Social influence of a coworker: A test of the effect of employee and coworker exchange ideologies on employees’ exchange qualities

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A B S T R A C T

Integrating social comparison and social influence perspective within a social exchange theoretical framework, we examine how the exchange ideologies of employees and their coworkers affect the quality of the employees’ social exchanges. Drawing from social exchange theory, we hypothesize that the exchange ideology of a focal employee has a negative relationship with the quality of his/her social exchange with the organization (i.e., felt obligation) and the quality of his/her social exchange with a leader (i.e., leader–member exchange), both of which are related to task performance. Furthermore, we propose that a coworker close to the employee acts as a social referent and provides cues to exert influence on these relationships. Using data collected from 374 (employee–coworker–manager) triads in Hong Kong, we find support for the aforementioned relationships as well as the moderating roles of a coworker’s exchange ideology.

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Introduction

The social exchange perspective provides an overarching theoretical framework for investigating relationships among various concepts such as leader–member exchange (LMX), felt obligation, and perceived organizational support (e.g., Aryee, Budhwar, & Chen, 2002; Kamdar & Van Dyne, 2007; Wang, Law, Hackett, Wang, & Chen, 2005). Although scholars have emphasized the importance of individual differences in the workplace (e.g., Hurtz & Donovan, 2000; Judge, Heller, & Mount, 2002; Orvis, Dudley, & Cortina, 2008), the role of exchange ideology—defined as “the strength of an employee’s belief that work effort should depend on treatment by the organization” Eisenberger, Huntington, Hutchison, and Sowa (1986, p. 503)—has not been examined in detail (Croppanzo & Mitchell, 2005).

Understanding the role of exchange ideology is critical as individuals are likely to have different beliefs regarding which reciprocity norms are appropriate, based on their predisposition toward these types of exchanges. Even if a norm of reciprocity is a human universal, Croppanzo and Mitchell (2005) emphasized that not all individuals value reciprocity to the same degree. Thus, assuming that everyone has reciprocity norms of equal strength (i.e., a similar level of exchange ideology) may lead to incorrect conclusions about the quality of social exchange and its consequences (cf. Eisenberger, Armeli, Rexwinkel, Lynch, & Rhodes, 2001; Flynn & Brocker, 2003). Ignoring an individual’s exchange norm makes the examination of social exchange in the workplace incomplete. Recognizing this issue, this study examined the role of exchange ideology, i.e., individual differences regarding exchange norms, in determining the quality of social exchange in the workplace and its consequences.

Social exchange theory thus comprises the underpinnings of this study, explicating (a) the relationship between employee exchange ideology and the quality of social exchanges with the organization and with the leader and (b) the mediating role this social exchange quality plays in the relationship between employee exchange ideology and employee behaviors (task performance). We select exchange ideology because it is a key individual difference construct, considered important to social exchange in the workplace (cf. Croppanzo & Mitchell, 2005; Scott & Colquitt, 2007). Furthermore, we investigate the role of one coworker, especially a coworker’s exchange ideology, as an important contextual factor that is likely to influence an employee’s perception of social exchange quality as well as the consequences of that quality. According to social information processing theory (Salancik & Pfeffer, 1978), an individual’s attitude is not only determined by his/her own needs but is also strongly shaped by the environment. When employees evaluate their exchange relationships with the organization, they are likely to be influenced by social comparison and social information cues given by immediate referents (Ho & Levesque, 2005). A coworker can be a critical source of information and an important immediate referent. We conceptualize and test...
the moderating effects of a coworker's exchange ideology on the relationship between employee exchange ideology and the quality of an employee's exchange relationships at work (felt obligation and LMX) as well as the consequences of that quality—i.e., the relationship between social exchange quality and task performance.

This study, thus, contributes to the social exchange literature and the coworker influence literature in several ways. First, we highlight the important (direct as well as indirect) roles an individual employee's exchange ideology plays in determining the quality of social exchange in the workplace and its consequences in terms of employee task performance, issues that have not been investigated to date. Second and perhaps more importantly, we develop theoretical arguments for the moderating roles of coworker exchange ideology.

Specifically, we illustrate two different manners in which a coworker can exert influence on the focal employee: (1) as a social referent for the focal employee to compare his/her own standing with and (2) as a social referent for the focal employee to evaluate the appropriate amount of reciprocation. The first mechanisms explains the moderating effects of coworker exchange ideology on the relationship between the focal employee's exchange ideology and the quality of his/her social exchanges [LMX and felt obligation to the organization] and the second mechanism explains the moderating effects of coworker exchange ideology on the relationship between the focal employee's social exchange quality and his/her task performance. In this study, we collected data from 376 Chinese employee–coworker–manager triads using questionnaires to test these hypotheses. Fig. 1 illustrates our proposed model and the relationships we hypothesize.

Theoretical overview and hypotheses development

Researchers have investigated the role an individual's exchange ideology plays during social exchange processes because exchange ideology is one important individual difference that affects reciprocity norms (Cropanzano & Mitchell, 2005). Exchange ideology captures “both an employee’s expectation of and likely behavioral response to exchange relationships within a given organization or organizational member” (Scott & Colquitt, 2007, pp. 295–296). For instance, Scott and Colquitt (2007) found that exchange ideology acted as a significant moderator of several justice-outcome relationships, and its moderating impact was more powerful than the Big Five personality traits. However, research on exchange ideology is still limited. For instance, we know little about the main effects of exchange ideology, although it is expected that people’s exchange ideologies have a direct effect on the quality of their social exchanges. Considering that researchers have paid great attention to the main effects of individual differences such as the Big Five personality traits on various outcomes and that an individual's exchange ideology is likely to influence his/her exchange relationships in the workplace, it would be fruitful to examine the main effects of exchange ideology in this context. In this study, we thus investigate the main effects of an employee's own exchange ideology on the perceived quality of his/her social exchanges (i.e., leader–member exchange and felt obligation) and the associated task performance.

