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The Mediating of Organization Change, Perceptions of Politics and Interpersonal Conflict at Work on the Leader/Member Exchange and Job Satisfaction Relationship

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The Impact of Media Choice and Social Capital on Quality Improvement <i>Baiyun Gong, David S. Hoyte, & Regina A. Greenwood</i>	1
The Mediating of Organizational Change, Perceptions of Politics and Interpersonal Conflict at Work on the Leader/Member Exchange and Job Satisfaction Relationship <i>Jeffrey Muldoon, Shawn M. Keogh, & Eric W. Liguori</i>	9
In Pursuit of Crisis Readiness: An Examination of Managerial Characteristics, Firm Size, Industry Domain and Strategic Type within the Miles and Snow Framework <i>John A. Parnell, William "Rick" Crandall, & Richard E. Crandall</i>	22
The Demise of Arthur Andersen: Is Founder's Syndrome to Blame? <i>Paul L. Govekar</i>	39
Paradigm Shift in Human Resource Management: From Contingency Model to Strategy and Process Development <i>Gyongyi Konyu-Fogel</i>	46
Correlation Between Turnover and Organizational Performance: An Exploratory Study <i>Lee L. Hisey</i>	56
CHS Country Operations' International Business Strategy <i>Robert A. Lloyd</i>	66
Publishing Guidelines	86

The Mediating of Organization Change, Perceptions of Politics and Interpersonal Conflict at Work on the Leader/Member Exchange and Job Satisfaction Relationship

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Abstract: Using the lens of social exchange theory, this study examines the role of organization change, perceptions of politics (POPS) and interpersonal conflict at work (ICAW) on the LMX/job satisfaction relationship. Results indicate that organization change, POPS and ICAW each have a partial negative mediation effect on the LMX/job satisfaction relationship. Implications for management are briefly discussed.

INTRODUCTION

Job satisfaction is the most researched, debated and, perhaps important variable in the organizational behavior literature (Spector, 1997). Job satisfaction is particularly important because it is related to a wide variety of organizational outcomes, including job performance, turnover, various types of stress, and counter-productive work behavior (Schleicher, Hansen, & Fox, 2011). In addition, these relationships have increased validity due to the fact that managers recognize the importance of job satisfaction, especially since job satisfaction is intuitive enough to be easily understood (Schleicher et al., 2011). Not surprisingly, there is considerable debate over whether the construct of job satisfaction is an emotion or an attitude. The most common definition of job satisfaction is “the extent to which people like or dislike their job” (Spector, 1997:2). According to social exchange theory, the more pleasurable the relationship (hence the more profitable), the more likely people will make investments in the relationship (Homans, 1961). Consequently, the more pleasure one finds in his job the more likely he is to work harder and the less likely he is to exhibit signs of opportunism (Cropanzano & Mitchell, 2005).

Managers place a great deal of emphasis on monitoring and improving general job satisfaction of their employees for the reasons described above. This has been demonstrated through the relationship between leader-member exchange (LMX) and job satisfaction (Graen & Uhl-Bien, 1995). LMX is a social exchange relationship between a supervisor and subordinate (Liden, Sparrowe, & Wayne, 1997; Erdogan & Liden, 2002), which establishes a “general expectation of some future return, [although] its exact nature is definitely not stipulated in advance” (Blau, 1964:93). As such, LMX is an extremely important determinant of work-place outcomes since many workers get their resources from the supervisor (Wilson, Sin & Conlon, 2010). Therefore, LMX refers to subordinates’ belief that they could call upon these additional resources in case of need. These resources may take the form of better evaluations for performance, additional opportunities to excel, more leeway on the job, and other practical benefits. Thus, it is not surprising that there is a strong, positive relationship between LMX and job satisfaction.

