Missing Link Between LMX Differentiation And Envy: Does Individual Level Culture Play Any Role?

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“Envy is the great leveler: if it cannot level things up, it will level them down.” Dorothy Sayers (1949, p. 771)

Abstract

The purpose of the study was to check the mediating role of social comparison between LMXD and envy, the moderating role of individual-level collectivism was also proposed. Time-lagged data (n=219) was collected from employees working in the service sector of Pakistan in three episodes. Data were analyzed through SMART PLS software while mediating role was checked through Variance Accounted For (VAF). The result shows that social comparison partially mediates the relationship between Leader-Member Exchange Differentiation and envy; however, the moderating role of individual-level collectivism has not been supported. On the basis of Importance-Performance Map, organizational managers were suggested to pay more focus on Leader-Member Exchange Differentiation as it has been found more important predictor of envy and they must work out some strategies for better off. Study limitations and future directions were also discussed.

Keywords: LMXD, Social Comparison, Envy, Individual Level Collectivism, Pakistan

Introduction

Human beings are always in pursuit of a societal obsession, which leads to admiration and enviousness. All humans face this envious behavior one way or the other (Treadway et al., 2017). Especially, when this issue comes to the organizational competitive environment, where employees always pursue to hold differential resources and preferred job assignments which leads to unbridled envy in remaining employees (Tai, Narayanan & McAllister 2012). Envy among all other
emotions (i.e., anger, sadness, guilt, anxiety, love, fear, shame, relief, jealousy, joy, hope, pride, gratitude, and compassion) has remained one of the core emotion in studies and their implications in business organizations (Lazarus and Cohen-Charash’s 2001). Parrott and Smith (1993) explained envy as “when a person lacks another’s superior quality, achievement, or possession, and either desires it or wishes that the other lacks it” (p. 906). From biblical times, and Socratic Dialogues (see. Plato, 2007) till now it is been studied in diverse domains like theology, economics, neuroscience, psychology and management (Cohen-Charash and Larson, 2016, Takahashi et al., 2009). In traditional literature, envy was observed as only malicious (negative emotion having negative outcomes) but later on revealed it was that it could be benign (positive emotions) as well (Yu & Duffy, 2016) having positive or uplifting outcomes. On the basis of empirical evidence, we know that its outcomes have been largely identified as counterproductive work behaviors, (Cohen-Charash & Mueller 2007; Khan, Quratalain & Bell 2014), interpersonal conflict, social undermining and job performance (Eissa & Wyland 2016), social loafing and distress (Thompson, Glasso, & Martinsen 2016), schadenfreude (Smith, 1996), vandalism and even murder (Habinana, & Massé, 2000). On the other hand, it has been studied largely, as an outcome of neuroticism (Krivan, & Johar, 2012), self-esteem, (Salovey 1991) and Leader-Member Exchange Differentiation (LMXD), Shu and Lazatkhans, (2017). Before Shu and Lazatkhan’s findings, Li, and Liao (2014) found that unequal distribution of potential resources (in-group and out-group in LMXD) goes beyond leader-dyad relationship resulting in unavoidable social comparison (Parrott & Smith, 1993), which may further result in envy among the employees of same group (Adams, 1965; Salovey and Rodin, 1984; Corcoran, Crusius, and Mussweiler, 2011). Nonetheless, despite of these matchless efforts, still there are number of issues which need to be resolved, like Anand, Vidyarthi, and Rolnicki (2018), Cohen-Charash and Larson, (2016), Epitropaki and Martin, (2015), Harms, Credé, Tynan, Leon, and Jeung, (2017), Li, and Liao (2014), Matta and Cornfield (2017), Navarro-Carrillo et al., (2017), Shu and Lazatkhan, (2017) directed that outcomes of leadership including LMXD explicitly, cannot be properly materialized without incorporating prevailing culture into the account. Specifically, talking about collectivist cultures like Pakistan’s, Hofstede, Hofstede and Minkov, (2010), Rockstuhl, Dulebohn, Ang, and Shore, (2012), Lebel (2017), followed by Ashkanasy, Humphrey and Huy (2017) directed that employees in collectivist culture, especially while in leader-followers relationship, having discriminated distribution of resources by the leader (LMXD), may prefer to maintain overall harmony and they may not get envious because they prefer collective gain over their individual superiority.