Furthermore, we focus on a coworker as the key social referent in this study for several reasons. First, coworkers are not only a crucial part of the social environment at work but can actually define the environment (Chiaburu & Harrison, 2008). Recently, Chiaburu and Harrison (2008, p. 1089) found that the influence of coworkers is critical, making “a case for greater attention to lateral relationships in organizational research.” Second, according to equity theory (Adams, 1965), an employee’s job satisfaction and job performance are potentially influenced by his/her social comparison with the outcome–input ratio of other employees. Generally, within the organization, coworkers should be the most relevant referent for social comparisons to be made against. The social comparison literature has shown that social comparisons influence an individual’s evaluation in multiple ways (Mussweiler, Ruter, & Epstude, 2004). Third, employee–coworker relationships have become more important, as an increasing number of organizations have adopted flatter organizational and team-based structures. As a result, there is a real possibility that coworkers do influence fellow employees in the workplace (cf. Jackson & LePine, 2003; LePine & Van Dyne, 2001; Umphress, Labianca, Brass, Kass, & Scholten, 2003). All of the above suggest that a coworker plays a significant role as a social referent in the workplace. Reflecting changes in the work environment, scholars have paid increasing attention to the role of coworker (e.g., Chiaburu & Harrison, 2008). In line with this research endeavor, we suggest that a coworker has critical influence on a focal employee’s interpretation of his/her workplace, which in turn influences the employee’s exchange relationships, attitudes, and behaviors. Among the many characteristics of a coworker, we suggest that a coworker’s exchange ideology can influence a focal employee since this characteristic can be considered one of the central aspects of the social exchange perspective (Scott & Colquitt, 2007).

The direct effects of employee exchange ideology

Exchange ideology as an individual difference trait was first examined by Eisenberger et al. (1986). Employees with a strong exchange ideology focus more on what they receive than on what they give, and prefer quid pro quo exchanges with a quick turnaround (Eisenberger et al. 1986). While a limited number of studies that examined the main (Pazy & Ganzach, 2010) as well as moderating effects of exchange ideology (e.g., Andrews, Witt, & Kacmar,

At least two implications from the exchange ideology literature are important for this study. First, employees with a strong exchange ideology pay more attention to what they receive than what they give. They prefer high outcomes and view exchange partners as debtors (Coyle-Shapiro & Neuman, 2004). Such an orientation is likely to trigger self-serving bias, which leads these employees to think they are receiving less than they deserve. Experimental research showed that even in an objectively fair exchange relationship, individuals with a strong exchange ideology are more likely to perceive unfairness and to feel they are being taken advantage of (Molm, Takahashi, & Peterson, 2003). This implies that individuals with a strong exchange ideology pay more attention to negative experience-information than those with a weak exchange ideology. Due to the self-serving and negativity bias, employees with a strong exchange ideology may interpret the same events or behaviors less positively or more negatively than employees with a weak exchange ideology. Second, individuals with a strong exchange ideology expect giving and receiving to be more direct and most often immediate (Redman & Snape, 2005). They monitor their input and output more closely than people whose exchange ideology is weaker (Eisenberger et al., 1986).

Therefore, the value of future reciprocation is highly discounted for employees with a strong exchange ideology, and they are less likely to appreciate the value of long-term relationships with the organization. Thus, individuals with a strong exchange ideology are likely to feel less obligated toward the organization, which leads to the following:

**Hypothesis 1a.** An employee’s exchange ideology is negatively related to his/her felt obligation to the organization.

In addition, due to this self-serving and negativity bias, those with a strong exchange ideology are likely to interpret a negative interaction with or treatment by a supervisor more negatively than those with a weak exchange ideology. This interpretation can lead these employees to feel less obliged to the supervisor, which results in worse relationships with their supervisors. Thus, individuals with a strong exchange ideology are likely to feel less obligated toward the organization, which leads to the following:

**Hypothesis 1b.** An employee’s exchange ideology is negatively related to his/her leader–member exchange.

**Social exchange quality and task performance**

The relationships between different types of social exchange quality and task performance are rather straightforward. According to social exchange theory, “the basic and most crucial distinction from economic exchange is that social exchange entails unspecified obligations” and that it “involves favors that create diffuse future obligations” (Blau 1964, p. 93). It implies that employees return favors in a diverse manner and assume different types of (attitudes and) behaviors, including, but not limited to, task performance, organizational citizenship behavior (OCB), absenteeism, innovation, and turnover intention (e.g., Chen, Lam, & Zhong, 2007; Cropanzano, Rupp, & Byrne, 2003; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Eisenberger et al., 1986; Kamdar & Van Dyne, 2007). For instance, Eisenberger et al. (2001) found a positive relationship between felt obligation and employee spontaneity (similar to OCB) and task performance. Furthermore, Turnley, Bolino, and Lester (2003) examined the relationship between psychological contract fulfillment and employee job behaviors (task performance, OCB targeted toward the organization [OCBO] and OCB targeted toward the individuals [OCBI]) and found that the extent of psychological contract fulfillment was positively related to all three job behaviors. Finally, the meta-analysis by Gerstner and Day (1997) illustrated the positive relationship between LMX and job performance. Thus, we would expect the following:

**Hypothesis 2a.** Felt obligation is positively related to task performance.

**Hypothesis 2b.** Leader–member exchange is positively related to task performance.

**The indirect effects of employee exchange ideology on task performance**

Researchers have paid great attention to individual characteristics such as the Big Five personality traits in order to explain performance in the workplace (e.g., Hurtz & Donovan, 2000; Judge et al., 2002; Orvis et al., 2008). Although research has found some support for the direct effect of individual characteristics, quite a few studies have been conducted to find mediators between individual characteristics and other outcomes. For example, Crede, Chernyshenko, Stark, Dalal, and Bashshur (2007) demonstrated that job satisfaction mediates the relationship between dispositions and several outcomes such as citizenship behaviors. In addition, the input–process–output (IPO) framework is one of the popular research frameworks used at the group level (Hackman, 1987; Steiner, 1972). Nonetheless, we can also apply it at the individual-level, with an individual’s characteristics or exchange ideology acting as the input, which determines the individual’s exchange quality (“process”) with the organization and the manager, which in turn leads to an outcome such as task performance. For example, Eisenberger et al. (2001) found that felt obligation acted as a mediator of the relationship between perceived organizational support and task performance. Moreover, given that exchange ideology “stems from the norm of reciprocity that holds that people should help those who have helped them” (Eisenberger et al., 1986, p. 501), we would not expect its effect to be direct but via employee’s social exchange qualities (i.e., via individuals’ perceptions of how much “others” have helped them). Adopting this IPO framework and combining our theoretical arguments that led to Hypotheses 1a and 2a, we would expect the following:

**Hypothesis 3a.** Felt obligation mediates the relationship between an employee’s exchange ideology and task performance.

Similarly, on the basis of the hypotheses developed above (i.e., Hypotheses 1b and 2b), we would expect LMX to mediate the relationship between an employee’s exchange ideology and his/her task performance. Whereas Hypotheses 1b suggests that an employee’s exchange ideology is negatively related to LMX, Hypothesis 2b suggests that LMX, in turn, is positively related to task performance. Integrating both hypotheses, we would expect an employee’s exchange ideology to influence task performance through LMX. Specifically, employees with a weak exchange ideology who are more benevolent tend to develop higher quality
leader–member exchange, and they are likely to reciprocate by investing more efforts into work in order to improve task performance. On the other hand, those with a strong exchange ideology and a propensity toward entitlement are likely to develop lower quality leader–member exchange.