One reason why LMX is related to job satisfaction is that positive exchange relationships tend to produce strong feelings of satisfaction (Lawler, 2001). In turn, the positive feelings produced by the exchange will serve as an internal reinforcing mechanism to produce future positive exchanges (Weiner, 1985, 1986). When a series of successful exchanges occurs, the subordinate feels positive emotions towards the supervisor such as trust, affection, and loyalty. Naturally, such an exchange would produce higher degrees of job satisfaction because subordinates believe that their actions will be reciprocated by the supervisor. This satisfaction would, in turn, encourage the subordinate to have elevated levels of work performance,

whether it is focal performance or citizenship performance in order to maintain a positive relationship (Gouldner, 1960; Lawler, 2001).

Another potential explanation why LMX is positively related to job satisfaction is that LMX helps workers avoid negative outcomes and, as a result, avoid negative situations. The evasion of negative relationships and the positive relationship between LMX and job satisfaction occurs because people try to avoid losses (Hobfoll, 1989). People form relationships with others to avoid losses and gain profits (Homans, 1950; Blau, 1964). This study examines several negative outcomes, specifically: organization change, perceptions of politics, and inter-personal conflict at work. We propose that each of these negative outcomes have the potential to mediate the LMX/job satisfaction relationship. Thus, the purpose of this paper is to investigate how these negative outcomes impact the LMX/job satisfaction relationship.

JOB SATISFACTION AND LMX

As stated previously, job satisfaction is “the extent to which people like or dislike their job” (Spector, 1997:2). Although job satisfaction has been presented as an emotion, many scholars view job satisfaction as an attitude — an attitude that emerges through the evaluations, emotions, and behaviors that individuals encounter during the course of work (Spector, 1997). Job satisfaction can have facets or can be conceptualized at the global level. Scholars’ views are mixed as to whether satisfaction is a facet or a global measure (Schleicher, 2011). A global measurement of job satisfaction will be used in this study due to the examination of LMX relationships. A global measure is appropriate because the relationship with the supervisor is crucially important for many workers, especially in terms of how the worker views the organization (Eisenberger et al., 2010). Workers view the organization through the lens of their supervisor who is, for them, the principal organizational agent (van Breukelen, Schyns, & Le Blanc, 2006). In fact, supervisors are often encouraged to regard themselves as the principal agent of the organization (Williamson, 1981). Scholars have discovered that positive supervisor relationships lead to organizational phenomena such as organizational commitment and job satisfaction (Lavelle, Rupp, & Bruckner, 2007).

A thriving exchange relationship produces positive feelings, which is why LMX is positively related to job satisfaction. These positive feelings, which could be an attitude or emotion, signal to the exchange partner that the exchange is valuable and should continue in the future (Homans, 1961; Lawler, 2001). This is an important consideration in exchange generally, and social exchange particularly, since it informs the exchange partner whether the exchange passes the cost/benefit comparison and merits continuing (Blau, 1964). Since the supervisor is the principal agent of the organization from the subordinate’s perspective, overall job satisfaction will be directly affected by an LMX relationship. Although prior research indicates LMX is positively related to job satisfaction, as per Schwab (2005), replication of previous findings are necessary for verification purposes. Thus we propose the following hypothesis:

H1: LMX is positively related to job satisfaction.

MEDIATION

One benefit from LMX - besides producing positive outcomes such as satisfaction and psychological empowerment - is that it lessens the negative effects of many hindrances such as stress, burnout, perceptions of politics, and other types of conflict at work (Dulebohn et al., 2012). A possible explanation of this benefit is that since LMX refers to the social exchange relationship between a supervisor and subordinate, it also refers to the potential benefits a person in the supervisor/subordinate relationship could receive from the other (Blau, 1964). Much like the idea of discounted cash in an economic exchange, social exchange implies future benefits

one exchange partner could expect from the other (Blau, 1964). For instance, if a subordinate has a work-family conflict, he could call upon his supervisor to provide social support or to promote work-flexibility so that the subordinate could overcome his work-family conflict (Wilson, Sin & Conlon., 2010).

