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The Norm of Reciprocity: Scale Development and Validation in the Chinese Context

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University of Miami, USA, Arizona State University, USA, George Mason University, USA, San Diego State University, USA, Nanjing University, China, Renmin University of China, China

ABSTRACT To add greater theoretical precision to a fundamental construct in social exchange theory – namely, Gouldner’s ‘norm of reciprocity’, this study developed a measure of Sahlin’s generalized, balanced, and negative reciprocity types and validated its psychometric quality in China. For a comprehensive construct validation of the new scale, we carried out three studies. After generating a pool of items, we used a panel of experts to classify items according to conceptual definitions of the three reciprocity types. Using factor analysis, the first study revealed a factor structure consistent with Sahlin’s reciprocity typology. In the second study, confirmatory factor analysis replicated this factor structure as well as demonstrated that the reciprocity factors are distinct from each other and other social-exchange constructs. In line with extant theories, the third study corroborated a nomological network relating reciprocity types to external constructs. Given this broad array of evidence for its construct validity, future researchers can employ this validated scale to investigate various forms of social exchange in Chinese work settings.

KEYWORDS reciprocity, scale development, scale validation, China

INTRODUCTION

Social exchange – or the exchange of goods and services between two parties (Coyle-Shapiro and Conway, 2004) – has inspired a broad research stream investigating workplace relationships (Blau, 1964; Gouldner, 1960; Homans, 1958). Organizational scholars have adopted social exchange as a dominant mechanism for explaining organizational phenomena, such as employee-organization relationships (EOR; Tsui et al., 1997), psychological contracts (Dabos and Rousseau, 2004; Rousseau, 1990), perceived organizational support (POS; Eisenberger et al., 1986,
organizational citizenship behaviour (Coyle-Shapiro, 2002) and trust (Whitener et al., 1998). Notwithstanding its ubiquity, social exchange theory remains conceptually underdeveloped, in part due to the coarse-grained depiction of one of its prime theoretical foundations: the norm of reciprocity (Aseleage and Eisenberger, 2003; Coyle-Shapiro and Conway, 2004, 2005; Croompanzano and Mitchell, 2005).

The reciprocity norm usually refers to a set of socially accepted rules regarding a transaction in which a party extending a resource to another party obligates the latter to return the favour. The classic description dates back to Gouldner (1960). He conceptualized that the reciprocity norm stabilizes social systems, pervades every interpersonal relationship, and applies universally to all cultures. Drawing on Gouldner’s theoretical analysis, management scholars have widely applied the norm of reciprocity to explicate how a variety of workplace relationships influences employee and organizational outcomes (Coyle-Shapiro and Conway, 2005). Despite its pervasiveness, the reciprocity mechanism has rarely been directly tested due to the absence of reliable and valid measures. As Coyle-Shapiro and Conway (2004) noted, ‘Almost all social exchange research refers to [Gouldner’s] work as evidence of the existence of the ‘norm of reciprocity’, although the assumption is largely unelaborated and untested’ (p. 8, parentheses added). Consequently, the dearth of valid operationalizations has hampered examinations of reciprocity and its presumed role in underpinning workplace relationships. Sahlin’s (1972) reciprocity typology (introduced in the next section) further extended Gouldner’s work and can shed new light on social exchange research such as psychological contracts (Coyle-Shapiro and Conway, 2005) and leader-member exchange (Sparrowe and Liden, 1997). However, the value of this typological scheme cannot be realized until his reciprocity types can be precisely and validly operationalized for empirical scrutiny (Coyle-Shapiro and Conway, 2004). Alluding to Sahlin’s types, Sparrowe and Liden (1997) thus contend that ‘the development of an instrument to measure reciprocity in exchange relationships would further research in several related fields of inquiry’ (p. 544).

In answering this call, the purpose of the current investigation is to develop and validate a reciprocity measure applicable to organizational settings in China. This effort enables us to contribute to the extant literature in three ways. First, since reciprocity is universal to all cultures, our study can stimulate more empirical inquiry into what Croompanzano and Mitchell (2005) call the ‘black box’ of social exchange (p. 12) by testing the mediating role of the reciprocity norm and move prevailing social exchange studies from a content-based to a process-oriented stage (Coyle-Shapiro and Conway, 2004). Examining reciprocity in the Chinese context also contributes to the Chinese management literature. After all, reciprocity plays a pivotal role in Chinese people’s daily life vis-a-vis organizational life owing to the relational-oriented nature of Chinese society (Gabrenya and Hwang, 1996; Hofstede, 2001). Due to this unique social environment, social exchange research in China has flourished in recent years (e.g., Hui et al., 2004; Wang et al., 2003).
To advance this emerging body of work, our development of a reciprocity measure for the Chinese context can help explicate the nature of the reciprocity mechanism underlying organizational relationships there (Chen et al., 2005; Hui et al., 2004; Wang et al., 2003). Finally, a validated reciprocity scale in the China context uncovers both ‘etic’ (i.e., universal) and ‘emic’ (i.e., culturally specific) perspectives of the reciprocity norm (Gupta et al., 2002).

**Sahlins’ Reciprocity Typology**

Drawing from the ethnographic record on a broad range of cultures, Sahlins (1972) introduced an etic typology comprising three dimensions of reciprocity that has had ‘disproportionate influence on the development of exchange theory’ (Befu, 1977, p. 255). One dimension, ‘immediacy of returns’, refers to the timing between initial offering of a good or service and its repayment, spanning from simultaneous to indefinite reciprocation. Another dimension known as ‘equivalence of returns’ represents the extent to which resources exchanged are similar in value. ‘Interest’, the third dimension, is ‘the nature of the exchange partners’ involvement in the exchange process and ranges from unbridled self-interest, through mutual interest, to interest in and concern for the other’ (Sparrowe and Liden, 1997, p. 524).

Different configurations of these dimensions yield three types of reciprocal exchange that fall along a continuum from ‘negative reciprocity’ to ‘generalized reciprocity’ (Sahlins, 1972). ‘Generalized reciprocity’ represents an indefinite reimbursement period, undefined equivalency of return, and low self-interest. Givers in this sort of exchange are altruistic and do not expect recipients to pay back in a predetermined period of time with something of equal value. Instead, repayment depends on when and what recipients can afford, which Sahlins (1972, p. 194) calls a ‘sustained one-way flow’. At the opposite end of the reciprocity continuum, negative reciprocity is characterized by timely, equivalent returns, and high self-interest. Donors in this form of exchange are taking-oriented and seek to maximize their interests at the expense of beneficiaries of their favours. ‘Balanced reciprocity’ resides in the middle of the reciprocity continuum and reflects a simultaneous exchange of equivalent resources. That is, recipients must reimburse their benefactors with something of equal value within a short time frame. Instead of focusing on self-interest in the negative reciprocity, both parties to the balanced reciprocity, a ‘quid pro quo’ transaction, mutually benefit (Coyle-Shapiro and Conway, 2004).

