faultlines – team*
28 *justice climate – status* .29 (*Boot*) 0.06 / 1.66
29 12.43
30 *conflict - team performance*
31
32

33 Note: N = 41. * = p < .05; ** = p < .01
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Table 4. Activated faultlines, team structure clarity, and team justice climate

<i>Models and Variables</i>	<i>B</i>	<i>SE</i>	<i>t</i>	<i>p</i>	<i>R²_{adjusted}</i>
<i>Model on team justice climate</i>					.52***
Activated faultlines T1	-13.28	4.54	-2.92	.00	
Team structure T1	-.31	.21	-1.46	.15	
Activated faultlines T1 * Team structure clarity T1	3.05	1.37	2.22	.03	
Task complexity T1	-.32	.25	-1.29	.20	
Team size T1	.08	.12	.67	.50	
Heterogeneity (T1)	-.98	.90	-1.09	.28	
Team conflict (T3)	-.23	.17	-1.31	.19	
<i>Model on Status Conflict</i>					.17***
Team justice climate T2	-.26	.09	-2.78	.00	
Activated faultlines T1	.59	.71	.83	.41	
Task complexity T1	.17	.14	1.16	.25	
Team size T1	-.09	.07	-1.33	.19	
Heterogeneity T1	-.59	.52	-1.12	.26	
Team conflict (T3)	.24	.10	2.33	.02	
<i>Conditional indirect effects activated faultlines – team justice climate – status conflict at the values of:</i>					
Team structure clarity T1	<i>Effect</i>	<i>SE</i>	<i>Boot LLCI</i>	<i>Boot ULCI</i>	
2.36	1.60	0.69	0.50	3.20	
3.27	0.86	0.37	0.29	1.79	
4.18	0.12	0.47	-0.62	1.44	
<i>Moderated mediation index</i>			<i>Boot LLCI</i>	<i>Boot ULCI</i>	
(H2)	-0.80	0.50	-1.97	-0.02	

Note: N = 41. * = p < .05; ** = p < .01

Figure 1: The role of team structure clarity, team justice climate and status conflict on the activated faultlines—team performance relationship.