In response to these imperative research calls, this study is aimed to systematically examine the individual level collectivism (INDCOL - for review, Triandis, 1995, 2001) moderating variable between LMXD and envy. INDCOL is actually operationalization and extension of individualism-collectivism cultural dimension at the individual level, instead of country/national level as it was originally done by Hofstede, (1980). Oyserman, Coon, and, Kemmelmeier, (2002): explained that individual emotions, attitude can be better predicted by understanding individuals’ values on cultural dimensions. In their meta-analysis found that there is heterogeneity among the individuals of single national culture. So studying the culture at the individual level may allow us to understand collectivist individuals’ response toward envy in more details. Through this research we aim to answer two research questions specifically, (a) does path mechanism of social comparison establish the relationship between LMXD and envy (b) does INDCOL play any significant moderating role on the direct relationship between LMXD and envy.
It is believed that this emergent study will be a prodigious and eye-opening attempt to transcend earlier research in the area of leadership and emotions. This study will open the “black box” of leadership and it will be helpful to the organizational leaders, managers, and supervisors, to determine the quality of exchange with members through which optimum use of the human resource is possible. This study provides cultural contributions to leadership and emotions domain. While talking about theoretical advancements, this study is an attempt to further edify Affective Event Theory (AET) by Weiss, (2002); Weiss and Cropanzano (1996) as directed by Martin, Thomas, Legood, and Russo (2017) in their very recent astounding Meta-Analysis. While practically this study will provide the reason that why leaders need to revisit their exchange with subordinate’s needs as Homan and Greer, (2013); McIntyre and Foti, (2013) argued that leadership should be collective rather individual’s focus and should focus on the bigger picture rather than chunks of employees.

**Literature Review**

**Leader-Member Exchange Differentiation, Social Comparison, and Envy**

Social comparison in our personal and work life is unavoidable being a natural process, (Bandura & Jourdan, 1991). Buunk and Gibbons (2007) defined it as “a central feature of human social life” (p. 3). Social scientists like Festinger (1954) developed a consensus that social comparison is an essential component of change. Wood (1996) defined it as “the process of thinking about information about one or more other people in relation to the self” (pp. 520–521). It’s a psychological process or aspiration to have something which someone else is enjoying but you are lacking (Smith & Kim 2007). In organizational domains, LMXD has been found as one of the major antecedents of social comparison between the employees working under the same leader. LMXD, as an extension of Leader-Member Exchange theory, (traditionally known as “Vertical Dyadic Linkage theory”) has been explained as differentiated treatment of the leader toward his underlings (Graen & Cashman, 1975; Liden & Graen, 1980), resulting in high and low relational discrimination. Employees having high-quality relations are known as “trusted subordinates” or “in-group employees” and employees having low-quality relations are known as “hired hands”, or “out-group” (Dansereau, Graen, & Haga 1975; Dienesch & Liden, 1986; Liden & Maslyn, 1998). In-group employees enjoy distinct benefits including favorable performance appraisals, pay raises, promotions, empowerment, support in career development, while out-group employees do not have these perks (Graen, Wakabayashi, Graen, & Graen, 1990; Kacmar, Witt, Zivnuska, & Gully, 2003). This uneven treatment not only questioned leader’s abilities (Lo, Abang, Ramayah, & Wang, 2015) but also foster comparative process especially among the employees of out-group about their standings with the leader and at the workplace too (Festinger, 1954; Greenberg, Ashton-James, & Ashkanasy, 2007). These employees may feel unsettled in the workplace and could view in-group employees as “kiss-up” (striking for own benefits). Furthermore, Vidyarthi, Liden, Anand, Erdogan, and Ghosh (2010) claimed this comparison will not be limited to the cognitive component but will further lead toward more critical emotions like envy. Adams, (1965); Salovey and Rodin, (1984) in their lab experiment, and recently Nabi, and Keblusek, (2014) identified that there is no stronger predictor of envy other than upward social comparison ($\beta=.41$, $P<.001$). Cogliser and Schriesheim, (2000) and Scandura, (1999) explained that one of the core assumptions of social comparisons among coworkers is concerning to quality of exchange with their leader, and its perception directs their further attitude toward colleagues, work, and workplace.
Our mediating argument is also cognizant through AET (Weiss, 2002; Weiss & Cropanzano, 1996). Primarily, AET explained that employees’ attitude and behaviors depend on the emotions which arise in response to positive or negative affective events (hassles or uplifts) happening in the organizational environment (Cropanzano, Dasborough and Weiss, 2017). While explaining these affective events of AET in management domain, Humphrey and Huy, (2017) contended that differentiated allocation of resource by leader with members can be a key lens through which member’s emotions can be explained (see. Butts et al., 2015; Dasborough & Ashkanasy, 2002; Herman, Troth, Ashkanasy, & Collins, 2017). Very recently Martin et al., (2017) have also directed that AET can be a strong logical explanation for LMXD and employees’ feelings and emotions. Leaders’ discriminated mood state, task allocation, feedback or uneven body language is observed by the members as affective events thus trigger comparison by evaluating their standings with the supervisor at the workplace. Thus with the support of Affective Event Theory and the above-mentioned arguments, the following hypothesis can be drawn:-