Workplace stressors, such as organization change, perceptions of politics, and inter-personal conflict, often make the job seem more difficult to perform. A stressor is an external element that could produce stress and is frequently a potential threat to job resources (Beehr, 1995). Prolonged exposure to stressors can lead to a wide assortment of negative outcomes, including burnout and reduced focal and contextual job performance. (Halbesleben & Buckley, 2004). For example, if a worker is experiencing a high degree of organizational uncertainty, he may believe that resources at work could be threatened—namely a change in salary, working conditions, or social relationships — and would consequently suffer negative feelings (Beehr, 1995). Thus, from a satisfaction perspective, satisfaction would be reduced in the ongoing presence of stressors. In turn, a worker's satisfaction would be lower, potentially decreasing job performance. For instance, if an organization is going through change, then a worker may feel the change threatens his work relationship. The built-in uncertainty associated with change could cause a worker to perceive future expected losses. Accordingly, employees would experience decreased job satisfaction when encountering stressors.

From the cost-benefit standpoint, eliminating losses can be as important as attaining gains for several reasons. Stressors are threats to resources, which could lead to negative consequences, such as burnout (Halbesleben & Buckley, 2004). Accordingly, these stressors could lead to the negation or reduction of the LMX/job satisfaction relationship because individuals are facing potential losses. We therefore posit that negative workplace stressors are key variables impacting the LMX/job satisfaction relationship.

ORGANIZATION CHANGE

Organization change is the extent to which the organization may have a transformation from the present configuration to a different configuration (Ashford, Lee, & Bobko, 1989). Organizations change for many reasons such as: technological advances, innovation, changes in management, alterations in processes, moving locations, developing new products, and entering into new markets (Ashford et al., 1989). Each of these changes can have a detrimental impact on employees since the changes potentially threaten their jobs. Generally speaking, people do not like change (Morrison & Phelps, 1999), especially when the change jeopardizes existing resources. Two factors could impact the effect of organizational change on the LMX/job satisfaction relationship. First, a better LMX relationship may result in greater access to information, and this information could quell fears arising from the organization change (Wilson, et al., 2010) Second, supervisors have the ability to influence the potential threats and scope of organization change since they often make decisions regarding firing and performance evaluations. However, the uncertainty involved with change can rarely be completely addressed. Thus, fears regarding organization change could jeopardize the LMX/job satisfaction relationship. Accordingly, we propose the following:

H2: Organization change negatively mediates the relationship between LMX and job satisfaction.

PERCEPTIONS OF POLITICS

Perceptions of politics (POPs) refers to the extent to which an individual believes that the organization has a high frequency of political behavior (Kacmar & Ferris, 1991). Although workplace politics are

unavoidable (and probably necessary), excessive politics are often a negative component of the work environment (Kacmar & Baron, 1999). POPs can be a stressor because the affected workers can be confronted with a negative and fractured environment. POPs can therefore be viewed as a threat to resources. Due to POPs' threat to resources, it would have a negative relationship with job satisfaction and endanger the LMX/job satisfaction relationship. While a strong LMX/job satisfaction relationship could exist with additional information, contacts in the organization, or the past political support of the supervisor, the secretive nature of political exploits has the potential to sever this relationship. Thus, we propose the following:

H3: Perceptions of politics negatively mediate the relationship between LMX and job satisfaction.

INTERPERSONAL CONFLICT AT WORK

Interpersonal conflict at work (ICAW) refers to the extent to which people believe that they will find conflict at work, such as rudeness and other types of uncivil behavior (Spector & Jex, 1998). Because an amiable social exchange relationship would, by definition, preclude extensive negative outbursts from one exchange partner to another, this type of conflict could lower job satisfaction and produce feelings that the job is no longer worth having. A strong LMX/job satisfaction relationship could provide some support to call upon future resources, whether those resources are additional social support, political protection, job modification, or an advocate to human resources. However, leader intervention could exacerbate the level of conflict, or in cases where all parties have strong LMX relationships, provide no apparent advantage. As such, ICAW could negate the LMX/job satisfaction relationship. Therefore, we propose the following:

H4: Interpersonal conflict at work (ICAW) negatively mediates the relationship between LMX and job satisfaction.

