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The effect of team value diversity on team performance: The mediating role of relationship conflict and the moderating effects of organization citizenship behavior and leader-member exchange quality

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| CHRONICLE  | A B S T R A C T  |
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| Article history:<br>Received: April 4, 2021<br>Received in revised format:<br>April 24 2021<br>Accepted: May 3, 2021<br>Available online:<br>May 3, 2021 | This paper aims to investigate the mediating role of relationship conflict and moderating role of organization citizenship behavior and leader-member-exchange quality on the relationship between team value diversity and team performance. Data was collected from 263 employees of the telecom sector addressing the variables of value diversity, team performance, relationship conflict, OCB and LMX. Regression analysis found that team value diversity negatively affects team performance, and relationship conflict significantly mediates this relationship. It was also found that OCB |
| Keywords:<br>Value diversity<br>Team performance<br>Relationship conflict<br>OCB<br>LMX  | and LMX significantly moderate the relationship, such that in the presence of these two, value diversity doesn't affect team performance rather team performance is positive when these two are present. The findings of this research confirm that for effective management of team diversity in organizations, team leaders must also wisely manage relationship conflict in teams. The study presents worthwhile managerial implications and future research avenues.   |

#### 1. Introduction

Diversity has always been portrayed as a positive force which leads to improved team performance. The amount of team diversity has been linked with innovations, greater number of ideas and creativity, and hence better team performance (Dahlin, Weingart, & Hinds 2005; Galinsky et al., 2015; Jackson et al., 1995). Diversity has been an important trend which affects the workforce in 21st century. It has been a phenomenon which has profound effects on society in general and workplace in particular (Sadri & Tran 2002). Both practitioners and academics agree that If an organization has to create an environment where employees can perform their job with full potential in order to achieve organization's goals, the diversity should be effectively managed in organization rather than valuing it simply (Sadri & Tran, 2002). Diversity is a word which refers to differences among people. Diversity has been classified by Jehn et al. (1999) into three categories: Social diversity, informational diversity and value diversity. Social diversity refers to differences which are explicit among team members in social category membership; e.g., ethnic, gender and age. Informational diversity refers to knowledge base variation while value diversity refers to differences in terms of what members think that should be mission, target, goal and real task (Jehn et al., 1999). According to Jehn et al. (1999), value diversity results in dissatisfaction, and decreases commitment among group members and it leads to process, relationship, and task conflicts. Hence, it is claimed that although value diversity is often not immediately detectable, it becomes a more important predictor of group outcomes as times goes on (Hartono, Dzulfikar & Damayanti 2020). Contrarily, gender and age diversity which are readily characterized characteristics, becomes less important as time goes on. Value diversity has got the greatest potential to enhance both morale and work group performance (Simons

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& Rowland 2011). However, review of literature on team diversity and performance reveals inconclusive and somehow mixed findings (Hartono et al., 2020; Roberson et al., 2017; Van Dijk et al., 2012; Horwitz & Horwitz 2007; Jehn et al., 1999) as some authors believe that diversity shows positive effects on performance and creativity (e.g., Galinsky et al., 2015; Dahlin et al., 2005; Austin 1997) while others have the opposite view (Van Knippenberg, De Dreu, and Homan 2004; Webber and Donahue 2001). In fact, there are two schools of thoughts on group diversity: one who believes that diversity leads to an increased variety of perspectives and approaches brought to a problem at hand. There is an opportunity of knowledge sharing and hence greater creativity (Simons and Rowland 2011; Phillips, Duguid, Thomas-Hunt, and Uparna 2012). However, Liang et al., (2007) recommend that if the individuals in a team have different qualities, it will prompt relationship struggle which in turn, will affect team performance negatively. According to Sacco and Schmitt (2005), groups with varying ages possess different values which complement each other, thus increasing the creativity of heterogeneous workforce compared to a more homogenous group. However, realistically, there is preponderance of evidence that diversity creates social divisions, which in turn creates negative performance (e.g., Tajfel and Turner 1986; Turner, Hogg, Oakes, Reicher, and Wetherell 1987).