**H₁.** Leader-Member Exchange Differentiation has a positive significant relationship with employees’ envy.

**H₂.** Social comparison mediates the relationship between Leader-Member Exchange Differentiation and Employee Envy.

**Moderating Role of Individual-Level Collectivism**

Moderating role of INDCOL (Markus & Kitayama, 1991; Wasti, 2003; Singelis, Triandis, Bhawuk, & Gelfand, 1995) has been proposed in the light of AET and direction provided by Vidyarthi et al., (2010), Martin et al., (2017), Lebel (2017), followed by Ashkanasy, Humphrey and Huy (2017), those expected that effective events like LMXD may be perceived and responded differently by the person having different norms, values, and culture. Scholars like Martin et al., (2017), Ashkanasy, Humphrey and Huy (2017), further directed that employees’ cognitive or emotional outcomes in the response of LMXD cannot be materialized appropriately until we incorporate prevailing individual cultural into the account. Explaining the importance of culture, Kristof-Brown, Zimmerman, and Johnson (2005) argued that culture is a more influential part of the thought process and attitude than reality itself. However, decades ago culture was assumed to be national level phenomena and assumed to be operationalized at the national level only but later, after dominant work was done by Hui and Triandis, (1986), Triandis, et al., (1995), Earley and Mosakowski (1995), Singelis, et al., (1995) open further venues for operationalization of culture at the individual level. These studies collectively argued that clear differentiation between collectivists and individualists may exist within the same social culture in the form of individual preferences. So, it can be assumed that culture can be operationalized as contingent at the individual level within the same national culture (Erdogan & Liden 2006). Coming back to our point, Triandis, (2001) further explained the work of a legendary cross-cultural researcher, Hofstede’s (1980) that collectivism-individualism are the most viable and significant cultural dimension because these two dimensions also integrate the essence of remaining dimensions. Triandis (1995), define collectivism as a cultural syndrome where individuals “see themselves as parts of one or more collectives (family, co-workers, tribe, and nation); are primarily motivated by the norms of, and duties imposed by, those collectives; and emphasize their connectedness to members of these collectives” (p. 2). Hofstede (1980); Hofstede, Hofstede, and Minkov, (2010) expected that in collectivist social settings, people are more concern about group-level welfare as opposed to their self-interest as opposed to individualists where they prioritize and pursue self-interests over a group or societal
welfare. Opposing to this, Individuals with high collectivist values, are more likely to be interdependent in their work and social settings also they define themselves in relational terms and have a more dynamic take towards living across different external context. In our concern, Hofstede, also expected that the effect of LMXD on social comparison will be weaker in a collectivist culture than individualistic culture. Pakistani workforce having 76 points out of 100 points at collectivist scale (Hofstede & Hofstede 2005) is expected to have great tolerance against unfairness and injustice resulted from LMXD. In a similar manner, Triandis (1995, 2001) also expected that collectivist people are more inclined towards interdependency of society thus they prefer group harmony over their self-interests. So, it can be ascertained that collectivists prefer harmonious relationship through avoiding retaliation or getting envious of unfair deals like LMXD. In addition to this, in collectivist societies employees are expected to be more obedient, respectful and loyal to their leader despite his/her differentiated exchange with them against the principles of exchange. On the basis of aforementioned evidence and arguments following hypothesis is drawn:-

**H₃.** Individual-level collectivism moderates the positive relation between Leader-Member Exchange Differentiation and employee envy in a way that relationship will be weaker for individuals those are high in collectivist and vice versa.