Sahlins’ taxonomy marks a major theoretical advance (Befu, 1977; Coyle-Shapiro and Conway, 2004) by refining (Gouldner’s, 1960) reciprocity notion and delineating ‘rules of exchange’ (Crapanzano and Mitchell, 2005) that can illuminate exchange processes in organizations (Sparrowe and Liden, 1997). To illustrate, reciprocity types can clarify underlying mechanisms of psychological contracts (Coyle-Shapiro and Conway, 2005) by revealing the differential
employee reactions to breaches in contracts based on different reciprocity types. For example, employees may more readily detect employers’ failure to live up to balanced reciprocity contracts because they keep more careful accounting of returns in such tit-for-tat exchanges (Sparrowe and Liden, 1997). By contrast, employees whose employers are considerate and practice generalized reciprocity may give them the benefit of the doubt when employers occasionally fail to discharge promised obligations rather than vigilantly monitor contract compliance (Aselage and Eisenberger, 2003). Furthermore, Sahlins’ (1972) theory can enrich the extant Chinese management research on person-firm exchange transactions. For example, investigating Sahlins’ typology in China may disclose that generalized reciprocity underlies Wang et al.’s (2003, p. 513) assertion that the Chinese ‘may feel obligated to reciprocate through harder work’ for employers adhering to an overinvestment EOR approach (where provided inducements exceed expected contributions; Tsui et al., 1997). Similarly, including generalized reciprocity measures can verify the assumption of Chen et al. (2005) that POS ‘engenders feelings of obligation to reciprocate . . . the exchange by demonstrating positive work attitudes and behaviours that benefit the organization’ (p. 459). Validating Sahlins’ typological system helps scholars explore a theoretical cornerstone behind the varied sorts of individual-organization relationships by considering exchange partners’ motives and the immediacy and equivalency of exchanged resources.

Overview of Three Validation Studies

Construct validity is generally defined as the extent to which an operationalization measures the concept it is supposed to measure (Bagozzi et al., 1991, p. 421). Establishing a scale’s construct validity is neither a one-time task nor a single-approach procedure (Schwab, 1980). Hence, we carried out three studies to demonstrate the psychometric quality and construct validity of a reciprocity scale using academicians as expert judges and three independent samples of employees from various regions throughout China. Study participants came from a wide range of industries and diverse demographic backgrounds, which augmented the generalizability of our findings. In Study 1, we developed and refined items assessing Sahlins’ reciprocity types and performed factor analysis and item analysis to investigate factor structure and scale reliability. A smaller pool of items remaining after those analyses was then subjected to confirmatory factor analysis in Study 2 using a different sample. Study 2 further evaluated discriminant validity in two ways. First, we tested whether factors for generalized, balanced, and negative reciprocity are distinctive. Secondly, we examined whether the three reciprocity factors are distinguishable from related exchange constructs. Using a third sample, Study 3 tested how the three reciprocity types are differentially related to external constructs based on deductions from Sahlins’ (1972) theory. In the following sections, we present the three studies in detail followed by a general discussion.

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STUDY 1: SCALE DEVELOPMENT AND FACTOR ANALYSIS

The objective of Study 1 was three-fold: (i) develop items measuring the three reciprocity types; (ii) conduct judge analysis to select items from the initial pool; and (iii) perform factor analysis and item analysis to identify subsets of items that yield a valid and reliable scale.

Scale Development

Item development. The authors, representing both U.S. and Chinese scholars, contributed to the initial item pool. Based on Sahlin's (1972) descriptions and interviews with Chinese employees, 28 items were written to measure the three types of reciprocity. We then held three focus groups with Chinese managers and employees in China to discuss these items and suggest new ones. Each focus group consisted of four to six interviewees, most of whom were part-time MBA students (not the same ones in survey samples). These groups confirmed that items meaningfully captured exchange relationships in Chinese organizations and suggested nine additional items. As a result, the initial item pool consisted of 37 items in total. Eleven items addressed generalized reciprocity; 13 items reflected balanced reciprocity; and another 13 items assessed negative reciprocity. Items were originally written in English so we translated them into Chinese and then back-translated them into English (Brislin, 1970, 1981). Semantic differences between original and back-translated items were discussed. Revised items then went through another round of back-translation. This process continued until semantic equivalence was achieved for all items.

Judge analysis. Following Kinicki and Lattak's (1990) procedure, we recruited 26 Chinese professors and doctoral students as subject matter experts to judge item content. Both items and definitions of Sahlin's reciprocity types were presented in a survey and respondents classified the 37 items into one of the three types. We also included the option of 'does not fit any type'. The percentage of correct assignment by respondents was calculated for each item. Using items with 60% or higher correct classification (Kinicki and Lattak, 1990), we retained five generalized reciprocity items, 12 balanced reciprocity items, and eight negative reciprocity items.

Factor Analysis

Sample and procedure. Survey data were collected from part-time MBA students at multiple universities in China (N = 321). Seventy-six percent of the participants were men; 18% of the participants were 18 to 25 years of age; 46% were 26 to 35 years of age; 14% were 36 to 45 years of age; and 7% over 46. All the participants worked full time and 88% had worked for their current employer for one to three years.
Questionnaires were distributed to the students in their classes and were returned to their professors in the classroom on the same day or at the next class. They were informed that participation was voluntary and would not have an impact on their course grades. The survey was anonymous and questionnaire completion was considered respondents’ consent to participate.

**Measures.** We used the 25 reciprocity items retained from the judge analysis. A five-point Likert-type response scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*) was adopted in the survey.

**Analyses.** Using maximum likelihood estimation in LISREL (Jöreskog and Sorbom, 2001), confirmatory factor analysis (CFA) investigated the items’ factor structure since items were derived in accordance to an a priori typological scheme. This preliminary CFA further screened the 25 provisional items by identifying which items best mirror Sahlins’ three factors and kept those having substantial (>0.35) and significant (p < 0.05) standardized factor loadings. Next, we performed item analysis to improve scale psychometric quality.