Hence, despite the greater attention that team diversity and team performance has captured, the relationship remains inconclusive (Hartono et al., 2020; Wu, Zhao, Zuo and Zillante 2018; Roberson et al., 2017; Van Dijk, Van Engen, and Van Knippenberg 2012; Simons & Rowland 2011). It is for this reason that diversity has been referred to as a "double edged sword" (Horwitz & Horwitz, 2007). The Van Dijk et al. (2012) meta-analysis of 50 years of research on diversity reveals that the relationship between team diversity and performance is somehow ambiguous. In fact, there are many more mediating and moderating variables and processes that interact with team diversity and team performance (e.g., van Dijk et al., 2012). This holds true as the variety of recent researchers have used different forms of team diversity while investigating its linkages with performance (van Dijk et al., 2012). Wu et al., (2018) assert that despite all previous efforts to investigate the team diversity and team effectiveness relationship, the mechanism of how diversity in teams affects teams' effectiveness remains unclear. This study based on the theory of organization citizenship behavior (OCB) and leader-member exchange quality (LMX) of the organization top management believes that if top management of organizations focuses on enhancing the OCB of its employees as well as creates a participatory management environment, the intensity of the negative consequences of value diversity could be reduced to greater extent. Hence, this study is addressing the issue of how team value diversity and team performance relationship could be better managed if the organization focuses on enhancing the OCB and positive leadermember exchange quality among the organization employees. Explicitly, the study investigates the moderating role of OCB and LMX on the relationship between team value diversity and team performance. In addition, the study also investigates how relationship conflict among team members mediates the team value diversity and team performance relationship.

# 2. Literature review

#### 2.1 Value Diversity and Team Performance

According to Jehn et al. (1999), value diversity refers to differences in members in terms of what they think the goal, target, mission, or real task should be. Liang et al. (2007) explain that value diversity in work setting is such in which members of a team have different values in terms of certain actions or to the project goal. However, it is not easy to understand the value of differences among employees. The dearth of literature to offer practical guidance for such difficulties is the main hurdle. It is suggested that researchers should focus on examining the group's internal characteristics which are the enacted beliefs and values of the employees (Schein, 1985; Martin, 1992). Unfortunately, these enacted values remain unnoticed or unconscious and are not communicated within the organizations. In many organizations, managers and employees often remain unaware of those enacted values which are possessed by their colleagues and they may misjudge those values, which can result in clash and tension at the workplace. Jehn et al., (1999) claim that although value diversity is often not immediately detectable, but it becomes more important predictor of group outcomes as times goes on, while the surface level diversity (e.g., gender and age diversity) which are readily appeared characteristics becomes less important as time goes on (Sacco & Schmitt 2005).

Review of extant literature on team diversity and performance reveals two predominant diversity perspectives namely social categorization perspective and information / decision making perspective (Jackson & Joshi 2003; Simons & Rowland 2011; Phillips et al., 2012). According to the first perspective, team diversity has a negative relationship with team performance (e.g., Jehn et al., 1999; Leonard, Levine, & Joshi 2004) for the reason that differences and similarities among team members lead to categorization of team members into in-group and out-group. The in-group team possesses similar values compared to out-group team members (Jackson & Joshi 2003). This perspective, however, predominantly discusses surface level diversity and hence does not effectively explain the relationship between value diversity and team performance (Woehr, Arciniega & Poling 2013). However, to better explain the value diversity and team outcome relationship, the similarity attraction paradigm, when team members are similar in values and beliefs to other team members, they are more attracted to and prefer to work in such teams. It further states that when team members have shared interests and values, they will have similar viewpoints and hence a cooperative behavior will follow (Joshi & Jackson 2003; Ely 1994). On the contrary, when members of a team have different interests and values, they will not prefer to work collaboratively which implies that team processes will disrupt and the team effectiveness will suffer (van Knippenberg & Schippers 2007). Hence, Van Knippenberg, Dreu and

Homan (2004) argue that team processes in more diverse groups are less productive than teams which are more homogenous in terms of values.