![Proposed Model](image)

**Figure I: PROPOSED MODEL**

**Methodology**

The hypothetico-deductive method is used to test the effect/relationship between the proposed variable. Keeping the time-sensitive nature of the research model, time-lagged data through self-administered questionnaires have been collected. Two months gap between each episode has been observed. Self-reported data pertaining to independent variable, LMXD was collected in first episode, data related to mediator (social comparison) was collected in 2nd phase while data related to dependent variable (envy) and moderator (Ind-Col) was collected in 3rd phase.

**Population, Sample, and Unit of Analysis**

Employees working in medical fields and banks (nurses and administrative staff) are proposed as the population of the study because as per our model requirements, these employees are more oppressed due to their sensitive nature of duty and considered underappreciated as well (Adler et
al., 2017; Cordes and Dougherty, 1993). These employees are having more “people-work” thus subject to more negative emotions. Specifically, sample (n=219) of the study comprised of individuals working in private hospitals and banks located in different regions of Pakistan. Keeping model’s requirements in mind unit of analysis was individual.

Administration of Questionnaire

Employee No/ID is a permanent feature which remains same over the service. Same has been used as an identification/matching of questionnaires returned by the single respondents. In first turn total, 231 questionnaires were received back, while in last episode total 224 questionnaires were received back out of which only 219, fulfilled the criteria so same has been used to study sample.

Confidentiality of the Respondents

Along with written covering letter on the questionnaire, the author or some representative on author’s behalf was present there during data collection process to explain the purpose of the study and to answer queries raised by the respondents. All the participants have been treated in accordance with the ethical guidelines of Institutional Review Board (IRB) and American Psychological Association (APA) concerning to privacy and confidentiality. Respondents were informed about the usage of collected information and they were ensured that response given by them will be used for sole purpose of the research. Participants were recruited strictly on a voluntary basis after explaining the purpose of the study, and asking if anyone would be willing to participate. They were also offered withdrawal of their responses/duly filled questionnaire within two weeks after submission if they feel any concern; otherwise afterward these will be destroyed to ensure concealment.

Scales / Instruments used in the study

All the variables proposed/used in this study, are well established and operationalized in previous literature. So, to collect the data of all the variables, following well established / valid scales were used:-

- **LMXD**. According to Liden, Erdogan, Wayne, and Sparrowe (2006), variance in individual-level obtained through Leader-Member Exchange scale can be used as Leader-Member Exchange Differentiation. So, data has been gathered through six items, five points, a Likert scale which was developed by Graen and Uhl-Bien (1995). A sample question is “My supervisor understands my problems and needs”.

- **Social Comparison**. Social Comparison has been measured using 11 items, five points Likert scale by Gibbons and Buunk (1999). Sample item of the scale is “I often compare myself with others with respect to what I have accomplished in my life”.

- **Envy**. Envy has been measured through five items, a seven-point scale developed by Vecchio’s (1995). Sample item of the scale is “My supervisor values the efforts of others more than s/he values my efforts”.

- **Collectivist Culture (Individual Level)**. Cultural values of the respondents have been measured using five items from the INDCOL scale developed by Singelis et al., (1995). One sample item of the scale is “When I succeed it is because of my abilities”.


Data Analysis and Results

Demographics of respondents

Demographics of the respondents were checked through frequency analysis using SPSS (version 22). Frequency analysis shows that majority of respondents (64%) were male. The major age (45.5%) range was between 31 to 40 years. The majority of the respondents (46%) were having master degree. More than 47 % of the respondents were having job experiences of 1 to 5 years.