**Results**

CFA results showed that some items’ loadings were weak. On the basis of predetermined criteria, we retained four generalized reciprocity (GR) items with standardized factor loadings larger than 0.35 (ranging from 0.58 to 0.68). Five items defined balanced reciprocity (BR); and their factor loadings ranged from 0.38 to 0.68. All eight negative reciprocity (NR) items had loadings of above 0.35 (ranging from 0.39 to 0.60). Further item analysis resulted in the deletion of one NR item that did not contribute to the reliability and the content validity of the scale. Table 1 shows the standardized factor loadings for the 16 retained items. All three subscales had satisfactory reliability estimates: GR $\alpha = 0.70$; BR $\alpha = 0.71$; and NR $\alpha = 0.70$. These remaining 16 items were used in all subsequent analyses. As item selection was partly empirically derived, we cross-validated our findings with CFA in an independent sample in Study 2. Nevertheless, Study 1 provided preliminary evidence about the psychometric quality of the new reciprocity scale.

**STUDY 2: DISCRIMINANT VALIDITY OF THE SCALE**

We planned to achieve three goals in Study 2: (i) reaffirm that a three-dimensional factor structure underpins the final set of items chosen by Study 1’s factor analysis; (ii) demonstrate discriminant validity among the three types of reciprocity; and (iii) establish discriminant validity between reciprocity and three related constructs – namely, reciprocation wariness (generalized fear of exploitation in interpersonal relationships; Cotterell et al., 1992; Eisenberger et al., 1987), economic exchange (material transactions governed by formal contracts; Coyle-Shapiro and Conway,
<table>
<thead>
<tr>
<th>Item</th>
<th>Standardized Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generalized Reciprocity (GR)</strong></td>
<td></td>
</tr>
<tr>
<td>1. My organization would help me develop myself, even if I cannot make more contributions at present.</td>
<td>0.58</td>
</tr>
<tr>
<td>2. My organization seems willing to invest in my professional development, even when it does not directly impact my current job performance.</td>
<td>0.68</td>
</tr>
<tr>
<td>3. My organization would do something for me without any strings attached.</td>
<td>0.58</td>
</tr>
<tr>
<td>4. My organization takes care of me in ways that exceed my contribution to the organization.</td>
<td>0.59</td>
</tr>
<tr>
<td><strong>Balanced Reciprocity (BR)</strong></td>
<td></td>
</tr>
<tr>
<td>5. My organization takes care of the organization’s interests as much as my interest.</td>
<td>0.66</td>
</tr>
<tr>
<td>6. It seems important to my company that my efforts are equivalent to what I receive from the company.</td>
<td>0.38</td>
</tr>
<tr>
<td>7. If I do my best and perform well, my organization will give me the opportunity for promotion.*</td>
<td>0.65</td>
</tr>
<tr>
<td>8. If my job performance exceeds my organization’s need, my organization will give me an extra reward, otherwise, my organization will punish me.*</td>
<td>0.45</td>
</tr>
<tr>
<td>9. As long as I show my concern for the welfare of the organization, the organization will be concerned for my welfare in return.</td>
<td>0.68</td>
</tr>
<tr>
<td><strong>Negative Reciprocity (NR)</strong></td>
<td></td>
</tr>
<tr>
<td>10. I have the impression that my organization is up to something that could hurt me.</td>
<td>0.48</td>
</tr>
<tr>
<td>11. My organization would never help me out unless it was in the organization’s own interest.</td>
<td>0.49</td>
</tr>
<tr>
<td>12. What I have received from my organization is only a small part of my contribution to the organization.</td>
<td>0.52</td>
</tr>
<tr>
<td>13. My organization expects more from me than it gives me in return.</td>
<td>0.43</td>
</tr>
<tr>
<td>14. My organization only cares about its own benefits and never cares about my career or living.*</td>
<td>0.60</td>
</tr>
<tr>
<td>15. If my organization gives me double wages, it will require me to put in three or four times more energy.*</td>
<td>0.48</td>
</tr>
<tr>
<td>16. My organization seems to think that I need to work hard no matter how poorly I am treated.</td>
<td>0.46</td>
</tr>
</tbody>
</table>

*Note: Items with asterisks were developed based on the focus group interviews with Chinese managers and employees. All factor loadings were significant at the 0.05 level.*
2004), and social exchange (material and non-material transactions involving unspecified obligations; Coyle-Shapiro and Conway 2004).

While Sahlin’s typology addresses the types of exchange process, reciprocation wariness represents a personal disposition towards entering relationships that carry obligations. Thus, individuals who are reluctant to become indebted to another for some duration may reject generalized reciprocity, which imposes open-ended, unclear indebtedness, in favor of balanced reciprocity, where they can readily fulfill explicit and defined obligations. More than this, social and economic exchanges differ from reciprocity types by focusing on the content of the resources exchanged (Coyle-Shapiro and Conway, 2004). Even so, some exchange theorists (Blau, 1964; Hui et al., 2004) suggest that resource content can shape the nature of the exchange (Coyle-Shapiro and Conway, 2004; Czarniawska and Mitchell, 2005). Conceivably, generalized reciprocity may involve social exchange because altruistic employers may offer broader inducements, including socio-emotional resources (e.g., sponsorship), whereas balanced reciprocity may emphasize economic exchange (Robinson et al., 1994; Sparrowe and Liden, 1997). In short, demonstrating discriminant validity between reciprocity types and other exchange constructs can more rigorously ascertain whether Sahlin’s constructs offer unique insights into understanding exchange relationships (Coyle-Shapiro and Conway, 2005).

Method

Sample and procedure. Surveying 1128 part-time MBA students from 11 universities throughout China, we obtained complete data from 831 respondents (i.e., no missing data; 63% male; mean age = 32.69 years old, standard deviation = 6.34; mean organizational tenure = 6.32 years, standard deviation = 5.46). We randomly selected a subsample for this study (N=385), reserving another subsample for the next study (N=446). Questionnaires were distributed to students and were returned to their professors. Students were told that participation in the study was voluntary and would not affect their course grades. Questionnaires were anonymous and strict confidentiality was assured. Returning the questionnaires was considered the respondents’ consent to participate.