It is in fact this similarity attraction paradigm (Byrne, 1971; Tziner, 1985) which has got much empirical support in literature. For instance, Klein et al. (2011) found that team members' value diversity causes team conflict which further decreases individual creativity and team effectiveness. Renowned researcher on team diversity, Jehn et al., (1999) found that value diversity among team members' results in dissatisfaction, decreases commitment to the group task and it leads to process, relationship, and task conflicts. Beersma, Hollenbeck, Humphrey, Moon, Conlon and Ilgen (2003) found that teams with lower value diversity are comparatively more cooperative compared to teams with greater value diversity that may hinder teamwork collaboration and information sharing. Similar findings are also shared by Jackson and Joshi (2003) who state that the existence of sub-groups develops barriers for team cooperative activities. Further, the team members with the same values are more likely to agree with one another on various tasks (Jehn & Mannix 2001). Jehn and Mannix (2001) found that similarity of team members' work related values are positively correlated with task performance. Liang et al., (2007) suggested that value diversity in team results in increased relationship conflict affecting performance negatively. Hence on the basis of above literature we hypothesize that:

#### H1: Higher levels of value diversity in teams lead to low levels of team performance.

#### 2.2 Value Diversity and Team Performance: Mediating Role of Relationship Conflict

It has been argued that every team, sooner or later, suffers from relationship conflict (De Dreu and Van Vianen 2001) which has negative consequences for team effectiveness (De Wit, Greer and Jehn 2012; Ilgen, Hollenbeck, Johnson and Jundt 2005). Compared to connection between team diversity and team effectiveness, little is however known about how team value diversity affects relationship conflict (Tekleab and Quigley 2014). Relationship conflict refers to team members' interpersonal incompatibilities, such as annoyance, tension and animosity among team members (Jehn & Mannix 2001; Jehn, 1995). It has been argued that relationship conflict results in personal issues such as feelings of irritation, annoyance, and frustration and also disliking among team members (Jehn & Mannix 2001; Tekleab & Quigley 2014). Relationship conflict reduces information processing ability in a group as the group members spend more time and energy on one another rather than focusing on problem related group tasks (Verderber & Verderber 2008). Management techniques as well as literature on organizational behavior and management strongly reflect that task conflict is productive, while relationship conflict among team members is dysfunctional and not productive (Jehn & Mannix 2001; Rollinson 2002; Robbins 2000). Harrison and Klein (2007) claim that with differences in length of service and race among team members, there is a greater likelihood of a relationship conflict which results in decreased performance. Jehn et al. (1999) suggested that when value diversity is high, it increases relationship conflict which has a negative impact on team cooperation. Lee et al., (2014) suggest that relationship conflict negatively affects job performance. According to Liang et al., (2007), value diversity results in greater relationship conflict which in turn leads to negative team performance. Relationship conflict and task conflicts were differentiated from one another by Jehn et al., (1999) suggesting that relationship conflict affects satisfaction negatively and it interferes with task performance. According to Amason (1996) and Amason and Mooney (1999), relationship conflict is negatively related to team related outcomes. Hence, it is hypothesized that:

## H2: Relationship conflict mediates the relationship between team value diversity and team performance.

#### 2.3 Value Diversity and Team Performance: Moderating Role of Organizational Citizenship Behavior (OCB)

Organizational citizenship behavior is an individual behavior that is discretionary, not directly or explicitly recognized by a specific reward system which promotes the effective functioning of organization (Organ et al., 2006). In addition, OCB goes beyond the performance indicators which are mentioned in formal jobs descriptions by organization. Moreover, OCB is reflected by those actions performed by employees that are something beyond the minimum role requirements mentioned by organization in job descriptions and it promotes the welfare of the organization coworkers and work groups (Lovell et al., 1999). There is abundance of literature supporting a positive linkage between organizational citizenship behavior of employees and organizational as well as employees' performance (Bachrach, Powell, and Bendoly 2006; Allen and Rush 1998; Vilela, Varela Gonzalez, and Ferrin 2008; Podsakoff, Ahearne, and MacKenzie 1997). Two perspectives have been used to define the OCB and performance relationship, namely relational perspective and social exchange theory (Wei 2014). According to relational perspective, employees with high OCB behavior develop high ties among the team members due to their helping behavior for their coworkers and hence the likelihood of attaining the organizational goals increases. Further, OCB facilitates team interactions, reduces conflicts as well as increases effectiveness (Podsakoff & MacKenzie 1997). Similarly, the social exchange theory of Blau (1964) asserts that employees high in OCB would develop psychological contracts with other team members and colleagues and as a result team members would spend more time helping other colleagues. Further, employees with high OCB also believe that they will be equally and reciprocally helped by other team members in return for their support. Literature also supports the exchange of information and greater team interaction as another advantage of OCB (Lin 2008). Hence it implies that high performing teams are more likely to have high OCB as also indicated by Karambaya (1989) compared to low performing teams. This also implies that teams with high OCB will outperform teams with low OCB even if such teams have greater value diversity. In other words, the greater is the supportive behavior of team members in high OCB teams, the greater will be knowledge sharing as well as greater employees' loyalty with the organization and hence the negativity of team members' value diversity will be reduced. Hence, we hypothesize that:

**H<sub>3</sub>:** *OCB* moderates the relationship between value diversity and team performance such that higher the OCB, weaker will be the relationship between value diversity and team performance and vice versa.

# 2.4 Value Diversity and Team Performance: Moderating Role of Leader Member Exchange Quality Relationship (LMX)

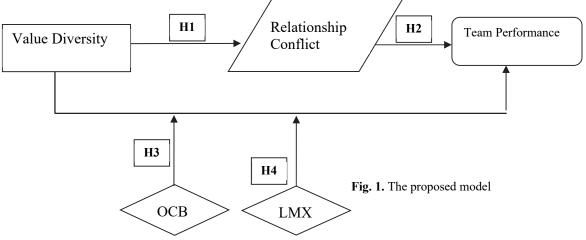
Leader member exchange quality refers to the quality of relationship between team leader or organization leader and its followers (Van Breukelen et al., 2006). It has been advocated that quality of leader –member relationship affects various outcomes such as greater resource allocation, trust, favoritism, reciprocity and support, and increased formal and informal rewards (Graen & Uhl-Bien 1995; Van Breukelen et al., 2006). According to LMX theory, members with good quality relationships with the leader enjoy formal and informal rewards, access and communication with supervisors, supervisor support as well as better job assignments for key organizational roles (Gerstner & Day 1997; Harris, Kacmar, Zivnuska & Shaw 2007). Contrary to this, when there is an ineffective and weak leader-member exchange quality, such team members receive none of the stated benefits. They are considered as the out-group team members (Harris et al., 2007). Team members with low or weak ties with the leader are also perceived as more negative, perceived to possess lower performance capabilities as well as hardly selected for important positions. According to Uhl-Bien, Graen & Scandura (2000), the low quality leader-member exchange may negatively affect the team members' motivation, reduce allocation of resources such as opportunities for training and development as well as limit communication between the member and the leader. Consequently, these members are demotivated and weekly perform compared to the in-group members who enjoy good relationships with the leader. Thus, LMX has consistently been found to relate with performance, overall satisfaction and organizational commitment, career progress, employee empowerment and innovation, and positive intention to stay.

The relationship of value diversity and team performance depends on the LMX- leader-member exchange (Cogliser & Schriesheim 2000; Graen & Uhl-Bien 1995). If the relationship between leader and member is of low quality, the members will do what they are required to do; and if such relationship is of high quality, it is characterized by mutual trust, obligation and respect (Uhl-Bien et al., 2000). In such a case, even if team members have high value diversity, the better relationship of the team members with the team leader will not allow team members to look into their differing values. Rather, the team members will get preferential treatment from their leader. We believe that if group management is improved by better managing the issues of LMX quality, the intensity of the negative consequences of value diversity would be reduced to greater extent. Hence, we hypothesize that:

**H**<sub>4</sub>: *LMX* moderates the relationship between value diversity and team performance such that higher the LMX weaker will be the relationship between value diversity and team performance and vice versa.

# **Proposed Theoretical Model**

Fig. 1 demonstrates the proposed model of this paper.



# 3. Methodology

#### 3.1 Research Setting and Participants

To empirically test the study hypotheses, data was collected from employees working in the telecom sector which included Telenor, Ufone, Mobilink, Warid and Zong centers in Peshawar, the provincial capital. A convenient sampling technique was

used to collect the data from different employees working in various teams at different levels in the mentioned organizations. Consent letters were emailed to the concerned heads of the organization and were asked if they are willing to take part in the survey. After getting a positive response from them, data was collected. Total of hundred questionnaires were distributed in each of the five organizations. Out of total 500 circulated questionnaires, usable responses received were 263 resulting in an ultimate response rate of 52.6%. Male were 154 (out of 263) representing 58.55%, while 109 (out of 263) were females representing 41.44%.