METHODS

Scholars recommend that data from multiple organizations be collected because organizational demands or individual similarities may impact OCB performance or its antecedents such as job satisfaction (Schneider, 1987; Schneider, Smith, Taylor, & Fleener, 1998; Organ & McFall, 2004; Organ, Podsakoff & MacKenzie, 2006). The use of a targeted sample is appropriate when a large, diverse sample is needed and also helps avoid concerns like nesting and non-independence (Watters & Biernacki, 1989). In addition, since this study assesses the organizational variables of POPs, ICAWs, and organization change, multiple organization sampling is appropriate because individuals may have common perceptions of those variables. Targeted sampling is, accordingly, commonplace in the LMX literature either as a primary or secondary study (Schriesheim et al., 2001; Zhou & Schriesheim, 2010; Sin et al., 2009; Morgeson & Humphrey, 2006; Deluga & Perry, 1994; Deluga, 1998; Judge & Bono, 2000; Bernerth et al., 2007). Each of these studies (or individuals) are from diverse organizations. In addition, Organ et al., (2006) recommended the use of this type of sampling to aid in OCB research/antecedents since it lessens any potential organization bias.

Participants were recruited by undergraduate students from management classes at a large southern public university. Students received extra credit in exchange for participating, and students who chose not to participate received alternative extra credit opportunities in the interest of equity. The students involved in the study provided contact information for supervisors with whom they were familiar. Data was then solicited from the supervisors who worked greater than 30 hours per week and who supervised at least three employees at the time. Self-employed supervisors were not included. One hundred ninety full time employees participated in the study. Participants were 62% female, 72% Caucasian, and averaged 38.6 years of age (range 19-72) and held 7.2 years of tenure within their respective organizations.

To ensure data integrity, students were asked to provide the contact information of the individuals agreeing to participate in the study, and participants were then contacted via a web survey by the researchers. Next, participants provided supervisor contact information. Supervisors were then contacted directly by the researchers. The effective response rate across all three survey administrations was 57%. To ensure candor, participants were assured that individual responses would be kept confidential and that only aggregate data would be reported. Students were incentivized with extra credit for their participant referrals.

MEASURES

Leader-member Exchange. The seven-item measure by Graen and Uhl-bein (1995) was used to assess both employee-rated ($\alpha=.89$) leader-member exchange. A representative item is “I have enough confidence in my supervisor that I would defend and justify his/her decision if he/she were not present to do so” with responses anchored on a Likert scale “1=strongly disagree” and “5=strongly agree” (anchors vary based upon the individual item, but all were anchored on Likert-type 1-5 scales).

Organizational Change. The eight-item measure ($\alpha=.78$) from Ashford, Lee, and Bobko (1989) was used to assess organizational change. A representative item is “How likely is it that the organization will undertake a major restructuring?” anchored “1=very unlikely” to “5=very likely.” Higher scores reflect higher levels of job insecurity.

Interpersonal Conflict at Work. The four-item measure ($\alpha=.75$) from Spector and Jex (1998) was used. A representative item is “How often are people rude to you at work?” anchored on a Likert-type scale “1=never” and “5=very often.”

Job Satisfaction. The three-item measure ($\alpha=.83$) by Cammann, Fichman, Jenkins, and Kelsh (1983) was used to assess employee job satisfaction. A representative item is “All in all, I am satisfied with my job.” Higher scores reflect higher levels of job satisfaction.

RESULTS

The means, standard deviations and correlations of the study variables are found in Tables 1, 2, and 3. Three tables were necessary because this study examined three distinct mediation variables - Change, POPs, and ICAW. Hypothesis 1 posited a positive relationship between LMX and job satisfaction would exist. Results indicated a positive, significant relationship between LMX and job satisfaction (See Table 4; $\beta = .496, p < .01$). Thus, Hypothesis 1 was supported.

Mediation Results

The four-step mediation procedure described by Baron and Kenny (1986) was employed to ascertain whether or not mediation effects of organizational change existed between the independent variable, LMX, and the dependent variable, job satisfaction. Four conditions must be met in order to verify mediation. First, the independent variable must be significantly related to the dependent variable. Second, the independent variable must be significantly related to the proposed mediator. Third, the mediator must affect the outcome variable. Fourth, the relationship between the independent variable and the dependent variable must be significantly weaker or non-significant when the proposed mediator is included.