**Hypothesis 3b.** Leader–member exchange mediates the relationship between an employee's exchange ideology and task performance.

**Moderating effects of coworker's exchange ideology**

As Fig. 1 indicates, we expect a coworker's exchange ideology to act as moderator in two different places in the mediated chain—i.e., to moderate the relationship between an employee's exchange ideology and the quality of his/her social exchanges (felt obligation and LMX). Broadly speaking, social information processing theory (Salancik & Pfeffer, 1978) provides a theoretical framework for such moderating effects. The social information processing perspective stipulates that an employee's attitude toward his/her supervisor or employer can be affected by the opinions of others including those of a coworker (cf. Jones & Skarlicki, 2005). Through frequent daily interactions, an employee would be aware of his/her coworker's exchange ideology and interpretation of events in the workplace and thus be influenced by the coworker. There are two theoretical rationales for such an influence by a coworker.

First, studies on exchange ideology imply that those with a strong exchange ideology have self-serving bias and focus more on the self than on others (cf. Pazy & Ganzach, 2010). In other words, they are less likely to care about others and to be influenced by others, compared with those with a weak exchange ideology. This implies that an individual with a weak exchange ideology is likely to be more open-minded, agreeable, and less strict, and may have a higher propensity to trust others, compared with an individual with a strong exchange ideology. For instance, a study by Colquitt, Scott, Judge, and Byington (2006) showed that equity sensitivity has significant negative correlations with agreeableness (\(r = -.24, p < .05\)) and trust propensity (\(r = -.23, p < .01\)). Although equity sensitivity and exchange ideology are conceptually distinct, they have common characteristics (Scott & Colquitt, 2007; Sternberg, 1987) in that both capture the degree of egocentrism (i.e., self-centeredness). In fact, King, Miles, and Day (1993) and King and Miles (1994) demonstrated a significant and positive relationship between equity sensitivity (when scored by adding entitlement response) and exchange ideology using their instrument. Taken together these studies indicate that employees with a weak exchange ideology are more likely to be influenced by others than those with a strong exchange ideology. Applying this, we can expect that an employee with a weak exchange ideology may use social information from his/her colleagues more often and accept others' opinions more easily, compared with those with a strong exchange ideology who are self-focused and care less about others.

Given that individuals (or a coworker in our case) with a strong exchange ideology are more likely to perceive unfairness and to feel they are being taken advantage of even in an objectively fair exchange relationship (Molm et al., 2003), they are more likely to harbor negative feelings about their own social exchanges and to express them to the others (i.e., to the focal employee). The literature on negativity bias illustrates, negative events and information are more salient, potent, dominant, and generally more efficacious than positive information (see Rozin & Royzman, 2001) for a review). Therefore the presence of a coworker with a strong (vs. weak) exchange ideology will decrease the quality of the exchanges of a focal employee with a weak exchange ideology to a large degree. However the presence of a coworker with a strong (vs. weak) exchange ideology will decrease the quality of the exchanges of a focal employee with a strong exchange ideology only to a limited degree because the focal employee already perceives a relatively low exchange quality. The above rationale points to the coworker's exchange ideology being a moderator of the relationship between the focal employee's exchange ideology and his/her exchange quality.

Thus, we would expect the following:

**Hypothesis 4a.** A coworker's exchange ideology moderates the negative relationship between an employee's exchange ideology and felt obligation—the relationship becomes weaker when a coworker's exchange ideology is strong than when a coworker's exchange ideology is weak.

**Hypothesis 4b.** A coworker's exchange ideology moderates the negative relationship between an employee's exchange ideology and leader–member exchange—the relationship becomes weaker when a coworker's exchange ideology is strong than when a coworker's exchange ideology is weak.

In addition, we expect coworker exchange ideology to moderate the relationships between LMX and task performance and between felt obligation and task performance. The moderating effect of a coworker's exchange ideology on these relationships can be best understood by employing social information processing theory. Initially developed as an additional theoretical perspective to the task attribute perspective on job design (Thomas & Griffin, 1983), the basic premises of the social information processing perspective are (1) the social environment provides cues as to which aspects of the work environment should be considered salient or weighted heavily and (2) the social context provides cues concerning the reasons why others have evaluated the work environment positively or negatively and their actual evaluations (Pfeffer, 1981). Previous studies have tested these premises and found support for the influence of social cues (e.g., Kilduff & Regan, 1988; O'Reilly and Caldwell, 1979; Thomas & Griffin, 1983). For instance, White, Mitchell, and Bell (1977) found that job performance was enhanced by positive social cues and decreased by negative cues.

As an important social referent (Ho & Levesque, 2005), a coworker can provide such social cues to a focal employee. However, a coworker is likely to give different cues regarding the social exchange quality s/he has with the organization or the supervisor depending on his/her own exchange ideology or how the focal employee should view and interpret events and/or the exchange relationship in the workplace. In particular, individuals are likely to be more heavily influenced by negative cues provided by a coworker. According to Rozin and Royzman (2001) and Felps, Mitchell, and Byington (2006), individuals tend to outweigh negative information over positive information and negative information is likely to be more contagious than positive information. In other words, people in general have negativity bias. As mentioned earlier, individuals with a strong exchange ideology are likely to interpret the same phenomena more negatively than those with a weak exchange ideology. Given the same quality of social exchange, a coworker with a strong exchange ideology is likely to think the focal employee needs to put less effort into the exchange than a coworker with a weak exchange ideology. In other words, a coworker...
with a strong (vs. weak) exchange ideology is more likely to provide negative social cues, which would have more contagious and bigger impact on the focal employee. A coworker with a strong exchange ideology tends to think s/he deserves whatever good treatment s/he is receiving and puts less effort into improving job performance than a coworker with a weak exchange ideology. These negative cues/attitudes of a coworker with a strong exchange ideology can be more easily passed on to a focal employee. As a result, an employee who has a coworker with a strong exchange ideology is likely to put less effort into work leading to low job performance. Thus, we expect the positive relationship between the quality of social exchanges (e.g., felt obligation and LMX) and job performance to be weaker for an employee who has a coworker with a strong exchange ideology than for an employee who has a coworker with a weak exchange ideology.

Hypothesis 5a. A coworker’s exchange ideology moderates the positive relationship between an employee’s felt obligation and task performance, such that the relationship will be weaker when the coworker has a strong exchange ideology.