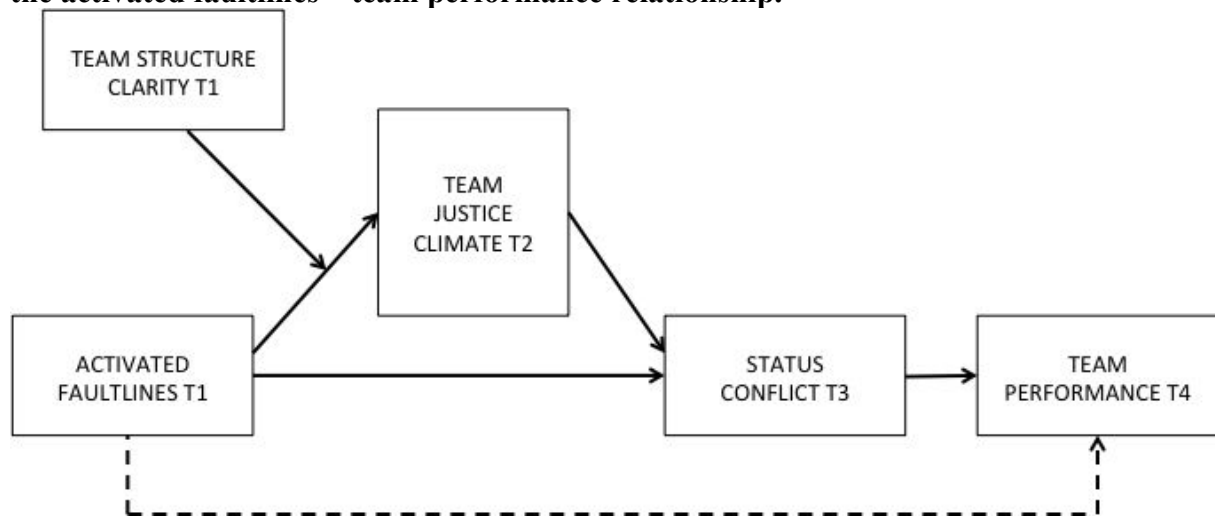
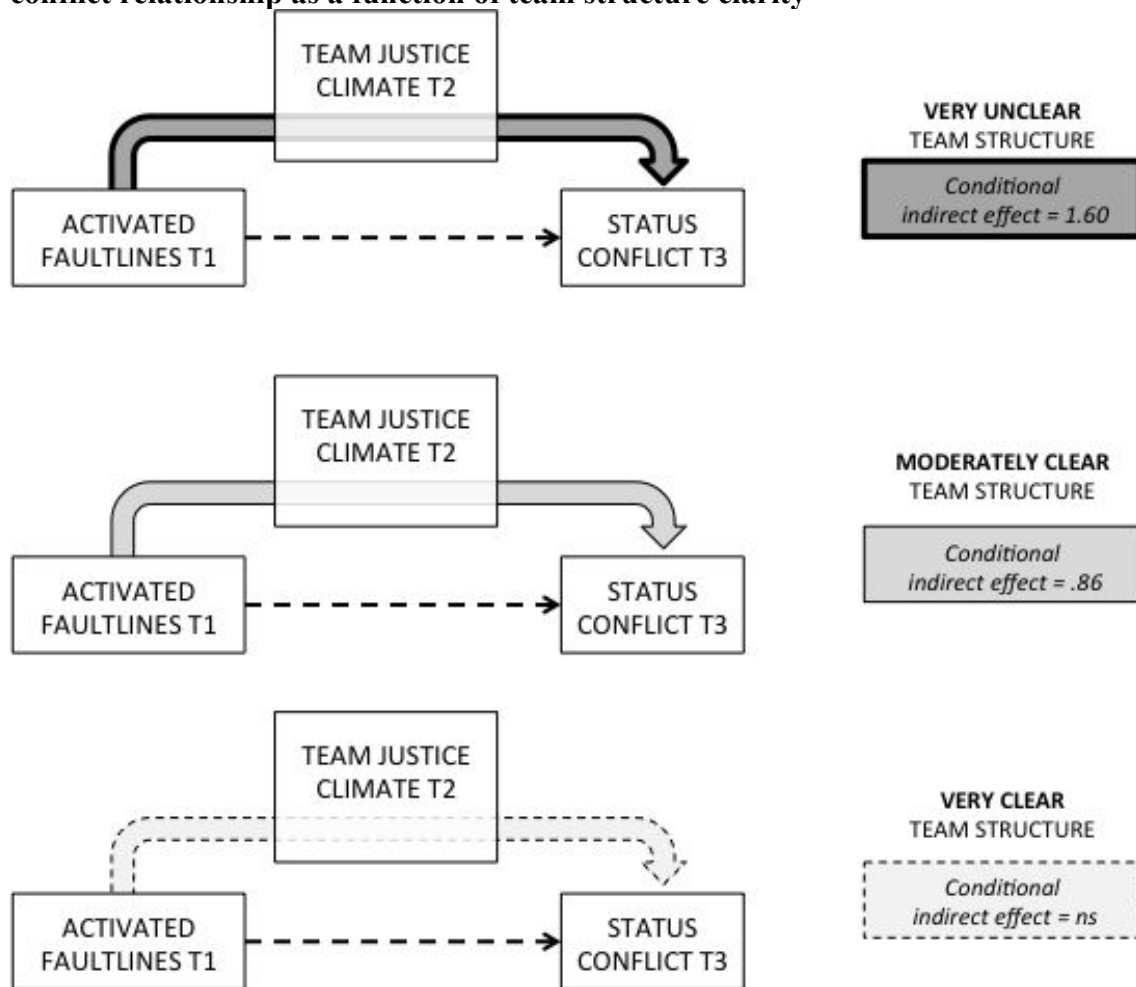


Figure 2: The indirect effect of the activated faultlines - team justice climate – status conflict relationship as a function of team structure clarity



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Appendix A: Additional Information on our Activated Faultlines Measure

Measurement Computation Example

To better illustrate the functioning of our activated faultlines measure, in Table A1 below we provide a comparison of four teams, where differences based on age, gender and ethnicity are used to calculate the activated faultline score.

Table A1: *Measurement examples based on four hypothetical teams.*

Team	Faultline strength if the split occurs on Age	Faultline strength if the split occurs on Gender	Faultline strength if the split occurs on Ethnicity	Perception of split based on Age	Perception of split based on Gender	Perception of split based on Ethnicity	Activated faultline score (our measure)
Team 1	.20	.30	.40	2.1	4.1	1.1	.70
Team 2	.20	.30	.40	1.2	1.1	1.5	.39
Team 3	.42	.12	.35	2.1	4.1	1.1	.59
Team 4	.42	.12	.35	1.1	1.1	1.1	.33

Using the measurement steps described in the manuscript, we first compute the faultline strength score using Shaw's (2004) measure based on age (e.g., we determine where the split exists on age and then determine the extent to which the attributes of gender and ethnicity align with that split; seen in Column 1 of table A1). More specifically, we employ the following calculation:

$$FLS = IA * (1 - CGAI) \quad [1]$$

where IA= internal alignment within the subset of group members sharing the same age category and CGAI (cross group internal alignment) = the extent to which group members belonging to another subgroup (by falling in a different age category) are similar on other attributes such as gender, or ethnicity (Meyer et al., 2014).