Measures. Three types of reciprocity were measured with the 16 items retained from Study 1. Unlike Study 1, we used a six-point agreement-disagreement scale to reduce central tendency bias among Chinese respondents who tend to avoid extremes due to the Confucian ‘doctrine of the mean’ value (Fu and Tsui, 2002; Hui et al., 2004). Reliability estimates, based on the whole sample, were above 0.70 (Nunnally, 1978): GR $\alpha = 0.79$; BR $\alpha = 0.83$; and NR $\alpha = 0.82$. We used ten items reported by Lynch et al. (1999) to operationalize reciprocation wariness (e.g., ‘I feel used when people ask favours of me’; $\alpha = 0.96$). We measured social and economic
exchange using the 16-item Shore et al. (2006) scale with eight items measuring social exchange (e.g., ‘My relationship with my organization is based on mutual trust’; $\alpha = 0.87$) and eight items assessing economic exchange (e.g., ‘My relationship with my organization is strictly an economic one’; $\alpha = 0.87$). We went through the translation and back-translation procedure for all scales based on Brislin’s (1970, 1981) suggestions.

**Analyses.** We used LISREL’s maximum likelihood procedure (Jöreskog and Sorbom, 2001) for CFA and discriminant validity tests. Overall model fit was assessed by two fit indices: comparative fit index (CFI; Bentler, 1990) and incremental fit index (IFI; Bollen, 1989). The CFI is relatively resistant to distortions due to non-normal variable distributions and small sample sizes, while being sensitive to misspecified measurement models (Hu and Bentler, 1998). The IFI displays less sampling variability than the $\chi^2$-test to degrees of freedom ratio. We evaluated these fit indices using the traditional 0.90 threshold value. To complement these indices, we used the standardized version of Jöreskog and Sorbom’s (2001) root mean square residual (SRMR) to gauge model misfit. The SRMR more readily detects complex model misspecifications and is less sensitive to problem variable distributions and small sample sizes (Hu and Bentler, 1998). We followed traditional criteria when interpreting the SRMR index: values of 0.05 or less indicate close fit; 0.05–0.08 values indicate reasonable fit; 0.08–0.10 values indicate mediocre fit; and values exceeding 0.10 indicate poor fit (Browne and Cudeck, 1992).

To test Sahlin’s typological system, we first estimated a measurement model specifying the 16 reciprocity items to represent one of the three reciprocity factors. We then compared this baseline model with alternative measurement models specifying two reciprocity factors. Each alternative (nested) model specified that items from two reciprocity factors load together on a common factor (cf. Hui et al., 2004; Wong et al., 2005). Should the two-factor model fit data worse than the three-factor baseline model, the two reciprocity factors constrained to be equal are distinctive. For nested model comparisons, we compared $\chi^2$ difference statistics (James et al., 1982). A significant $\chi^2$ difference indicates acceptance of the less-constrained three-factor baseline model, while a non-significant $\chi^2$ difference suggests acceptance of the more parsimonious two-factor model.

We adopted the same procedure to test discriminability between reciprocity types and the three related exchange constructs. In this case, we first estimated a six-factor measurement (baseline) model consisting of Sahlin’s reciprocity factors, reciprocation wariness, social exchange and economic exchange. We used items to assess the reciprocity types. Following an approach by Mathieu and colleagues (Mathieu and Farr, 1991; Mathieu et al., 1993), we created three indicators (i.e., item parcels) for each external construct by pairing items based on factor loadings. We next assessed a series of five-factor nested models equating one of the
Table 2. Scale and factor correlations – Study 2

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Generalized reciprocity</td>
<td>3.21</td>
<td>1.12</td>
<td>0.65*</td>
<td>-0.05</td>
<td>0.28*</td>
<td>0.59*</td>
<td>0.09*</td>
<td></td>
</tr>
<tr>
<td>2. Balanced reciprocity</td>
<td>3.82</td>
<td>1.04</td>
<td>0.73*</td>
<td>-0.17*</td>
<td>0.15*</td>
<td>0.76*</td>
<td>-0.02</td>
<td></td>
</tr>
<tr>
<td>3. Negative reciprocity</td>
<td>3.41</td>
<td>0.97</td>
<td>-0.03</td>
<td>-0.21*</td>
<td>0.35*</td>
<td>-0.24*</td>
<td>0.60*</td>
<td></td>
</tr>
<tr>
<td>4. Reciprocal wariness</td>
<td>2.85</td>
<td>0.98</td>
<td>0.33*</td>
<td>0.16*</td>
<td>0.40*</td>
<td>0.04</td>
<td>0.40*</td>
<td></td>
</tr>
<tr>
<td>5. Social exchange</td>
<td>3.87</td>
<td>0.89</td>
<td>0.65*</td>
<td>-0.31*</td>
<td>0.04</td>
<td>-0.14*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Economic exchange</td>
<td>3.38</td>
<td>0.97</td>
<td>0.13*</td>
<td>-0.04</td>
<td>0.70*</td>
<td>0.45*</td>
<td>-0.19*</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
* p < 0.05.
N = 885. Raw scale correlations are presented in the upper diagonal. Factor correlations are presented in the lower diagonal.

reciprocity types with another external construct (e.g., generalized reciprocity with social exchange) by specifying that their indicants load on the same factor (Hui et al., 2004). Discriminant validity for Sahlin’s constructs is corroborated by consistently worse fitting five-factor models relative to the six-factor baseline model using \( \chi^2 \) difference tests.

Results

Confirmatory factor analysis. Table 2 shows the descriptive statistics and scale and factor correlations. Affirming Sahlin’s typological system, the baseline model with three reciprocity factors (Model 1 in Table 3) satisfactorily fit the data: \( \chi^2 (101) = 434.99, \ p < 0.01; \) CFI = 0.93; IFI = 0.93; SRMR = 0.08. All items significantly loaded on their specified factors (mean standardized loading = 0.71).

Discriminant validity among reciprocity factors. To evaluate how reciprocity factors differed among themselves, we derived three alternative models from the baseline model, equating two factors at a time. The upper section in Table 3 shows fit indices for these two-factor alternative models (models 2 to 4). The three-factor baseline model fit the data better than every two-factor model according to \( \chi^2 \) difference tests. To further test if Sahlin’s factors are different, we fitted a one-factor model (model 5) that forced all reciprocity indicators to load on the same factor. This unidimensional model fit poorly: \( \chi^2 (104) = 1410.16, \ p < 0.01; \) CFI = 0.74; IFI = 0.75; SRMR = 0.18. The \( \chi^2 \) difference was 975.17 (df = 3, \ p < 0.05), revealing a significantly inferior fit than the model with three reciprocity types. In summary, these model comparisons conclude that Sahlin’s three types of reciprocity are distinct factors.