Hypothesis 5b. A coworker’s exchange ideology moderates the positive relationship between an employee’s leader–member exchange and task performance, such that the relationship will be weaker when a coworker has a strong exchange ideology.

Method

Research procedure

To obtain access to full-time employee samples, the research team contacted instructors who were teaching an introductory course in Organizational Behavior at one of the universities in Hong Kong (in Spring, 2005). Five percent of this course grade was based on students earning a research participation credit. To earn this credit, 400 students were each asked to contact one full-time employee who is willing to participate voluntarily in our study. The use of student contacts to obtain access to employee samples is relatively common in organizational behavior literature (e.g., Eddleston, Veiga, & Powell, 2006; Judge, Erez, Bono, & Thoresen, 2003; Kim & Sng, 2006; Liao, 2007).

Once the students had obtained the employees’ consent, the employees were given a survey package by the primary researcher. The package consisted of a cover letter from the researchers, one focal employee survey, an instruction sheet for the focal employee concerning the distribution of the managerial and coworker survey, one managerial survey, one coworker survey, two envelopes, and a separate instruction sheet for the manager and the coworker on how to fill out and handle their surveys. Focal employees were instructed to distribute the managerial survey to one of their immediate managers who was familiar with their work behaviors. Focal employees were also instructed to give the coworker survey to someone who held a similar job and who were familiar with their work habits. Once the manager and coworker had completed the surveys, they were asked to put them in the envelopes provided, seal them, and sign on the flap before returning the surveys to the researcher. The focal employees returned their surveys in a similar manner.

Translation procedure

The survey questions were originally formulated in English, but the respondents were all native Chinese speakers. Using Brislin’s (1970) translation procedures, the surveys were translated into Chinese by a paid, professional translator. To ensure the validity and appropriateness of the survey questions in the Chinese context, two senior Chinese Ph.D. students (not associated with the study) read over the translated Chinese version of the surveys several times. Any concerns they identified were addressed through an iterative process involving the researchers, the translator, and the Ph.D. students. Once all parties were satisfied, another Chinese Ph.D. student back-translated the survey questions into English.

Sample

Out of 390 sets of surveys distributed (10 students did not provide the name of full-time employee), 376 completed sets (i.e., from all three sources: employee, coworker, and manager) were returned, representing an effective response rate of 96.41%. This high response rate is one of the advantages of using student contacts. Approximately one-half (51%) of the employee sample was female. The average age was 33.59 years old (SD = 10.93) and the average time the employees had worked for the organization was 69.82 months (SD = 82.53). The racial majority of the sample was Chinese (98.39%). The participants held very diverse jobs, including, for example, accounting, construction, consulting, firefighting, marketing, health care, sales, and computer or software engineering.

For the coworker sample, the gender mix was exactly the same as that of the employee sample (female = 51%). The average age was 33.48 years old (SD = 9.61) and the average organizational tenure was 67.14 months (SD = 74.60). The racial majority of the coworker sample was Chinese (98.10%). To examine the comparability of the employee and coworker samples, we ran a paired t-test on all of the demographic characteristics in these two samples, and none was significantly different at p < .05 (two-tailed).

Sixty-five percent of the managerial sample was female. The average age was 41.30 years old (SD = 9.09), and the average organizational tenure was 111.80 months (SD = 84.26). The racial majority of the managerial sample was Chinese (97.01%). Due to some missing data, 374 responses were used for the main analyses, but only 344 responses were used for the supplementary analyses.

Measures

The subjects were asked to respond to the questionnaires using a seven-point Likert scale (ranging from 1 = strongly disagree to 7 = strongly agree).

Exchange ideology

An eight-item exchange ideology scale developed by Eisenberger et al. (1986) was used to obtain a self-assessment of the strength of the employees’ and coworkers’ exchange ideologies. Given that these are self-ratings by the employees and the coworkers, the items were worded exactly the same. A sample item stated, “An employee should only work hard if his or her efforts will lead to a pay increase, promotion, or other benefits.” Consistent with the original conceptualization by Eisenberger et al. (1986), a higher number represents a stronger exchange ideology. The Cronbach’s alpha for the employees’ exchange ideology scale was .76, and was .82 for the coworkers’ exchange ideology scale.

Felt obligation

Felt obligation was measured using a six-item scale developed by Eisenberger et al. (2001). One item, “I owe it to the organization to do whatever I can to help the organization achieve its goals.” Eisenberger et al. (2001) reported a Cronbach’s alpha of .88, while the Cronbach’s alpha in this study was .75.
Leader–member exchange

The quality of the employees’ leader–member exchange was assessed by their managers using the adapted seven-item scale from Scandura and Graen (1984). Liden, Wayne, and Stilwell (1993) adapted the scale to allow for the use of a seven-point scale ranging from strongly disagree (1) to strongly agree (7). Also, following Liden et al. (1993), we adopted the wording that was appropriate for evaluating the managers’ assessments of the leader–member exchange quality with their subordinates: “I always know how satisfied my subordinate is with what I do”, “My subordinate understands my problems and needs well enough”, “My subordinate recognizes my potential some but not enough (reverse-coded)”, “My subordinate would personally use his/her power to help me solve my work problems”, “I can count on my subordinate to ‘bail me out’ at his/her expense when I really need it”, “I have enough confidence in my subordinate to defend and justify my decisions when I am not present to do so”, and “My working relationship with my subordinate is extremely effective”.

This leader view of LMX is consistent with the operationalization done by Liden et al. (1993). This adapted version of Scandura and Graen’s, 1984 scale has been used frequently in subsequent research (e.g., Kacmar, Witt, Zivnuska, & Gully, 2003; Wayne, Shore, Bommer, & Tetrick, 2002; Wayne, Shore, & Liden, 1997). The Cronbach’s alpha for leader–member exchange quality as perceived by the managers was .80. We chose to use this operationalization to alleviate some concerns associated with common method bias.

Task performance

In order to measure task performance, we used the seven-item scale developed by Williams and Anderson (1991) and asked each manager to evaluate one subordinate. A sample item read, “The subordinate performs tasks that are expected of him/her.” The Cronbach’s alpha for this scale was .83.

Control variables

Four demographic variables (age, gender, race, and organizational tenure) measured from the employees and from the coworkers were used as controls in the supplementary analyses to examine the robustness of the findings. Age was measured in years. Gender was dummy coded (0 = male and 1 = female), as was race (0 = non-Chinese and 1 = Chinese). Organizational tenure was measured in months. In addition, employee/coworker observation frequency and employee tenure with the manager were also included as controls in the supplementary analyses.