Similarly, Columns 2 and 3 show the faultline strength scores based on gender and ethnicity. Columns 4, 5, and 6 reflect the faultline perceptions score based on age, gender, and ethnicity, respectively. Column 7 provides our activated faultline score using the following calculation:

$$\text{Activated Faultlines} = (\text{FLS}_{\text{age}} * \text{PS}_{\text{age}}) + (\text{FLS}_{\text{gender}} * \text{PS}_{\text{gender}}) + (\text{FLS}_{\text{ethnicity}} * \text{PS}_{\text{ethnicity}}) \quad [2]$$

where FLS = Faultline strength based on Shaw (2004) and PS = perception of split based on Bezrukova et al., (2010). We use Shaw's (2004) approach as it allows us to estimate faultlines strength separately for each attribute (based on internal and cross group alignment).

In this example, Teams 1 and 2 share the same team demographic composition (same heterogeneity in terms of age, gender and ethnicity). Regardless of the faultline measure used (various measurement approaches are described below in this Appendix) these teams will receive the same dormant faultlines score, as the objective diversity within the team is the same. However, our measurement approach allows us to discriminate between these two teams, by considering the extent to which the perceptions of subgroups formed by the demographic attributes differ.

Similarly, Team 1 and Team 3 share the same faultline perceptions across these three demographic characteristics. Thus, if we only measured the perceptual faultlines, these two teams would look identical; however, by incorporating the dormant (objective) faultline strength score, we show how these two teams have different activated faultline scores, and likely experience faultlines differently. In sum, our measure allows us to capture both the objective team configuration (through the faultline strength estimation) and the perception of faultline activation, allowing for differentiation between teams with the same objective structure but different perceptions of activation.

Additional Evidence for Validity of our Activated Faultline Measure

Predictive validity. Predictive validity refers to the extent to which a measure is able to predict related constructs (DeVellis, 1991). In an unpublished presentation, the faultlines measure proposed in this paper was a better predictor of elaboration of task relevant information in a different sample, compared to Shaw's (2004) measure. In a sample of multidisciplinary innovative teams working in an IT firm, the relationship between Shaw's

1
2
3 faultline measure and elaboration of task relevant information (measured with the four-item
4 scale developed by Kearney & Gebert, 2009) was $r = -.222, p < .05$. In addition, the
5 relationship between perceptual faultlines and elaboration of task relevant information was r
6 = $-.185, p < .05$. Using the measure described in our manuscript, the relationship between
7 activated faultlines and elaboration of task-relevant information was $r = -.336, p < .05$.

8
9
10
11
12
13
14
15 **Content validity.** Content validity refers to the extent to which a given measure
16 reflects a content domain (DeVellis, 1991). Our activated faultlines measure has content
17 validity because it is consistent with Lau and Murnighan's (1998) original theorization that
18 dormant (or objective) faultlines are activated when the subgroups' alignments are salient.
19 Our measure includes both the dormant and perceptual facets of the faultline construct that
20 result in its activation. Dormant faultlines (operationalized as faultline strength using Shaw's
21 (2004) measure) inform us about the extent to which demographic attributes are aligned
22 within subgroups and deviate between subgroups. Perceptions of subgroup existence (Jehn &
23 Bezrukova, 2010) are valuable for capturing the salience of a faultline split. By combining
24 both the dormant and perceptual facets of the faultline in a single measure, we ensure that the
25 strength of the dormant split (within vs. between alignment of attributes) is weighted
26 according to its salience (the perception of a faultline based on the attributes) to provide a
27 valid measure as originally conceptualized.
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

44 **Brief Description of Other Faultlines Measures**

45
46
47 As described in our manuscript, there are no faultline measures that incorporate both a
48 dormant and perceptual element; thus, it is difficult to establish construct validity as no other
49 measures provide a direct comparison to our activated faultline measure. However, we feel it
50 is valuable to provide a brief review of the current approaches to measuring objective
51 faultlines (as reflected in Meyer et al., 2014) and explain why we used Shaw's (2004)
52 measure to calculate the dormant (objective) portion of the activated faultline construct rather
53
54
55
56
57
58
59
60