As indicated previously, all four conditions must be met in order to show mediation has occurred. The first three conditions can be checked by examining the beta coefficients from several regression analyses. A significant beta coefficient indicates the condition has been satisfied.

Table 1: Means, Standard Deviations, Correlations, and Reliability Estimates (Change)

Variables	Mean	s.d.	1	2	3
1. SAT	4.01	0.821	(.83)		
2. LMX	3.83	0.785	0.474	(.89)	
3. Change	2.43	0.653	-0.231	-0.197	(.78)

Note: Reliability estimates are provided on the diagonal.

* $p < .01$ (n = 280)

Table 2: Means, Standard Deviations Correlations, and Reliability Estimates (POPS)

Variables	Mean	s.d.	1	2	3
1. SAT	4.02	0.822	(.83)		
2. LMX	3.83	0.786	0.477	(.89)	
3. POPS	2.70	0.442	-0.413	-0.395	(.75)

Note: Reliability estimates are provided on the diagonal.

* $p < .01$ (n = 281)

Table 3: Means, Standard Deviations Correlations, and Reliability Estimates (ICAW)

Variables	Mean	s.d.	1	2	3
1. SAT	4.01	0.83	(.83)		
2. LMX	3.84	0.781	0.487	(.89)	
3. ICAW	1.79	0.605	-0.378	-0.311	(.75)

Note: Reliability estimates are provided on the diagonal.

* $p < .01$ (n = 278)

To test the fourth condition, a comparison is required of the independent variable's effect on the dependent variable before and after the mediator is added to the regression model. Three hierarchical regression analyses were performed as this study involved three discrete mediators, (See Tables 4, 5, and 6). A single table will be used (See Table 7) to summarize the mediation analysis to avoid using multiple tables to present all of the regression analyses performed.

Hypothesis 2 posited that organizational change would mediate the relationship between LMX and job satisfaction. The hierarchical regression found in Table 4 was used to test conditions 1, 3, and 4 for possible mediation. The hierarchical regression results were first examined to ensure the relationship between LMX and job satisfaction was significant. Results indicated a significant positive relationship ($\beta = .496, p < .01$), thus meeting Condition #1 (See Table 7). To test condition #2, a regression with LMX regressed on organizational change was performed. Results indicated that LMX had a statistically significant negative relationship with organizational change ($\beta = -.163, p < .01$), thus meeting Condition #2 (See Table 7). To test Condition #3, step two of the hierarchical regression (See Table 4) was examined. Results indicated organizational change had a statistically significant negative relationship

Table 4: Hierarchical Regression Outcome (LMX, CHANGE, and SAT)

Outcome: SAT	Step 1	Step 2
Step 1: LMX	.496*	.467*
Step 2: CHANGE		-.180*
Overall F	80.666*	44.853*
Adj. R-Sq	0.222	0.239
R-Sq.	0.225	0.245
R-Sq. Δ	0.225*	0.020*

Note: Unstandardized regression coefficients

* $p < .01$

Table 5: Hierarchical Regression Outcome (LMX, POPS, and SAT)

Outcome: SAT	Step 1	Step 2
Step 1: LMX	.499*	.389*
Step 2: POPS		-.494*
Overall F	82.256*	56.018*
Adj. R-Sq	0.225	0.282
R-Sq.	0.228	0.287
R-Sq. Δ	.228*	.060*

Note: Unstandardized regression coefficients

* $p < .01$

Table 6: Hierarchical Regression Outcome (LMX, ICAW, and SAT)

Outcome: SAT	Step 1	Step 2
Step 1: LMX	.514*	.432*
Step 2: ICAW		-.341*
Overall F	85.582*	57.052*
Adj. R-Sq	0.234	0.288
R-Sq.	0.237	0.293
R-Sq. Δ	.237*	.057*

Note: Unstandardized regression coefficients

* $p < .01$

with job satisfaction ($\beta = -.180, p < .01$), thus meeting Condition #3 (See Table 7). To test Condition #4, the effect of LMX on job satisfaction was examined before and after the inclusion of organizational change in the hierarchical model. Before organizational change was included in the model, a statistically significant positive relationship between LMX and job satisfaction ($\beta = .496, p < .01$) was noted. After organizational change was included in the model, the relationship between LMX and job satisfaction ($\beta = .467, p < .01$) decreased. A Sobel Test was performed (Z -statistic = $-3.09, p < .01$) which indicated partial mediation was occurring (See Table 7). Therefore, Hypothesis 2 was supported.