## 3.2 Measures

The model of the study consisted of value diversity as independent variable and team performance as dependent variable. Besides, relationship conflict was treated as a mediating variable and organization citizenship behavior (OCB) and leadermember exchange quality (LMX) as moderating variables. Team value diversity was measured with six items using five point likert scale developed by Jehn et al., (1999). Few of the questions asked were: "The values of all group members in our team are similar", "The members of our team clearly know what is important for our team", and "Our team members have similar goals". Team performance was measured with two questions using a five point likert scale developed by Jehn et al., (1999) including "I think our team performs well", and "I think our team is effective". Relationship conflict (Mediator) was measured through 4 items developed by Jehn (1995) using a scale ranging from "None" (1) to "A lot" (5). These included "There is greater resistance among our team members", "There is greater personality conflicts in our team", "There is greater tension among our team members", and "There is greater emotional conflict among our team members". Organization citizenship behavior was measured using six questions on five point Likert scale developed by Lepine and Van Dyne (1998) such as "I assist others in my work group with their work for the benefit of the group", "I get involved in order to benefit my work group", "I help others in my work group learn about the work", whereas LMX was measured with seven items using five point Likert scale by Graen and Uhl-Bien (1995). These included items such as "I know how much satisfied my leader is with me and my work", "My team leader understands very well my job problems and needs", "I know how much my team leader appreciates my potential".

#### 4. Analysis

Before testing the study hypotheses, preliminary analysis including multi-<u>collinearity</u>, mean, correlation analysis and reliability analysis were performed. Variance Inflation Factor (VIF) and tolerance statistics were used to check multi-<u>collinearity</u> among the study variables. To check the causal relationship between the variables, the Baron and Kenny (1986) approach was used. According to Bowerman and O'Connell (1990), the assumption of multi-<u>collinearity</u> is not fulfilled if the VIF average value is considerably bigger than 10. Multi-<u>collinearity</u> is also checked by tolerance statistics which states that if tolerance statistics is below 0.2, then multi-<u>collinearity</u> does exist (Menard 1995). The VIF values of the proposed model were well below 10 and the tolerance value was 2.83 and hence no multi-<u>collinearity</u> problem observed in the data.

Table 1 shows that there is a significant negative correlation between value diversity and team performance ( $-0.61^{**}$ , p<0.01), significant positive correlation between value diversity and relationship conflict ( $0.71^{**}$ , p<0.01), significant negative relationship between relationship conflict and team performance ( $-0.50^{*}$ , p<0.05). The table also shows a significant positive correlation of team performance with OCB which is  $0.66^{**}$  as well as a significant positive correlation between team performance and LMX ( $0.67^{***}$ , p<0.001).

Table 1 also shows the reliability analysis of the study measures such that Cronbach alpha for all the measures are well above the minimum threshold level. The reliability coefficient for value diversity, team performance, relationship conflict, OCB and leader-member exchange quality (LMX) are shown in parenthesis and remained 0.87, 0.92, 0.73, 0.79 and 0.84 respectively.

|                | Μ    | SD   | 1      | 2      | 3      | 4      | 5      |
|----------------|------|------|--------|--------|--------|--------|--------|
| Gender         | 1.29 | 0.45 |        |        |        |        |        |
| Age            | 2.25 | 1.09 |        |        |        |        |        |
| Education      | 2.19 | 0.90 |        |        |        |        |        |
| Marital Status | 1.25 | 0.44 |        |        |        |        |        |
| 1)VD           | 4.00 | 0.99 | (0.87) |        |        |        |        |
| 2)TP           | 2.34 | 1.20 | 61**   | (0.92) |        |        |        |
| 3)RC           | 4.10 | 0.78 | .71**  | 50*    | (0.73) |        |        |
| 4)OCB          | 2.08 | 0.94 | 36*    | 66**   | 73*    | (0.79) |        |
| 5)LMX          | 2.01 | 0.96 | 29**   | .67*** | 72**   | .28**  | (0.84) |

#### Table 1

Mean, S.D, Correlation, and reliability analysis of study variable

Note: N=263, Cronbach alpha reliabilities are shown in parenthesis.