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Table 3. Discriminant validity analyses results – Study 2

<table>
<thead>
<tr>
<th>Measurement model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>$\Delta\chi^2$</th>
<th>CFI</th>
<th>IFI</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discriminant analyses among three reciprocity factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. 3-factor baseline model: Three reciprocity factors</td>
<td>434.99*</td>
<td>101</td>
<td></td>
<td>0.93</td>
<td>0.93</td>
<td>0.08</td>
</tr>
<tr>
<td>2. 2-factor model: GR = BR</td>
<td>585.53*</td>
<td>103</td>
<td>150.54*</td>
<td>0.91</td>
<td>0.91</td>
<td>0.08</td>
</tr>
<tr>
<td>3. 2-factor model: GR = NR</td>
<td>1282.29*</td>
<td>103</td>
<td>847.30*</td>
<td>0.77</td>
<td>0.77</td>
<td>0.18</td>
</tr>
<tr>
<td>4. 2-factor model: BR = NR</td>
<td>1256.33*</td>
<td>103</td>
<td>821.34*</td>
<td>0.77</td>
<td>0.78</td>
<td>0.18</td>
</tr>
<tr>
<td>5. One-factor model: One factor underlies three reciprocity factors</td>
<td>1410.16*</td>
<td>104</td>
<td>975.17*</td>
<td>0.74</td>
<td>0.75</td>
<td>0.18</td>
</tr>
<tr>
<td>Discriminant analyses with other related constructs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Baseline 6-factor model</td>
<td>778.72*</td>
<td>260</td>
<td></td>
<td>0.96</td>
<td>0.96</td>
<td>0.07</td>
</tr>
<tr>
<td>7. 5-factor model: GR = reciprocation wariness</td>
<td>1621.75*</td>
<td>265</td>
<td>843.03*</td>
<td>0.89</td>
<td>0.89</td>
<td>0.13</td>
</tr>
<tr>
<td>8. 5-factor model: BR = reciprocation wariness</td>
<td>1722.63*</td>
<td>265</td>
<td>943.91*</td>
<td>0.88</td>
<td>0.88</td>
<td>0.14</td>
</tr>
<tr>
<td>9. 5-factor model: NR = reciprocation wariness</td>
<td>1530.66*</td>
<td>265</td>
<td>751.94*</td>
<td>0.90</td>
<td>0.90</td>
<td>0.11</td>
</tr>
<tr>
<td>10. 5-factor model: GR = social exchange</td>
<td>1051.77*</td>
<td>265</td>
<td>273.05*</td>
<td>0.94</td>
<td>0.94</td>
<td>0.09</td>
</tr>
<tr>
<td>11. 5-factor model: BR = social exchange</td>
<td>886.75*</td>
<td>265</td>
<td>108.03*</td>
<td>0.95</td>
<td>0.95</td>
<td>0.07</td>
</tr>
<tr>
<td>12. 5-factor model: NR = social exchange</td>
<td>1749.66*</td>
<td>265</td>
<td>970.94*</td>
<td>0.88</td>
<td>0.88</td>
<td>0.16</td>
</tr>
<tr>
<td>13. 5-factor model: GR = economic exchange</td>
<td>1562.61*</td>
<td>265</td>
<td>783.89*</td>
<td>0.90</td>
<td>0.90</td>
<td>0.15</td>
</tr>
<tr>
<td>14. 5-factor model: BR = economic exchange</td>
<td>1576.64*</td>
<td>265</td>
<td>797.92*</td>
<td>0.89</td>
<td>0.89</td>
<td>0.15</td>
</tr>
<tr>
<td>15. 5-factor model: NR = economic exchange</td>
<td>1027.90*</td>
<td>265</td>
<td>249.18*</td>
<td>0.94</td>
<td>0.94</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Notes:
* $p < 0.05$.
BR, balanced reciprocity; GR, generalized reciprocity; NR, negative reciprocity.

Discriminant validity with other exchange constructs. We next determined whether Sahlins’ reciprocity factors are distinguishable from three related exchange constructs. We first estimated a six-factor baseline measurement model, specifying three reciprocity factors, reciprocation wariness, social exchange, and economic exchange (model 6 in Table 3). Then, nine alternative models were assessed in which two factors at a time were equated (models 7–15). Nested comparison results are summarized in the lower section of Table 3. The six-factor measurement model fit better than all five-factor models in terms of $\chi^2$ difference tests, confirming that the reciprocity types are not redundant with other related constructs. Taken together, these tests support the discriminant validity of our measures of Sahlins’ reciprocity types.

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Discussion

Though supporting Sahlin’s (1972) theory of three separate reciprocity factors, we did not uphold his implicit assumption that negative reciprocity is inversely related to generalized reciprocity. Table 2 reveals that they were negatively related to each other though not significant (r = -0.02, p > 0.05). Because common method variance (CMV) may have suppressed their association, we attempted to control this bias by incorporating an unmeasured method factor into the six-factor measurement model (Podsakoff et al., 2003). This CMV re-analysis found that negative reciprocity was indeed inversely related to generalized reciprocity (r = -0.27, p < 0.05) and remains inversely related to balanced reciprocity: r = -0.24, p < 0.05). Consequently, employers who emphasize generalized reciprocity tend to de-emphasize negative reciprocity.

Study 2 also showed that different kinds of employment exchanges involve different resources between parties (Croppanzano and Mitchell, 2005). In particular, we found that organizations practicing generalized reciprocity participate in broader (social r = 0.65) and economic (r = 0.13) exchanges with members, while organizations endorsing negative reciprocity are predisposed towards economic (r = 0.70) rather than social exchanges (r = -0.31) with members (see Table 2). CMV testing further attests to dissimilar resource content between generalized and negative reciprocity. Once shared method bias is statistically controlled, generalized reciprocity is actually negatively related to economic exchange (r = -0.21, p < 0.05) and positively related to social exchange (r = 0.83, p < 0.05), while negative reciprocity remains positively related to economic exchange (r = 0.64, p < 0.05) and inversely related to social exchange (r = -0.28, p < 0.05).