Analytic procedure

First, to examine the discriminant validity of the constructs used in this study, we conducted confirmatory factor analysis (CFA) with Lisrel 8.3 to compare the five-factor baseline model (i.e., employee exchange ideology, coworker exchange ideology, LMX, felt obligation, and task performance) with other alternative models. We compared the five-factor baseline model with four alternative models. In this baseline model, variances among the variables were estimated freely.

Second, the set of hypotheses was tested by fitting hierarchical regression analyses. The variables were standardized before creating the interaction terms to enhance interpretability of the findings. Where the beta coefficients for the interaction terms were found to be significant, Aiken and West’s (1991) procedure (±1 SD) was used to plot the interactions. While we conducted moderated regression analyses following the path analytic procedure (shown in Tables 3 and 4) to test our hypotheses, we are aware of some of the limitations associated with this particular procedure (cf. Edwards & Lambert, 2007).

Results

Table 1 summarizes the results of our CFA model comparisons. The five-factor model had the best fit (Marsh, Hau, & Wen, 2004). The fit indices were as follows: \( \chi^2(567) = 889.58, p < .01 \), incremental fit index (IFI) = .93, comparative fit index (CFI) = .93, and root mean square error of approximation (RMSEA) = .04. A series of model comparisons were conducted between the baseline model and alternative models. To test whether the employee exchange ideology and coworker exchange ideology were distinct from each other, the baseline model was compared with a corresponding nested model, where the correlation between employee exchange ideology and coworker exchange ideology was restricted to 1. The results of this constrained model were \( \chi^2(568) = 938.40, p < .01 \), IFI = .92, CFI = .92, and RMSEA = .04. A chi-square difference test indicated that the baseline model provided superior fit than the alternative model (\( \Delta \chi^2[1] = 48.82, p < .01 \)). To test whether the two mediators (LMX and felt obligation) were distinguishable from each other, the baseline model was compared with a corresponding nested model, where the correlation between LMX and felt obligation was restricted to 1. The results of this constrained model were \( \chi^2(568) = 972.30, p < .01 \), IFI = .91, CFI = .91, and RMSEA = .04. A chi-square difference test indicated that the baseline model provided superior fit than the alternative model (\( \Delta \chi^2[1] = 82.72, p < .01 \)).

Furthermore, variables taken from the same source were also checked to see if the factor structure was appropriate. To examine whether employee exchange ideology and employee felt obligation were distinct from each other, the baseline model was compared with a corresponding nested model, where the correlation between employee exchange ideology and felt obligation was restricted to 1. The results of this constrained model were \( \chi^2(568) = 1098.38, p < .01 \), IFI = .88, CFI = .88, and RMSEA = .05. A chi-square difference test indicated that the baseline model provided superior fit than the alternative model (\( \Delta \chi^2[1] = 208.80, p < .01 \)). Finally, to examine whether manager-rated LMX and task performance were distinct from each other, the baseline model was compared with a corresponding nested model, where the correlation between LMX and task performance was restricted to 1. The results of this constrained model were \( \chi^2(568) = 930.18, p < .01 \), IFI = .88, CFI = .88, and RMSEA = .04. A chi-square difference test indicated that the baseline model provided superior fit than the alternative model (\( \Delta \chi^2[1] = 40.60, p < .01 \)). Overall, there was good discriminant validity among the variables used in this study.

Table 2 presents unstandardized means, standard deviations, correlations, and scale reliabilities (when appropriate). Standardized variables were used in all subsequent regression analyses except for task performance, which was considered the dependent variable in this study. For the moderated regression analyses shown, the variance inflation factor never exceeded 1.38. While the rule of thumb of taking values less than 10 as an indication of a lack of multicollinearity issues may be too lenient (Cohen, Cohen, West, & Aiken, 2003), these values were highly comparable to several recent studies (e.g., Faraj & Yan, 2009; Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008; Ozer, 2008) and should be considered acceptable.

Table 3 shows the moderated regression results with felt obligation and leader–member exchange as dependent variables. Hypotheses 1a and 1b proposed the negative main effects of a focal employee’s exchange ideology on his/her social exchange qualities. For Hypothesis 1a, which proposed a negative relationship between an employee’s exchange ideology and felt obligation, Model 1a shows that the employee’s exchange ideology and the coworker’s
### Table 1
Comparison of measurement models.

<table>
<thead>
<tr>
<th>Model</th>
<th>No. of factors</th>
<th>χ²</th>
<th>df</th>
<th>Δχ²</th>
<th>RMSEA</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline model</td>
<td>5 factors: eEI, cEI, eFO, mLMX, mTP</td>
<td>889.58</td>
<td>567</td>
<td>.04</td>
<td>.82</td>
<td>.92</td>
<td>.93</td>
<td>.93</td>
<td>.87</td>
<td></td>
</tr>
<tr>
<td>Model 1</td>
<td>4 factors: (eEI + cEI), FO, LMX, TP</td>
<td>938.40</td>
<td>568</td>
<td>48.82**</td>
<td>.04</td>
<td>.81</td>
<td>.91</td>
<td>.92</td>
<td>.87</td>
<td></td>
</tr>
<tr>
<td>Model 2</td>
<td>4 factors: eEI, cEI (FO + LMX), TP</td>
<td>972.30</td>
<td>568</td>
<td>82.72**</td>
<td>.04</td>
<td>.81</td>
<td>.90</td>
<td>.91</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>Model 3</td>
<td>4 factors: (eEI + eFO), cEI, LMX, TP</td>
<td>1098.38</td>
<td>568</td>
<td>208.80**</td>
<td>.05</td>
<td>.78</td>
<td>.87</td>
<td>.88</td>
<td>.85</td>
<td></td>
</tr>
<tr>
<td>Model 4</td>
<td>4 factors: eEI, cEI, FO (LMX + TP)</td>
<td>930.18</td>
<td>568</td>
<td>40.60**</td>
<td>.04</td>
<td>.82</td>
<td>.91</td>
<td>.92</td>
<td>.87</td>
<td></td>
</tr>
</tbody>
</table>

Note: a EI = exchange ideology; FO = felt obligation; LMX = leader–member exchange; TP = task performance; the alphabet in front of the variable represents the rating sources (e = employee self-rating; c = coworker self-rating; m = managerial rating).

### Table 2
Descriptive statistics.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.94</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3.96</td>
<td>.92</td>
<td>.39**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4.40</td>
<td>.74</td>
<td>-.11</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4.53</td>
<td>.79</td>
<td>-.34**</td>
<td>-.21**</td>
<td>.28**</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5.08</td>
<td>.82</td>
<td>-.10</td>
<td>-.08</td>
<td>.43**</td>
<td>.29**</td>
</tr>
</tbody>
</table>

N = 374. Listwise deletion.

