

## DOCTORAL THESIS

### Not just being an autocrat or an empowerer: investigating hierarchical-decentralization and its effects on team outcomes

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*Date of Award:*  
2018

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## **ABSTRACT**

This dissertation identifies and theorizes a new form by which leaders exert their influence over subordinates: hierarchical-decentralization. To further investigate hierarchical-decentralization and its effects on team outcomes, we develop two research themes which include three independent studies.

The first research theme focuses on how hierarchical-decentralization influences team processes and team performance. We conduct an experimental study (Study 1-1) and a field study (Study 1-2) on this research theme. In Study 1-1 (detailed in Chapter 2), we conceptualize hierarchical-decentralization, examine the relationship between hierarchical-decentralization and team performance, and test whether and why hierarchical-decentralization produces higher team performance than either centralization or decentralization. Through an experimental study, we found that hierarchical-decentralization was positively related to team performance, and that hierarchical-decentralization outperformed either centralization or decentralization in steering team performance. Following Study 1-1, we conduct Study 1-2 (described in Chapter 3), which aims to further explore the underlying mechanism that produces the positive effect of hierarchical-decentralization on team performance, and to identify the conditions under which the benefit of hierarchical-decentralization tends to become more noticeable. Through a field study, we found that team coordination mediated the relationship between hierarchical-decentralization and team performance. We further found that inter-team competitive intensity strengthened the positive relationship between hierarchical-decentralization and team coordination, as well

as the positive indirect relationship between hierarchical-decentralization and team performance via team coordination.

The second research theme focuses on the application of influence structure of hierarchical-decentralization to the research on leader-member exchange (LMX) differentiation. We conduct a field study (Study 2) on this research theme. Specifically, in Study 2 (detailed in Chapter 4), we investigate whether and why the vertical chain of influence among team members (we follow the research conducted by Burderson et al (2016) and refer it to acyclicity) would offset the detrimental effect of LMX differentiation on social relations among team members and ultimately on team performance. Through a field study covering 89 diverse working teams, we found that LMX differentiation became to be not significantly related to status conflict when a team had a high level of acyclicity and meanwhile when its team members' LMX statuses were in line with their influence levels within acyclicity. Although this relationship is not statistically significant, the negative relationship between LMX differentiation and status conflict somewhat suggests that acyclicity, when all of the most influential members within it are of the highest relationship qualities with leaders, might have the potential to turn the detrimental effect of LMX differentiation on social interactions among team members into a beneficial effect (i.e., one that reduces status conflict among team members). We further found that status conflict was negatively related to team performance, and that it mediated the relationship between LMX differentiation and team performance.

The theoretical and practical implications of the two research themes are then discussed.

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