As we surmised, employees whose employers exhibit generalized reciprocity avoid being indebted to such employers (r = 0.33), while those whose employers express balanced reciprocity are less prone toward such reciprocation wariness (r = 0.16). Not surprisingly, employees whose employers engage in negative reciprocity are especially reluctant to become obligated to such exploitative employers (r = 0.40). A CMV test reaffirmed this result, disclosing that the positive relationship between negative reciprocity and reciprocation wariness (r = 0.30, p < 0.05) is somewhat robust.

STUDY 3: RELATIONSHIPS BETWEEN RECIPROCITY TYPES AND EXTERNAL CONSTRUCTS

Study 3 aimed to investigate the nomological net (Cronbach and Meehl, 1955) of the reciprocity norm by testing a series of theoretically based hypotheses linking reciprocity types with external constructs. Since the reciprocity items developed in the current study focus on employees’ perception of the exchange relationship between their organizations and themselves, the four external constructs
considered in this study (i.e., psychological empowerment, affective commitment, quit intentions and organizational trust; defined in the next section) mainly represent the employee’s side of social exchange (Eisenberger et al., 1986, 1990; Shore et al., 2006). In the following section, we furnish theoretical and empirical justification for how the different reciprocity types are associated with these constructs.

**Hypothesized Relationships**

We posit that the three reciprocity types relate differently to employee psychological empowerment (an individual’s experience of intrinsic motivation based on his or her cognition about him- or herself in relation to the work role (Spreitzer, 1995), affective commitment (identification and emotional attachment to the organization (Meyer and Allen, 1997), quit intentions, and organizational trust (willingness to accept vulnerability based upon positive expectations of the intentions of the organization (Rousseau et al., 1998).

First, generalized reciprocity represents the type of employment relationship that most fosters employees’ perceived empowerment. Because they carefully take into account the other party’s needs (Sahlins, 1972), such employers are likely to offer meaningful, impactful, and autonomous work and delegate more decision-making authority that enhances employee worklife quality (Pearce and Manz, 2005; Seibert et al., 2004; Spreitzer et al., 1997). Besides, members of organizations upholding generalized reciprocity are treated well – receiving more than they return for some indefinite term (conditions known as ‘over- or mutual investment’ by Tsui et al., 1997) – and thereby reciprocate with greater emotional attachment to the organization (Tsui et al., 1997) and lower quit propensity (Hulin et al., 1985; March and Simon, 1958; Rusbult and Farrell, 1983). Further, organizations with generalized reciprocity practices signal benevolent intentions, which foster trust from members (Aselage and Eisenberger, 2003). In line with this argument, Whittner et al. (1998) envisioned that managerial expressions of benevolence engender feelings of trust, while Chen et al. (2005) documented that employees trust employers who show concern for them. Based on the above reasoning, we predict the following.

**Hypothesis 1:** Generalized reciprocity is positively associated with psychological empowerment, affective commitment and organizational trust, and negatively associated with quit intentions.

In contrast, employers engaging in negative reciprocity would neither furnish intrinsic rewards nor develop workforce potential as they seek to maximally profit from employees' labour and service (Sparrowe and Liden, 1997). Self-interest rather than altruism governs their dealings with employees, diminishing their propensity to enrich and empower employees' worklife. Moreover, members of organizations endorsing negative reciprocity may fear exploitation as such
organizations pursue their self-interests at members’ expense (Sahlin, 1972; Wong et al., 2005). Such fears undermine organizational trust (Rousseau et al., 1998; Whitener et al., 1998; Williams, 2001), making employees less likely to commit to such institutions (Dirks and Ferrin, 2001). Owing to their insensitivity to employees’ needs, such employers may also furnish rewards employees neither desire nor deem sufficient, thereby eroding their commitment (Colquitt et al., 2001; Rounds et al., 1987). When inducements fall short of contributions, several turnover formulations also hold that quits will accelerate (Hulin et al., 1985; March and Simon, 1958; Rusbult and Farrell, 1983). Based on the empirical and theoretical evidence above, we contend the following.

Hypothesis 2: Negative reciprocity is negatively associated with psychological empowerment, affective commitment, and organizational trust and positively associated with quit intentions.

With regard to balanced reciprocity, we posit that it functions similar to generalized reciprocity but with lower magnitude. Expecting immediate returns, organizations promoting balanced reciprocity may reluctantly empower employees compared with companies adopting generalized reciprocity practices (Pearce and Manz, 2005) as payoffs are uncertain and may fail to offset such investments. Nevertheless, because empowering employees may be mutually advantageous to both employees and employers (Sparrowe and Liden, 1997), balanced reciprocity should be positively – rather than negatively – related to employee empowerment, albeit weaker than the generalized reciprocity-empowerment association. Due to the fact that mutuality of interests governs this form of employee-organization exchange (Sahlin, 1972), members will still trust such organizations but less than those who are altruistic (Dirks and Ferrin, 2001). Finally, though generalized reciprocity invokes a larger ‘shadow of indebtedness’ (Sahlin, 1972), transactions of equivalent returns in balanced reciprocity induce similar but lesser felt obligations in employees, who respond with moderate levels of commitment and intentions to stay. The preceding reasoning and research thus imply the following propositions.

Hypothesis 3: Balanced reciprocity is positively associated with psychological empowerment, affective commitment and organizational trust, and negatively associated with quit intentions.

Hypothesis 4: Generalized reciprocity has stronger associations with the four external variables than balanced reciprocity.

Method

Sample and procedure. As described earlier, this sample of 466 working MBA students were randomly drawn from a larger population (see Study 2 for more information).
Measures. We used a six-point Likert-type scale for all items with responses ranging from 1 (strongly disagree) to 6 (strongly agree). All items went through the translation and back-translation procedure (Brislin, 1970, 1981) except those adapted from previous China studies. We used the same 16 reciprocity items employed in Study 2. Nine items reported in Spreitzer (1995) were used to operationalize the three dimensions (i.e., meaning, self-determination and impact) of psychological empowerment (e.g., ‘My job activities are personally meaningful to me’; ‘I have significant autonomy in determining how I do my job’; ‘My impact on what happens in my department is large’; $\alpha = 0.87$). We excluded a fourth empowerment dimension (competency), which is not directly related to the reciprocity practices between employers and employees. For affective organizational commitment, we used Chen and Francesco’s (2003) Chinese version of Allen and Meyer’s (1990) eight-item scale (e.g., ‘I feel emotionally attached to this organization’; $\alpha = 0.90$). Similarly, we used the Chinese version of a four-item (e.g., ‘I often think about quitting my job at this organization’; $\alpha = 0.89$) quit intentions scale (Wang et al., 2002) adapted from (Bluedorn, 1982). The organizational trust scale consisted of Robinson’s (1996) seven items (e.g., ‘My employer is always honest and truthful’; $\alpha = 0.91$).