Data Analysis

For data analysis purpose Partial Least Squares (PLS) analysis with the help of Smart PLS version 3.2 was used. As per recommendation of Hair, Hult, Ringle, and Sarstedt, 2013, two-stage process for Structure Equation Model (SEM) through which we in step-I, validity, and reliability of the measures (measurement model) was checked and in the next step to check the significance of the variables/path coefficients, items loading, bootstrapping method (structural model) on 5000 resamples was implied.

Measurement Model

According to Chin, 1998, measurement model is used to determine the loading into their concern variable. Simply we can say that through this step we can analyze the convergent and discriminant validity of the measurements used in the study. For instance, Table I shows that the indicators’ reliability, also known as factor loading, which exceeds 0.7 hence, passed the item-level convergent and discriminant validity test (Henseler et al., 2009). Three items of social comparison (SC9, SC10, and SC11) were discarded, due to lower standardized factor loadings. Same is presented in Figure-II as well. Table I also shows that internal consistency of items towards the construct is in the acceptable range, i.e. all the constructs’ Alpha Reliability (α) and internal Composite Reliabilities (CR) are greater than 0.7 (Cronbach, 1951; Hair et al., 2010). In addition, Table I also shows the Average Variance Extracted (AVE) obtained through measures for the same purpose, were higher than the recommended value of 0.5 and fulfill the criteria of convergent validity at construct level (Fornell and Larcker, 1981).
<table>
<thead>
<tr>
<th>Indicators</th>
<th>Loadings</th>
<th>AVE</th>
<th>CR</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENVY1</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENVY2</td>
<td>0.836</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENVY3</td>
<td>0.872</td>
<td>0.670</td>
<td>0.910</td>
<td>0.876</td>
</tr>
<tr>
<td>ENVY4</td>
<td>0.820</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENVY5</td>
<td>0.697</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC1</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC2</td>
<td>0.650</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC3</td>
<td>0.825</td>
<td>0.585</td>
<td>0.875</td>
<td>0.823</td>
</tr>
<tr>
<td>IC4</td>
<td>0.758</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC5</td>
<td>0.467</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LMXD1</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LMXD2</td>
<td>0.650</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LMXD3</td>
<td>0.825</td>
<td>0.701</td>
<td>0.933</td>
<td>0.914</td>
</tr>
<tr>
<td>LMXD4</td>
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<td></td>
</tr>
<tr>
<td>LMXD5</td>
<td>0.834</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>LMXD6</td>
<td>0.743</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC1</td>
<td>0.627</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2</td>
<td>0.803</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC3</td>
<td>0.852</td>
<td></td>
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</tr>
<tr>
<td>SC4</td>
<td>0.793</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC5</td>
<td>0.745</td>
<td>0.570</td>
<td>0.913</td>
<td>0.890</td>
</tr>
<tr>
<td>SC6</td>
<td>0.706</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC7</td>
<td>0.752</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC8</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IC= Individual Level Collectivism, LMXD=Leader-Member Exchange Differentiation, SC= Social Comparison

AVE=Average Covariance Extracted, α = Alpha Reliability, CR=Composite Reliability, n =219
In next step, discriminant validity was assessed, which ensure that the variable of interest does not have a reflection of any other variable; which is indicated by low correlations between the measures of interest and others. Results in Table II shows that the square root of Average Variance Extracted (AVE - diagonal values) of each construct is greater than the corresponding value of correlation coefficients, which advocates discriminant validity (Fornell & Larcker, 1981).

Table-II: Discriminant Validity

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ENVY</td>
<td>.818</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Individual’s Collectivism</td>
<td>.450</td>
<td>.764</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. LMXD</td>
<td>.544</td>
<td>.453</td>
<td>.837</td>
<td></td>
</tr>
<tr>
<td>4. Social Comparison</td>
<td>.592</td>
<td>.474</td>
<td>.721</td>
<td>.754</td>
</tr>
</tbody>
</table>

Bold Values on the diagonal are square root of AVE and off-diagonal values are correlations.