Hypothesis 3 posited that perceptions of politics would mediate the relationship between LMX and job satisfaction. The hierarchical regression found in Table 5 was used to test conditions 1, 3, and 4 for possible mediation. The hierarchical regression results were first examined to ensure the relationship between LMX and job satisfaction was significant. Results indicated a significant positive relationship ($\beta = .499, p < .01$), thus meeting Condition #1 (See Table 7). To test condition #2, a regression with LMX regressed on perceptions of politics was performed. Results indicated that LMX had a statistically significant negative relationship with perceptions of politics ($\beta = -.222, p < .01$), thus meeting Condition #2 (See Table 7). To test Condition #3, step two of the hierarchical regression (See Table 5) was examined. Results indicated perceptions of politics had a statistically significant negative relationship with job satisfaction ($\beta = -.494, p < .01$), thus meeting Condition #3 (See Table 7). To test Condition #4, the effect of LMX on job satisfaction was examined before and after the inclusion of perceptions of politics in the hierarchical model. Before perceptions of politics was included in the model, a statistically significant positive relationship between LMX and job satisfaction ($\beta = .499, p < .01$) was noted. After perceptions of politics was included in the model, the relationship between LMX and job satisfaction ($\beta = .389, p < .01$) decreased. A Sobel Test was performed (Z -statistic = $-4.89, p < .01$) which indicated partial mediation was occurring (See Table 7). Therefore, Hypothesis 3 was supported.

Hypothesis 4 posited that interpersonal conflict at work would mediate the relationship between LMX and job satisfaction. The hierarchical regression found in Table 6 was used to test conditions 1, 3, and 4 for possible mediation. The hierarchical regression results were first examined to ensure the relationship between LMX and job satisfaction was significant. Results indicated a significant positive relationship ($\beta = .514, p < .01$), thus meeting Condition #1 (See Table 7). To test condition #2, a regression with LMX regressed on interpersonal conflict at work was performed. Results indicated that LMX had a statistically significant negative relationship with interpersonal conflict at work ($\beta = -.241, p < .01$), thus meeting Condition #2 (See Table 7). To test Condition #3, step two of the hierarchical regression (See Table 6) was examined. Results indicated interpersonal conflict at work had a statistically significant negative relationship with job satisfaction ($\beta = -.341, p < .01$), thus meeting Condition #3 (See Table 7). To test Condition #4, the effect of LMX on job satisfaction was examined before and after the inclusion of interpersonal conflict at work in the hierarchical model. Before interpersonal conflict at work was included in the model, a statistically significant positive relationship between LMX and job satisfaction ($\beta = .514, p < .01$) was noted. After interpersonal conflict at work was included in the model, the relationship between LMX and job satisfaction ($\beta = .432, p < .01$) decreased. A Sobel Test was performed (Z -statistic = $-4.46, p < .01$) which indicated partial mediation was occurring (See Table 7). Therefore, Hypothesis 4 was supported.

CONCLUSIONS

We found support for our hypotheses that the LMX/job satisfaction relationship is partially mediated by various stressors (IACW, POPS, and organizational change). Accordingly, LMX and job satisfaction appears to have a process through which LMX influences job satisfaction. In doing so, we have answered the call from scholars, such as Coyle-Shapiro & Conway (2004), that there is a need to examine social exchange from a process standpoint. It logically follows that if resources are being destroyed (i.e. the relationship becomes more and more costly), such a relationship would become unprofitable—thus