\*p < 0.05, \*\*p < 0.01, \*\*\*p<0.001

In order to test the direct, mediating as well as moderating hypotheses of the study, the Baron and Kenny (1986) approach was used. Hypothesis one stated that higher value diversity in teams will lead to low team performance. As evident from table 2 below, a negative beta value of (-0.74, t >2; p<0.05) shows a significant inverse relationship between value diversity and team performance. Hence hypothesis one stating that higher level of value diversity in teams will lead to low level of team performance is supported. Hypothesis two stated that there exists a significant mediating effect of relationship conflict between team value diversity and team performance. As can be seen in Table 2 (model 2), the beta value of -0.31 (t = -1.37 <2) is not significant (p>0.05) compared to a significant relationship between value diversity and team performance as in model 1. Hence the study finds that relationship conflict fully mediates the relationship between value diversity and team performance. Thus, hypothesis 2 is also supported.

#### Table 2

Regression Analysis of Value Diversity, Relationship Conflict, Team Performance, OCB and LMX

| Models    | IV (X) | DV (Y) | $R^2$ | Adj R <sup>2</sup> | F     | Р    | В   | Т     | Р    |
|-----------|--------|--------|-------|--------------------|-------|------|-----|-------|------|
| Model (1) | VD     | TP     | .38   | .37                | 79.48 | .000 | 74  | -8.91 | .000 |
| Model (2) | RC     |        | .38   | .37                | 99.83 | .000 | 19  | -8.38 | .000 |
|           | VD     | ТР     |       |                    |       |      | 31  | -1.37 | .07  |
| Model (3) | VD*OCB | TP     | .46   | .45                | 79.48 | .01  | .29 | 2.36  | .01  |
| Model (4) | VD*LMX | TP     | .47   | .46                | 83.35 | .01  | .37 | 2.53  | .01  |

Model 1: Direct relationship between Value diversity and Team Performance

Model 2: Relationship conflict mediates the relationship between value diversity and team performance

Model 3:OCB moderates the relationship between value diversity and relationship conflict

Model 4:LMX moderates the relationship between value diversity and relationship conflict

Regarding the moderating effect of OCB on value diversity and team performance relationship, the beta values in Table 2 (Model 3) show that OCB does moderate the relationship between value diversity and team performance. More explicitly, unstandardized beta value is 0.29, which was negative (-0.74) in case of direct relationship. The value is significant too (p < 0.05, t > 2). Hence, H3 stating the moderating effect of OCB on value diversity-team performance relationship is supported. Last hypothesis, H4, stated the moderating effect of leader-member exchange quality (LMX) on the relationship between value diversity and team performance. As revealed by the beta value, it significantly changed from -0.74 to positive value of 0.37 (p<0.05, t>2). Hence H4 confirms the moderating effect of leader-member-exchange quality on value diversity and team performance.

#### 5. Discussion

As already predominantly argued in literature, value diversity negatively affects team performance (e.g., Jehn et al., 1999; Leonard, Levine, and Joshi 2004). According to Liang et al., (2007), value diversity results in increased relationship conflict, which further affects performance negatively. The findings of this study further confirm this negative relationship between team value diversity and team performance. According to one of the two models offered by Muchinsky and Monahan (1987), a supplementary model argues that if there is more homogeneity in values and personality, the members will be more motivated and computable, and hence better results will be produced. Besides, different authors have suggested that team diversity leads to relationship conflict in teams which further results in low team performance (Harrison & Klein, 2007). According to Harrison and Klein (2007), when working years and race are different among team members, it then results in relationship conflict, which ultimately results in decreased performance. Jehn et al. (1999) suggested that when value diversity is high, it increases relationship conflict which has a negative impact on team cooperation and team performance (Lee et al., 2014). Same results are reported by Liang et al. (2007) asserting negative consequences of value diversity on team performance through greater relationship conflict. Amason (1996) and Amason and Mooney (1999) also affirm that relationship conflict is negatively related to team outcomes. The results of this study therefore substantiate findings of earlier studies such that relationship conflict mediates the relationship between value diversity and team performance. Similarly, earlier studies also indicate the moderating effect of OCB on team value diversity and team performance relationship. For instance, according to Mackenzie, Podsakoff and Paine (1999), having consciousness and helping other employees lead to less inter-group conflicts, hence allowing managers to focus more on pressing matters. Koslowsky and Pindek (2011) also assert that employees practicing OCB have no expectation for any compensation or recognition. According to Karambaya (1990), high performing wok groups have more elements of OCB rather than those work groups whose performance is low. Choi and Chang (2009) also found that OCB across individuals results in improved organizational performance.