1
2
3 than many of the other popular and useful existing faultline measures.
4

5 Thatcher's *fau* (Thatcher, Jehn, & Zanutto, 2003) is a variance-based approach that
6
7 detects the two-subgroup configuration delivering the largest ratio of between-group variance
8
9 over the total group variance of attributes. Further developments of this measure (Bezrukova
10
11 et al., 2009; Zanutto et al., 2011) incorporate a measure of the distance between subgroups.
12
13 While these approaches are useful when researchers want to focus on a specific subgroup
14
15 configuration (the one that maximizes the variance difference), they are not able to take into
16
17 account all possible subgroup splits (which is necessary for the subsequent weighting with
18
19 the perceived measure) nor do they take into account the perceptual measure.
20
21
22

23
24 Gibson & Vermeulen's (2003) approach considers the overlap of all potential dyads to
25
26 estimate the subgroup strength. Because of its focus on dyads, this approach is not suitable
27
28 for estimating the strength of a specific subgroup configuration based on the alignment of
29
30 attributes necessary for our activated faultlines measure. Similar rationale applies to Carton &
31
32 Cummings' (2013) subgroup measure which is useful when the focus is only on subgroup
33
34 splits, without considering the perceptual configuration.
35
36

37
38 Factional faultlines (Li & Hambrick, 2005) considers the extent to which attributes
39
40 align with the focal attribute of interest. This measure is useful when researchers focus on a
41
42 specific attribute, but it does not provide information regarding specific subgroup
43
44 configurations and does not allow researchers to integrate the perceptual facet of the faultline.
45
46

47
48 Similar to Shaw's (2004) measure, Trezzini's (2008) approach examines pairwise
49
50 juxtapositions between all possible subgroups (Meyer & Glenz, 2013). However, this
51
52 measure does not allow researchers to access separate information on each subgroup. For this
53
54 reason, this measure was not utilized in our activated faultline measure.
55

56
57 Latent class cluster-based approaches (Barkema & Shvyrkov, 2007; Lawrence &
58
59 Zyphur, 2011; ASW measure: Meyer & Glenz, 2013) estimate one possible configuration
60

1
2
3 assigning individuals to a specific subgroup based on overall team similarity (maximum
4 within-cluster similarity and maximum between-cluster heterogeneity). The creation of one
5 potential subgroup configuration based on within-cluster similarity does not enable the
6 application of a perceptual “weighting” of individual attributes.
7
8
9
10
11

12 In sum, although the above faultline measures are valuable for understanding how
13 dormant faultlines are configured when researchers do not have information regarding the
14 extent to which faultlines are perceived, they are not suitable for use in measuring activated
15 faultlines that include both dormant and perceptual facets.
16
17
18
19
20

21 **Limitations and further developments**

22
23 Although our faultlines measure presents an advancement with respect to faultline
24 measurement, there are limitations that should be considered. First, as required when using
25 Shaw’s (2004) dormant faultlines measure, our measure also requires converting continuous
26 variables into categorical variables. Future researchers may be able to determine how to
27 combine perceptual faultlines measures with faultlines strength indicators estimated through
28 continuous variables. Second, although our proposed faultlines measure provides content
29 validity as it is consistent with the original faultlines construct description (Lau &
30 Murnighan, 1998), we are unable to clearly partition the variance between the dormant and
31 activated aspects of the faultlines, which might be useful in some cases. Finally, our faultlines
32 measure proposes adding all faultlines attribute alignments (product of objective and
33 perceptual estimations of faultlines); however further developments of the measure may
34 consider alternative ways of integrating different faultlines attributes.
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 **Mirko Antino** (m.antino@psi.ucm.es) is an associate professor of research methods at
4 Universidad Complutense de Madrid, Department of Methodology for Behavioral Science,
5 and a research member of the Business Research Unit at ISCTE-IUL Lisbon. He received his
6 PhD in Psychology from Universidad Complutense de Madrid. His research focuses on the
7 effect of team diversity, team diversity management, team adaptation, as well as on intensive
8 longitudinal research designs in organizational settings.
9

10
11 **Ramón Rico** (ramon.rico@uwa.edu.au), is Associate Professor of Management and
12 Organizations at the University of Western Australia. He received his PhD in Psychology
13 from Autonomous University of Madrid (Spain). His current research interests include
14 shared cognition and team coordination processes, team and leadership adaptation, team
15 diversity, task design characteristics, multiteam systems, and team effectiveness.
16
17

18 **Sherry M.B. Thatcher** (sherry.thatcher@moore.sc.edu) is Professor of Management at the
19 University of South Carolina. She received her Ph.D. in organizational behavior from the
20 Wharton Business School at the University of Pennsylvania. Her research revolves around
21 individual team effects of diversity, faultlines, identity, and conflict.
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60