Henseler, Ringle, & Sarstedt, (2015) have also suggested the multitrait-multimethod matrix, to assess discriminant validity, the heterotrait-monotrait (HTMT) ratio of correlations. Discriminant validity was also confirmed through a new method, which results are presented in Table-III. According to Kline, (2011), if the HTMT value is greater than 0.85 then discriminant validity is a problem of. As shown in Table 5, however, all values are good to establish discriminant validity, i.e. HTMT.85 i.e. <.85.
Table-III: Heterotrait-Monotrait Ratio (HTMT)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ENVY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Individual's Collectivism</td>
<td>0.506</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. LMXD</td>
<td>0.601</td>
<td>0.508</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Social Comparison</td>
<td>0.663</td>
<td>0.548</td>
<td>0.799</td>
<td></td>
</tr>
</tbody>
</table>

Grey boxes are reporting format for HTMT results

Structural Model

As per Hair et al. (2013) suggestions, to assess the structural model, \( R^2 \), \( \beta \), and their corresponding t-values through bootstrapping procedure having re-sample of 5000 is essential. Additionally, they also suggested that researchers should also report the predictive relevance known as \( (Q^2) \) and the effect sizes also known as \( (f^2) \). As per our concern, LMXD positively and significantly affects envy (\( \beta = 0.200; p < 0.05 \)) and \( R^2 = 0.420 \). \( R^2 \) shows the explanatory power of the predicting variable i.e. LMXD on the respective construct envy (see Figure). So, our results supported our hypothesis 1. To check the mediation role of social comparison, we computed the effect sizes \( (f^2) \) of the exogenous construct i.e. LMXD on endogenous envy. Effect size measures tendency of a phenomenon of interest and its presence in the study population. Mediation was checked through variance-accounted-for (VAF) metric. VAF is defined as the ratio of the significant indirect effect to the direct effect of an exogenous variable on the target variable in the model, Hair et al. (2013).

The results are shown in Table-VI. Based on Cohen’s (1988) guidelines, effect size 0.02, 0.15 and 0.35, will be considered small, medium and large effect sizes, respectively. As shown in Table-VI, while LMXD has a medium effect size on envy \( (f^2 = .032) \), Social Comparison to envy has a medium effect size \( (f^2 = .102) \). Specifically, the medium effect size (Social comparison) indicates that the existence of social comparison; yields better result in envy. Similarly, according to Hair et al. (2013), VAF<0.2 represents no mediation; 0.02 ~ 0.08 represents partial mediation, and VAF ≥0.08 represents full mediation. So, in this case, social comparison partially mediates the relationship between LMXD and envy \( (VAF = .56) \). Moreover, while talking about the moderating role of Ind-Col on the relationship between LMXD and envy, our data reflected that moderating role becomes insignificant \( (p=.415, ns) \).
Figure III: Path Coefficients

Table-VI: Structural Model Estimates - Hypotheses Testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
<th>VAF</th>
<th>t</th>
<th>$t^2$</th>
<th>$Q^2$</th>
<th>$R^2$</th>
<th>VIF</th>
<th>p</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMXD -&gt; ENVY</td>
<td>.200</td>
<td>---</td>
<td>.200</td>
<td></td>
<td>2.235</td>
<td>.032</td>
<td>.253</td>
<td>.420</td>
<td>2.156</td>
<td>.025</td>
<td>Supported</td>
</tr>
<tr>
<td>LMXD &gt; SC</td>
<td>.721</td>
<td>.262</td>
<td>.462</td>
<td></td>
<td>20.564</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>2.212</td>
<td>.000</td>
<td>Supported</td>
</tr>
<tr>
<td>SC &gt; Envy</td>
<td>.364</td>
<td>---</td>
<td>4.059</td>
<td></td>
<td>.102</td>
<td>.273</td>
<td>.520</td>
<td>---</td>
<td>---</td>
<td>.000</td>
<td>Supported</td>
</tr>
<tr>
<td>LMXD &gt; SC &gt; Envy</td>
<td>---</td>
<td>---</td>
<td>.56%#</td>
<td></td>
<td>3.912</td>
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<td></td>
<td>Supported</td>
</tr>
<tr>
<td>LMXD * IC &gt; ENVY</td>
<td>.103</td>
<td>---</td>
<td>8.15</td>
<td></td>
<td>.024</td>
<td>---</td>
<td>1.003</td>
<td>.415 (08)</td>
<td></td>
<td></td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