* p < .05.
** p < .01 (two-tailed).

### Table 3
Hierarchical moderated regression analytical results for leader–member exchange and felt obligation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Felt obligation (employee ratings)</th>
<th>Leader–member exchange (managerial ratings)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1a</td>
<td>Model 1b</td>
</tr>
<tr>
<td></td>
<td>Model 2a</td>
<td>Model 2b</td>
</tr>
<tr>
<td>Step 1: Exchange ideology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee exchange ideology</td>
<td>-.32** (0.05)</td>
<td>-.32** (0.05)</td>
</tr>
<tr>
<td>Coworker exchange ideology</td>
<td>-.09 (0.05)</td>
<td>-.09 (0.05)</td>
</tr>
<tr>
<td>Step 2: Interactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee exchange ideology x coworker exchange ideology</td>
<td>.14** (0.04)</td>
<td>.12** (0.03)</td>
</tr>
<tr>
<td>ΔR²</td>
<td>.13</td>
<td>.02</td>
</tr>
<tr>
<td>(ΔF)</td>
<td>27.58**</td>
<td>8.85**</td>
</tr>
<tr>
<td>R²</td>
<td>.15</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>21.72**</td>
<td></td>
</tr>
</tbody>
</table>

N = 375; Standardized beta coefficients and standard errors (in parentheses) are shown.

* p < .05.
** p < .01 (two-tailed).

### Table 4
Hierarchical moderated regression analytical results for employee task performance.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee task performance (managerial ratings)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 3a</td>
</tr>
<tr>
<td>Step 1: Exchange ideology</td>
<td></td>
</tr>
<tr>
<td>Employee exchange ideology</td>
<td>-.09 (.05)</td>
</tr>
<tr>
<td>Coworker exchange ideology</td>
<td>-.04 (.05)</td>
</tr>
<tr>
<td>Step 2: Exchange ideology interactions</td>
<td></td>
</tr>
<tr>
<td>Employee exchange ideology x coworker exchange ideology</td>
<td>.20** (.03)</td>
</tr>
<tr>
<td>ΔR²</td>
<td>.01</td>
</tr>
<tr>
<td>(ΔF)</td>
<td>2.29</td>
</tr>
<tr>
<td>R²</td>
<td>.05</td>
</tr>
<tr>
<td>F</td>
<td>6.63**</td>
</tr>
</tbody>
</table>

N = 376; Standardized beta coefficients and standard errors (in parentheses) are shown.

* p < .05.
** p < .01 (two-tailed).
exchange ideology together explained 13% of the variance in the employee’s perception of felt obligation ($F = 27.58, p < .01$) and the employee’s exchange ideology had a significant and negative coefficient ($\beta = -.32, p < .01$). For Hypothesis 1b, which proposed a negative relationship between a focal employee’s exchange ideology and leader–member exchange, Model 2a shows that the step explained 1% of the variance ($F = 2.43, \text{ns}$) in leader–member exchange. Nonetheless, the focal employee’s exchange ideology exhibited a significant beta of $-.12$ ($p \leq .05$). Thus, these results provide support for both Hypotheses 1a and 1b.3

Hypotheses 2a and 2b posited felt obligation and LMX respectively to be positively related to task performance. The results show that felt obligation and leader–member exchange together explain 18% of the variance in task performance ($\Delta F = 44.198, p < .01$: Model 3c, Table 4). We found felt obligation to be positively related to task performance ($\beta = .16, p < .01$). Similarly, leader–member exchange showed a positive relationship with task performance ($\beta = .37, p < .01$). Thus, both Hypotheses 2a and 2b were supported.

The study then examined the mediating effects of felt obligation and leader–member exchange on the relationship between a focal employee’s exchange ideology and employee task performance (the subject of Hypotheses 3a and 3b). We conducted the Sobel (1982) test employing Preacher and Hayes’ (2004) procedure for simple mediation of each of the mediators and using unstandardized beta coefficients and standard errors obtained from the analyses depicted in Tables 3 and 4. In essence, the Sobel (1982) test examines whether the indirect effect of the independent variable (employee exchange ideology) on the dependent variable (task performance) via the mediator (felt obligation and leader–member exchange) is significantly different from zero. The results provided support for felt obligation acting as a mediator ($z_{Sobel} = -4.34, p < .001$). In addition, the results provided support for the mediating role of leader–member exchange ($z_{Sobel} = -2.10, p < .05$).4 Thus, Hypotheses 3a and 3b were both supported.

Hypotheses 4a and 4b suggested that coworker exchange ideology moderates the relationship between an employee’s exchange ideology and social exchange relationships; a coworker with a strong exchange ideology weakens the relationship between a focal employee’s exchange ideology and the quality of his/her social exchanges due to negativity bias and social judgment effects. The results in Table 3 show that the interaction term between employee and coworker exchange ideologies explained an additional 2% of the variance over and above the first step when included in the second step (Model 1b, $\Delta F = 8.85, p < .01$) for felt obligation, with a significant coefficient ($\beta = .14, p < .01$). To facilitate the interpretation of the interaction effect, we employed Aiken and West’s (1991) procedure using ±1 SD to plot the results. Fig. 2a shows that stronger coworker exchange ideology weakened the negative relationship between a focal employee’s exchange ideology and felt obligation. A simple slope test showed that when the coworker exchange ideology was weak, the negative relationship between employee exchange ideology and the strength of felt obligation was significant ($\beta = -.44, p < .01$). When the coworker exchange ideology was strong, the negative relationship between employee exchange ideology and the strength of felt obligation was also significant but weaker ($\beta = -.21, p < .01$).

Moreover, the results for Model 2b in Table 3 show that the interaction term explained an additional 2% of the variance over and above the first step ($\Delta F = 5.60, p < .05$), with a significant beta coefficient ($\beta = .12, p < .05$). Again, to facilitate the interpretation of the interaction effect, we plotted this effect, using the same procedure noted previously. Fig. 2b shows that stronger coworker exchange ideology weakened the negative relationship between a focal employee’s exchange ideology and leader–member exchange. A simple slope test showed that when the coworker exchange ideology was weak, the negative relationship between a focal employee’s exchange ideology and the quality of his/her leader–member exchange was significant ($\beta = -.23, p < .01$). When the coworker exchange ideology was strong, the relationship between a focal employee’s exchange ideology and the quality of his/her leader–member exchange was not significant ($\beta = -.03, \text{ns}$). Overall, these results provide consistent support for Hypotheses 4a and 4b.5

3 The results that included employee/coworker observation frequency, eight demographic variables (age, gender, race, and organizational tenure from the employee and from the coworker), and eight demographic variables + employee tenure with the supervisor, were essentially the same and are available upon request from the primary author.