Analyses. To test hypotheses, we evaluated a seven-factor measurement model consisting of the three reciprocity types, psychological empowerment, affective commitment, quit intentions, and organizational trust. We used items to index the reciprocity types. For affective commitment and organizational trust, we aggregated three item sets per construct based on item-factor loadings (Mathieu and Farr, 1991; Mathieu et al., 1993). We used two-item parcels for quit intentions (given only four items) and based three-item parcels on Spreitzer’s (1995) original empowerment dimensions.

To test whether generalized and negative reciprocity are differentially related to external variables with opposite signs, we inspected factor correlation estimates from the seven-factor measurement model. To examine differential relationship strengths for balanced and generalized reciprocity, we used a series of nested model comparisons contrasting the seven-factor baseline model (which allows all correlations to differ) with nested models that constrained two correlations to be identical (similar to the discriminant validity test in Study 2). We also repeated these analyses with Podsakoff et al.’s (2003) CMV approach for statistically adjusting for the distorting effects of shared method bias.

Results and Discussion

The descriptive statistics and scale and factor correlations are presented in Table 4. The seven-factor measurement model accurately reproduced the observed covariance matrix: $\chi^2 (303) = 911.44, p < 0.01; \text{CFI} = 0.96; \text{IFI} = 0.96; \text{SRMR} = 0.07.$
Table 4. Scale and factor correlations – Study 3

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Generalized reciprocity</td>
<td>3.19</td>
<td>1.03</td>
<td>0.66*</td>
<td>0.04</td>
<td>0.35*</td>
<td>0.48*</td>
<td>−0.16*</td>
<td>0.47*</td>
<td></td>
</tr>
<tr>
<td>2. Balanced reciprocity</td>
<td>3.79</td>
<td>1.01</td>
<td>0.83*</td>
<td>−0.17*</td>
<td>0.47*</td>
<td>0.54*</td>
<td>−0.32*</td>
<td>0.62*</td>
<td></td>
</tr>
<tr>
<td>3. Negative reciprocity</td>
<td>3.40</td>
<td>0.92</td>
<td>−0.02</td>
<td>−0.23*</td>
<td>−0.08</td>
<td>−0.16*</td>
<td>0.41*</td>
<td>−0.25*</td>
<td></td>
</tr>
<tr>
<td>4. Psychological empowerment</td>
<td>4.10</td>
<td>0.83</td>
<td>0.48*</td>
<td>0.62*</td>
<td>−0.14*</td>
<td>0.69*</td>
<td>−0.29*</td>
<td>0.61*</td>
<td></td>
</tr>
<tr>
<td>5. Affective commitment</td>
<td>3.89</td>
<td>0.96</td>
<td>0.50*</td>
<td>0.61*</td>
<td>−0.21*</td>
<td>0.81*</td>
<td>−0.45*</td>
<td>0.67*</td>
<td></td>
</tr>
<tr>
<td>6. Quit intentions</td>
<td>3.26</td>
<td>1.28</td>
<td>−0.21*</td>
<td>−0.38*</td>
<td>0.49*</td>
<td>−0.42*</td>
<td>−0.51*</td>
<td>−0.37*</td>
<td></td>
</tr>
<tr>
<td>7. Organizational trust</td>
<td>4.02</td>
<td>0.99</td>
<td>0.56*</td>
<td>0.70*</td>
<td>−0.31*</td>
<td>0.78*</td>
<td>0.74*</td>
<td>−0.40*</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
* p < 0.05.

N = 466. Raw scale correlations are shown in the upper diagonal. Factor correlations are presented in the lower diagonal.
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Table 5. Nested model comparisons – Study 3

<table>
<thead>
<tr>
<th>Comparing two reciprocity types’ differential correlations</th>
<th>( \Delta \chi^2 )</th>
<th>( \Delta \chi^2 ) with CMV factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. GR-empowerment (( r = 0.48 )) vs. BR-empowerment (( r = 0.62 ))</td>
<td>9.03*</td>
<td>0.22</td>
</tr>
<tr>
<td>2. GR-organizational commitment (( r = 0.58 )) vs. BR-organizational commitment (( r = 0.61 ))</td>
<td>0.82</td>
<td>3.46**</td>
</tr>
<tr>
<td>3. GR-quit intentions (( r = -0.21 )) vs. BR-quit intentions (( r = -0.38 ))</td>
<td>15.63*</td>
<td>0.00</td>
</tr>
<tr>
<td>4. GR-organizational trust (( r = 0.56 )) vs. BR-organizational trust (( r = 0.70 ))</td>
<td>14.75*</td>
<td>1.05</td>
</tr>
</tbody>
</table>

Notes:
* \( p < 0.05 \); ** \( p < 0.10 \).
BR, balanced reciprocity; GR, generalized reciprocity.

All indicators loaded significantly on a priori factors. Hypotheses regarding generalized and negative reciprocity were tested based on estimated factor correlations from this model (see Table 4). Consistent with Hypothesis 1, generalized reciprocity was positively and significantly related to empowerment, commitment and trust as well as significantly and negatively related to quit intentions. In line with predictions, findings for negative reciprocity were the reverse of those for generalized reciprocity, sustaining Hypothesis 2. Balanced reciprocity correlated with the four external variables in the same direction as generalized reciprocity, supporting Hypothesis 3.

Hypothesis 4 predicted that generalized reciprocity’s network of correlates would be stronger than balanced reciprocity. Factor correlations in Table 4 rejected this hypothesis, showing that correlations for balanced reciprocity are actually larger in value than those for generalized reciprocity. According to nested model comparisons, the magnitude of the correlations for balanced reciprocity was statistically stronger than that of generalized reciprocity for three of the four external variables (see Table 5).