Discussion of Results

The major objective of the study was to check the mediating role of social comparison between the relationship of LMXD and envy, furthermore moderating role of individual-level collectivism was also tested. Both the gaps were ignored in the previous literature, despite repeated research calls as cited in the introduction part. Result of data analysis shows that our predictor, LMXD has significant positive relationship with our dependent variable, envy as it was earlier found by various researchers (Adams, 1965; Salovey & Rodin, 1984; Corcoran, Crusius, & Mussweiler, 2011, Lo et al., 2015), and Smith & Kim 2007). Thus, these results supported our hypothesis 1 which is, “Leader-Member Exchange Differentiation has a positive significant relationship with out-group
employees’ envy toward in-group employees”. The reason behind this support is very natural i.e. everyone in this world especially in work life, wants to get more and more prestige, important assignments, perks, and privileges. Boss or leader’s acquaintanceship is the most effective way to gain these gains. However, if due to any reason, if someone cannot manage to get into the close relationship with the boss, he will be jealous of those who are availing these privileges resulting in envy. Our 2nd and the more important hypothesis was about the mechanism of social comparison, which creates the relationship between Leader-Member Exchange Differentiation and employee envy, was also supported. As per Treadway et al., (2017) social comparison is a built-in function of the human creature. At the workplace especially, where the environment is more competitive, it’s too hard to remain unvaccinated from this phenomena. On the other hand, this is what which keep us motivated and enthusiastic to look and move forward. So, while talking about LMXD and its relationship with social comparison and envy, leader is responsible for the good performance of his whole team and he has to pay equal attention and treatment to each member of his team, but if he violates this and do unequal distribution of resources, awards and rewards, comparison amongst the employees will start, ultimately resulting in envy. Furthermore, our third major hypothesis was related to cultural dimension i.e. collectivist society and its operationalization at the individual’s level (Triandis, 1995, 2001). The reason behind this hypothesis was that in previous studies it was assumed that envy is culturally bound i.e. it has different implications in different cultures (Hofstede 1980; Hofstede, Hofstede, and Minkov, 2010; Triandis 1995). Our data evidence is not in support of this assumption thus the hypothesis 3 which is “Individual-level collectivism moderates the positive relation between Leader-Member Exchange Differentiation and employee envy in a way that relationship will be weaker for individuals those are high in collectivist” has not been supported. In a collectivist society, it is believed that individuals prefer group or societal gains moreover personal or individual’s gains. Our results are somehow inclined towards the findings of Callaghan et al., (2005) and Walcot, (1978). According to these authors, conceptualization of envy is universal irrespective of prevailing culture, its dispositional factor which may not be influenced with a change in cultural values. Moreover, in Figure-IV, given below, it can be seen that culture has not so much influence/importance for predicting envy.

Figure IV: Importance - Performance Map

![Importance-Performance Map](image)

Research Implications

Envy is a universal unpleasant emotion which occurs as the result of a process of unfavorable social comparison with a person or group of people who occupy an advantageous position in an
important personal domain. However, due to its hostile nature, normally it has been concealed, which make it more difficult to study. In this study, it has been tried to explore the reasons of envy so a rigorous stance can be created about its reasons and implications.

One of the important implication can be seen while looking at Figure-IV, in which it has been presented that LMXD as compared to culture and social comparison, has more strength to predict envy. Organizational managers must look into this aspect while practicing their managerial / leadership practices in the organizations. While, for the strategic move, managers should incorporate some strategies through which differentiation (although not avoidable) can be mitigated or some strategies may be adopted through which its exploitation may be reduced.

**Limitations and Future Research Directions**

The bulk of research has been documented about positive aspects of LMX and LMXD but very little evidence has been found which explore the paradox of these important aspects of business organizations. Another paucity of this attempt, envy has its two facets, i.e. benign and malicious, however, in this study, only the general construct of envy has been studied. Dimension wise study of envy may give more clear results. Furthermore, employees' reaction toward leadership attributes greatly depends on resources being held by the employee himself like his personality type his psychological capital etc. In future research looking at it in these aspects may give more insightful outcomes.

**References**


Bryman, D. Collinson, K. Grint, B. Jackson, & M. Uhl-Bien (Eds.), *Sage handbook of leadership* (pp. 311–325).