4 We conducted three different sets of Sobel test to examine the robustness of our findings. The current result is based on very simple mediation where no interaction term is included. However, even when we included the interaction terms, the results were still highly comparable ($z_{Sobel} = -2.08, p < .05$ for leader–member exchange and $z_{Sobel} = -3.91, p<.001$ for felt obligation). In addition, we controlled for eight demographic variables (for employee and coworker) and ran the test with similar results ($z_{Sobel} = -2.00, p < .05$ for leader–member exchange and $z_{Sobel} = -3.47, p < .001$ for felt obligation).

5 While the practical significance of these interaction effects may be questioned ($\Delta R^2 = .02$), we emphasize the finding of this moderating effect of coworker exchange ideology on the relationship between employee exchange ideology and leader–member exchange, which included variables obtained from three completely different sources (employees, coworkers, and managers) as well as on the relationship between employee exchange ideology and felt obligation, which included two sources (employee and coworker). Furthermore, given that coworker exchange ideology impacted both social exchange relationships, we believe that these findings have important research and practical implications.
Finally, Hypotheses 5a and 5b, which proposed the moderating effect of coworker exchange ideology on the relationship between the quality of social exchanges (i.e., felt obligation and leader-member exchange) and task performance through social information processing, were tested in the final step when the two interaction terms were included. Table 4 shows that this step explained a 4% incremental variance in employee task performance \((\Delta F = 9.15, p \leq .01)\) over and above the first three steps. The beta coefficient associated with the interaction term between coworker exchange ideology and felt obligation was negative and significant \((\beta = -.15, p \leq .01)\), as was the coefficient of the interaction term for coworker exchange ideology and leader-member exchange \((\beta = -.11, p \leq .05)\).

When plotted using Aiken and West’s (1991) procedure, the results (Fig. 3a) show that when a coworker had a strong exchange ideology, the positive relationship between felt obligation and task performance was weakened (as illustrated by a flatter slope). A simple slope test showed that when coworker exchange ideology was weak, the positive relationship between leader-member exchange and task performance was significant \((\beta = .49, p \leq .01)\). When coworker exchange ideology was strong, the positive relationship between leader-member exchange and task performance was also significant \((\beta = .23, p \leq .01)\). These results provided consistent support for Hypotheses 5a and 5b.

To further investigate the moderated mediation model, we used a recently developed approach recommended by Edwards and Lambert (2007). In comparison with Ordinary Least Square regression and other methods for testing moderated mediation effects, this approach has three advantages. First, by bootstrapping the sample a large number of times, it is less affected by insufficient statistical power when the sample size is relatively small (Preacher & Hayes, 2004). Second, there is a smaller chance of making a Type I error because this approach does not require normal distribution for the standard errors of the product terms (Edwards & Lambert, 2007). Third, it offers direct evidence of, where the moderating effect occurs by using a path analytical procedure that can simultaneously examine the moderating effect and the mediating effect. Since we have two dependent variables, we tested the models separately. The results from the supplementary analysis were comparable to those depicted in Tables 3 and 4. Thus, we only provide the results from the OLS regression.6

**Discussion**

This study incorporated social information processing perspective into the social exchange theoretical perspective typically used in organizational behavior research (cf. Cropanzano & Mitchell, 2005). We examined exchange ideology as one important individual difference that can influence social exchange processes. Our findings contribute broadly to studies that adopt social exchange theory as an overarching framework. More specifically, the main effect observed for exchange ideology illustrates that the reaction to environmental stimuli (whatever they may be) may not be the same for everyone. The findings indicate that the strength of the focal employee's exchange ideology is an important factor that can (negatively) affect the quality of his/her social exchanges with the manager or the organization. This finding is particularly noteworthy as we obtained ratings from two different sources (managers and employees) on leader–member exchange and felt obligation, thus eliminating the threat of common method bias as a potential explanation for the significant findings. Our findings demonstrated that an employee's exchange ideology plays a significant role in determining his/her perceptions, attitudes, and behaviors. In other words, depending on his/her exchange ideology, individuals perceive and react differently such that the quality of their social exchanges (LMX and felt obligation) and the consequences of such are different for those with strong vs. weak exchange ideologies. The results of this study have demonstrated the utility of exchange ideology as an important individual difference variable in explaining and understanding social exchange relationships. Future research needs to extend this study by examining the attitudes and behaviors of others. Further, researchers need to investigate potential moderators that could reduce the negative impact of employee exchange ideology.

More importantly, we theorized about two different manners in which a coworker can influence the employees, and found that a coworker can indeed play an important role as a social referent to the employee. To the best of our knowledge, this is one of the first studies to feature the “social” aspect of social exchange relationships by considering a coworker’s influence on the focal

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6 This result is available upon request from the primary author.
employee’s social exchange quality and its consequences. Specifically, the results showed that coworker exchange ideology can influence an employee’s social exchange process in one of two ways—by moderating the relationship between the focal employee’s exchange ideology and social exchange quality (felt obligation and leader–member exchange) and by moderating the relationship between the focal employee’s social exchange quality and task performance.

In terms of a coworker’s influence on the first process—the link between focal employee exchange ideology and social exchange quality—we found that not every coworker can impact the focal employee in a similar manner. It is worth noting that a coworker could exert social influence on an employee through two different processes, depending on the level of exchange ideology s/he possesses. The literature on coworker social influence often suggests employees to adopt similar attitudes and behaviors as their coworkers through social information processing (Salancik & Pfeffer, 1978) by contact and proximity (Thomas & Griffin, 1983) and by social contagion (Meyer, 1994). Here, we extended this literature by demonstrating (a) that coworker influences do not necessarily lead to similar attitude, but could also lead to dissimilar attitude and (b) exchange ideology being the key individual difference factor that determines such effect.

Moreover, a coworker’s exchange ideology can influence the second link in the social exchange process—the one between social exchange quality and task performance. We conceptualized this moderating effect from the social information processing perspective such that negative information carries more weight than positive information such that the positive influence of social exchange quality on task performance was weakened by a coworker with a strong exchange ideology. We believe that this set of findings provide an important extension to coworker influence theory.