Table 7: Mediation Analysis						
	Independent Variable	Mediating Variable	Dependent Variable	β Coefficient	p-value	Condition Met?
Hypothesis 2:						
Condition #1	LMX	-	SAT	.496	< .01	Yes
Condition #2	LMX	-	CHANGE	-.163	< .01	Yes
Condition #3	CHANGE	-	SAT	-.180	< .01	Yes
Condition #4	LMX	-	SAT	.496	< .01	Sobel Test
before	LMX	CHANGE	SAT	.467	< .01	
after	Sobel test performed: z-statistic = -3.09 (p < .01)					Yes, partial
Hypothesis 3:						
Condition #1	LMX	-	SAT	.499	< .01	Yes
Condition #2	LMX	-	POPS	-.222	< .01	Yes
Condition #3	POPS	-	SAT	-.494	< .01	Yes
Condition #4	LMX	-	SAT	.499	< .01	Sobel Test
before	LMX	POPS	SAT	.389	< .01	
after	Sobel test performed: z-statistic = -4.889 (p < .01)					Yes, partial
Hypothesis 4:						
Condition #1	LMX	-	SAT	.514	< .01	Yes
Condition #2	LMX	-	ICAW	-.241	< .01	Yes
Condition #3	ICAW	-	SAT	-.341	< .01	Yes
Condition #4	LMX	-	SAT	.514	< .01	Sobel Test
before	LMX	ICAW	SAT	.432	< .01	
after	Sobel test performed: z-statistic = -4.46 (p < .01)					Yes, partial

unsatisfactory. The findings of this study indicate that ICAW, POPS and organization change partially mediate the LMX/job satisfaction relationship..

People pay attention to whether their behaviors are rewarded even if the precise calculations of costs and benefits are beyond them. Therefore, our hypotheses have an intuitive aspect to them. Such an approach is important since it tracks the actual thought process individuals engage in when contemplating various outcomes, including performance. People have a general understanding of how satisfying their work relationships can be. Perhaps future research can provide more answers, which in turn, could allow for better managerial interventions. The results of this suggest the need for managers to stress positive relationships, not only for their benefits, but also for their counteracting effect on detrimental stressors in the workplace.

LIMITATIONS

There are several limitations to this study. First, we did not employ an experimental design and so causality cannot be drawn from its findings. Second, we used target sampling as a means of controlling organizational bias, but this method may have introduced other biases. One example may be that only workers with strong relationships with their supervisor may have responded, thus causing range restrictions. Due to our sampling technique and less-than-perfect participation by those recruited, some

sections of the population have likely not been represented in our sample (e.g., the sample was skewed towards longer tenure).

FUTURE RESEARCH

We suggest that future research should replicate the current study and examine the relationship further. Since job satisfaction is a multi-faceted concept, it would be interesting to examine how the reduction of stressors impacts different aspects of job satisfaction. For instance, does reduction of organizational change influence pay satisfaction or task satisfaction? Another possible relationship to explore is the extent to which the subordinate perceives the supervisor in relation to the organization due to the fact that social exchanges occur within a nested series of relationships within a larger network (Emerson, 1972a, b). For example, does the subordinate perceive a poor relationship with his supervisor's supervisor? If so, how will that influence the subordinate's relationship with his immediate supervisor? It is possible that the effect would be to damage the subordinate-supervisor relationship because the subordinate may perceive that his supervisor would be unable to obtain significant resources from the supervisor's supervisor. The extent to which the supervisor is viewed as the embodiment of the organization could also impact the relationship (Eisenberger et al., 2010). Finally, additional research should be done to analyze the relationship between LMX, negative stressors, job satisfaction and job performance.

MANAGERIAL IMPLICATIONS AND CONCLUSIONS

We tested and found POPs, ICAW, and organizational change partially mediated the relationship between LMX and job satisfaction. Thus, we found that not only does the positive implications of LMX influence job satisfaction, but also that LMX has the ability to mitigate negative outcomes. In doing so, we have provided a process model of social exchange, satisfying some of the appeals of past research (Coyle-Shapiro & Conway, 2004). We also discovered that the reduction of threats could lead to satisfaction. Finally, the takeaway for managers is this: establishing strong LMX relationships is important, especially when the overall work environment is not a positive one. These findings underscore the impact managers can make on employee satisfaction within an organization.

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