The results of this study substantiate these findings and confirm a moderating effect of OCB on team value diversity and relationship conflict association. Similarly, the leader-member exchange quality has also been stated to have a moderating effect on the relationship between value diversity and team performance. When group members are involved in a high quality relationship, it has significant implications not only for one's individual outcomes (Gerstner & Day 1997), but also for one's standing within the larger group. Stewart and Johnson (2009) also found similar results such that in more gender diverse groups, the LMX positively correlated with the group performance and vice versa. Nishii and Mayer (2009) comprehensively studied the moderating effect of LMX on diversity and turnover relationship and found that the relationship between diversity and employees' turnover is weaker when a leader has a good relationship with group members (High LMX) and vice versa.

High quality LMX has been associated with lower group conflict (Boies & Howell 2006) and greater satisfaction, cooperation and agreement with coworkers (Cogliser & Schriesheim 2000). As also found in this study, the relationship of value diversity and team performance depends on the quality of leader-member exchange relationship. If the relationship between leader and member is of low quality, members will do what they are required to do and if the relationship is of high quality, it is characterized by mutual trust, obligation and respect (Cogliser & Schriesheim 2000; Graen & Uhl-Bien 1995).

#### 6. Managerial implications

Value diversity has got the greatest potential to enhance both morale and work group performance; however, diversity related to values also creates biggest problems. Therefore, it is suggested that managers should create such an environment where employees may know about each other's values and their preferences so that value diversity can be avoided. Furthermore, managers should try to better manage issues related to interpersonal conflicts. It also implies that managers should be trained enough to handle and manage the interpersonal conflicts through proper communication and mediation.

Similarly, managers should try to develop greater organizational citizenship behavior among workers because when workers engage in OCB, it goes beyond the minimum requirements of their job description. In organizations with a good OCB environment, employees are not only concerned about their job description, rather they try to work beyond their duties and help other employees too, resulting in enhanced work group efficiency. If employees practice organizational citizenship behavior, they will work for the betterment of the organizations without any extra pay or benefits, keeping aside their personal grievances. The findings of the study also implies that managers should try to resolve issues related to leader-member-exchange relationships, because if managers keep good relations with their employees, the individual as well as team performance will improve.

### 7. Conclusion

This study investigated the effect of value diversity on team performance. In addition, it also examined the mediating effect of relationship conflict as well as moderating effect of OCB and LMX on team value diversity-team performance relationship. It is concluded that value diversity has a negative impact on team performance which implies that value differences among team members negatively affect team performance. If issues related to team members' values are not solved, it can have a negative impact on team performance. Furthermore, it is concluded that value diversity leads to relationship conflict among team members which results in low team performance. The study finding also confirms that if employees have a greater amount of OCB, the negative consequences of value diversity may be reduced resulting in improved team performance. If employees have a good citizenship behavior, team performance would not be negatively affected even in the presence of value diversity and relationship conflicts. In other words, in the presence of OCB, team performance will be better even if team members have conflicts and have value diversity. It is further concluded that if group management is improved by better managing the issues of OCB, the intensity of the negative consequences of value diversity can be reduced to a greater extent. Moreover, if the quality of leader-member relation is good, even the value of diversity and relationship conflicts won't have negative consequences.

## 8. Limitations and future research directions

This study, though encompassing the team value diversity and team performance relationship with both mediating and moderating variables, has also got few limitations. First, this study is conducted in various telecom centers in Peshawar, the provincial capital. In order to further validate the study findings, similar study can also be extended to other large cities as well as replicated in other sectors characterized by teams' structure. Second, the study has focused on the mediating effect of relationship conflict while in future; task conflict can also be studied as a mediator. Moreover, the study has focused on one type of diversity, that is, value diversity. It is suggested that in future, other types of diversity such as social and knowledge diversity can also be studied and included in the model. Further, the study has only focused on OCB and LMX as moderator. However, literature evidences that organizational justice and organizational commitment have a strong influence on diversity and performance relationships and hence can also be studied as important moderators.

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