These consistent results underscore the important social influence of a coworker on the focal employee (cf. Ho & Levesque, 2005) and the importance of taking into consideration the social context in which employees work (e.g., Chiaburu & Harrison, 2008; Ho, 2005; Humphrey, Nahrgang, & Morgeson, 2007; Lee, Mitchell, Sablynski, Burton, & Holtom, 2004; LePine & Van Dyne, 2001). The moderating effect of coworker exchange ideology on the relationship between social exchange quality and task performance revealed compounding effects of coworker social influence on the employee, in that a coworker could influence not only an employee’s perception of his/her social exchange quality but also his/her reactions to it. Thus, the findings of this study underscore the importance of considering individual differences in exchange ideology and the coworker as a social referent.

**Limitations**

This study has certain limitations that should be noted when interpreting and discussing its findings. While common method bias concerns in this study are minimal because we used data obtained from three different sources (employees, coworkers, and managers), the cross-sectional nature of the data set does not allow us to infer causality. The causal directions depicted in Fig. 1 are based on theory and prior empirical findings. Also, in this study we focus on the (moderating) effects of a coworker on the focal employee (cf. Ho & Levesque, 2005). However, in the workplace the influence is likely to be reciprocal. In other words, both a focal employee and a coworker are likely to influence each other. Unfortunately, we were not able to test this possibility. Future research needs to investigate this important issue, for instance, by including a coworker’s social exchange quality as well. Similarly, we did not examine the temporal stability of exchange ideology but nor did previous studies on exchange ideology. It would be interesting to examine the stability of exchange ideology and whether or not the change in (employee or coworker) exchange ideology over time influences employee attitudes and behaviors more. These issues are in part due to the methodological limitation of cross-sectional data. A longitudinal design would be useful in testing these ideas.

The second limitation is that, in this study, only a limited number of variables were included. We selected variables that were deemed most relevant to the social exchange theoretical perspective to underscore the importance of the “social” influence of one coworker on a focal employee. While it was not our intention to test a comprehensive model of social influence, future studies could include additional individual difference variables, such as the Big Five personality traits (neuroticism, in particular) and negative/positive affectivity, as controls to investigate the explanatory power of exchange ideology (cf. Kaplan, Bradley, Luchman, & Haynes, 2009). Nonetheless, we maintain that exchange ideology is the most relevant individual difference variable when examining social exchange quality (Scott & Colquitt, 2007). Future studies could also include the quality of different types of social exchange in the workplace (i.e., social exchange with the organization (Shore, Tetrick, Lynch, & Barksdale, 2006), and coworker exchange) and examine the consequences associated with these different sources. Rather than focusing on one employee’s (in this case, a coworker’s) influence on another, future studies could examine a more general model, where employees in a social exchange affects each other.

Another limitation could be that this study was designed initially to include only one coworker, while a focal employee is likely to have multiple coworkers. The overall impact of the social influence of coworkers is likely to be more complicated when one coworker possesses a strong exchange ideology while another possesses a weak exchange ideology. Nonetheless, the current results are still valuable in highlighting that even one coworker can have an impact. Future research could address these issues in more detail to better understand the social influence of coworkers. Finally, the social influence of the supervisor was not considered in this study, and this could be equally critical to understanding employees’ perceptions, attitudes, and behaviors. Therefore, future research might benefit from investigating the social influence of the manager as well as that of coworkers. Nevertheless, we maintain that coworker influence is as important as managerial influence (cf. Chiaburu & Harrison, 2008).

**Practical and research implications**

One significant research implication of this study is that it opens up new avenues for applying social exchange theory to organizational behavior topics by incorporating the “social” context in which social exchange relationships are embedded. Future research could compare the social influence of a manager and a coworker, or a coworker and a group of coworkers. More specifically, future research could select coworkers based on their importance or salience (i.e., coworkers with a strong or weak affective tie; coworkers with higher or lower status) and examine the impact of such coworkers on the focal employee. In a similar vein, researchers might examine whether or not differences in exchange ideology (i.e., interaction between employee and coworker exchange ideologies) have a direct impact on the nature of reciprocity that occurs between the focal employee and the coworker (cf. Flynn & Brockner, 2003), such as the focal employee’s organizational citizenship behavior toward the specific coworker (and vice versa). An initial speculation would be that a dyad that shares strong exchange ideologies would reciprocate equivalent resources. However, dyads where both partite have strong exchange ideologies should yield lower quality exchanges than dyads, where both parties have weak exchange ideologies.
Our findings also have important practical implications. First, results show clearly that a coworker can influence how an employee interprets his/her social context (cf. Ho & Levesque, 2005). When examining social exchange quality, scholars typically focus on the exchange quality between the employee and the organization, or between the employee and the manager. However, our results show that organizations need to recognize that a coworker can shape the employee's perceptions, attitudes, and behaviors (i.e., a coworker as a social context can exert influence on the employee), especially considering that an increasing number of organizations have adopted flatter organizational and team-based structures. Thus, an organization needs to manage the perceptions of the employee and the coworker as a dyad, rather than focusing just on the employee. Even when the employee's perception of the organization (e.g., felt obligation) could be improved through specific interventions, his/her perceptions may be adjusted downward when a coworker who is close to the employee has a low perception of the organization (e.g., weak felt obligation).

In addition, since exchange ideology, as a stable individual difference variable, is negatively related to social exchange quality and task performance, it might be beneficial to include it in selection assessment and aim to select individuals who possess a weaker exchange ideology if other qualifications are equivalent. Furthermore, in terms of diagnostics, an organization could survey and assess the profile of its workforce with regard to exchange ideology. If an organization finds that its workforce has a strong exchange ideology, the organization has to be more careful in managing its employees. For example, an organization could promote and communicate internally (e.g., give positive social cues) to its workforce on how favorable the job conditions are (compared with those of other companies). Thus, the organization may be better able to manage employees' perceptions, attitudes, and behaviors.

Also, our study showed that a focal employee's exchange ideology influences his/her task performance through the quality of his/her social exchange relationships, i.e. LMX and felt obligation, with the organization. It might be difficult to change an individual's belief or exchange ideology. Still there could be other ways such as empowerment, organizational justice, or positive culture/climate to increase LMX and felt obligation. Thus, organizations may need to utilize these practices in order to minimize the negative impact of an individual's strong exchange ideology. Future research needs to investigate potential contexts or moderating variables that reduce the negative effect of an individual's strong exchange ideology. Trait activation theory may provide some insights.

In conclusion, despite some limitations, this study enriches our understanding of the role of exchange ideology in social exchange relationships in the workplace and provides a novel approach for studies to incorporate the social exchange theoretical perspective. Our findings suggest that an individual employee's exchange ideology plays a critical role in influencing their perception of social exchange quality and their in-role behavior. More importantly, a coworker as a social referent plays a significant role in a focal employee's exchange relationships. Our study illustrated the utility of integrating the social information processing perspective with social exchange theory.

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