Controlling for method bias with Podsakoff et al.’s (2003) CMV test also yielded a well-fitting eight-factor measurement model (including the empty method factor): \( \chi^2 \) (276) = 556.57, \( p < 0.01 \); CFI = 0.98; IFI = 0.98; SRMR = 0.04. Factor correlations from this model also affirmed Hypothesis 1: generalized reciprocity significantly and positively correlated with empowerment (\( r = 0.66, \ p > 0.05 \),
commitment \((r = 0.68, p > 0.05)\) and trust \((r = 0.65, p > 0.05)\), and negatively correlated with quit intentions \((r = -0.41, p > 0.05)\). This model also furnished general support for Hypothesis 2: negative reciprocity inversely correlated with empowerment \((r = -0.09, p > 0.05)\), commitment \((r = -0.21, p < 0.05)\) and trust \((r = -0.31, p < 0.05)\), while positively correlated with quit intentions \((r = 0.43, p < 0.05)\). The CMV test also corroborated Hypothesis 3: balanced reciprocity positively correlated with empowerment \((r = 0.63, p < 0.05)\), commitment \((r = 0.61, p < 0.05)\) and trust \((r = 0.69, p < 0.05)\), and negatively correlated with quit intentions \((r = -0.42, p < 0.05)\).

Finally, controlling for common method bias repudiated Hypothesis 4 (see Table 5). After partialling out the method variance, external constructs correlated similarly for balanced and generalized reciprocity (though generalized reciprocity now had a marginally stronger correlation with commitment than did balanced reciprocity). Altogether, these findings dispute Sahlin's' premise that balanced reciprocity resides on a continuum anchored by generalized and negative reciprocity.

**GENERAL DISCUSSION**

The objective of this research is to develop a new scale measuring Sahlin's' (1972) reciprocity system and empirically validate this scale in the Chinese context. According to the unitarian conceptualization of validity (Anastasi, 1986; Landy, 1986), all psychometric evidence contributes to an overall assessment of construct validity. Schwab (1980) also noted that almost any research can be interpreted within a construct validation framework, which is a sequential process (pp. 9, 34). Following this approach, we carried out three separate studies to validate the new scale.

Our Chinese validation efforts, especially the CFA tests, sustained Sahlin's' (1972) three reciprocity factors. This factor structure is relatively robust as our research participants came from multiple locations throughout China and worked for companies under different ownership structures (state-owned versus foreign-invested enterprises; Wang et al., 2003) in diverse industries. All reciprocity subscales also possessed acceptable internal consistency reliability. In addition to this, we established that the reciprocity factors are not only distinct from each other but also from other related constructs (i.e., reciprocation wariness and social and economic exchange). Finally, we upheld predictions of the associations between two reciprocity extremes (i.e., generalized and negative reciprocity) and external constructs that are deduced from Sahlin's' (1972) theory and extant literatures on psychological empowerment, organizational commitment, quit propensity and organizational trust (Eisenberger et al., 2004; Hulin et al., 1985; Spreitzer, 1995; Whitener et al., 1998).
By developing a new reciprocity scale and demonstrating its validity in the Chinese context, our efforts can help Chinese researchers directly test the reciprocity mechanism that purportedly translates the influence of EOR (e.g., Tsui et al., 1997; Wang et al., 2003), psychological contracts (e.g., Dabos and Rousseau, 2004; Hui et al., 2004), and perceived organizational support (e.g., Chen et al., 2003; Eisenberger et al., 1986) on individual and firm outcomes. After all, verifying purported mediation via reciprocity types can better sustain the causal logic (Mulaik, 1987) implicit in these varied perspectives on exchange transactions between employees and employers (Coyle-Shapiro and Conway, 2004). In a general sense, due to the universality of the reciprocity norm, our scale development may also help Western management scholars better assess reciprocity mechanisms in their studies of social exchange processes in organizations.

Theoretical and Practical Implications

Gouldner (1960) stated that ‘contrary to some cultural relativists, it can be hypothesized that a norm of reciprocity is universal’ (p. 171). Attesting to this claim, we demonstrated that Sahlins’ reciprocity typology — especially the two extremes – possesses etic features; generalized and negative reciprocity’s correlates accord with Western theory and research yet generalized to Chinese culture. For one, Study 2 showed that social exchange is positively related to generalized reciprocity ($r = 0.65$, $p < 0.05$) and inversely related to negative reciprocity ($r = -0.31$, $p < 0.05$). According to Blau (1964), social exchange is a long-term, open-ended employee-employer transaction based on mutual trust and investment that emphasizes social-emotional rewards. Given common definitional elements between social exchange and generalized reciprocity (munificent investments by the organization with unspecified obligations for member return), it is not surprising that these constructs are positively associated. On the other hand, negative reciprocity stresses self-interest that is diametrically opposed to the altruistic and open-ended nature of social exchange (Coyle-Shapiro and Conway, 2004; Sahlins, 1972). Study 3 further established that generalized and negative reciprocity are oppositely correlated with a host of external constructs, which is consonant with Western social exchange writings.

Despite these etic findings, we also uncovered emic results that seemed inconsistent with the Western social exchange literature. That economic exchange was virtually unrelated to balanced reciprocity ($r = -0.04$, $p > 0.05$) in Study 2 was unexpected in light of Sahlins’ (1972) and Blau’s (1964) theories (CMV test replicated this finding: $r = -0.08$, $p > 0.05$). Their conceptualizations implied closer correspondence between balanced reciprocity (timely, one-to-one exchanges) and economic exchange (short-term, impersonal, pecuniary agreements; Shore et al., 2006). Instead, economic exchange was positively related to negative reciprocity ($r = 0.70$, $p < 0.05$; CMV replication: $r = 0.64$, $p < 0.05$) in Study 2. Apparently,
organizations stressing economic exchange are viewed unfavourably by employees, who perceive them to harbor self-serving motives (i.e., negative reciprocity). Sustaining this interpretation, Shore and her colleagues (2006) reported that economic exchange was inversely related to affective commitment and perceived organizational support.

Moreover, Study 3 negated Sahlins’ (1972) viewpoint that balanced reciprocity resides midway on a reciprocity continuum anchored by generalized and negative reciprocity. After controlling for method bias, the nested model comparisons in Table 5 reveal that the associations between balanced reciprocity and empowerment, organizational trust, and quit intentions have the same strength as those of generalized reciprocity. This is surprising considering that generalized reciprocity (characterized by the altruistic “one-way flow”) should activate more positive responses toward one’s organization than balanced reciprocity (featuring a tit-for-tat exchange relationship) according to our theoretical extensions of both Sahlins’ (1972) and social exchange models. One explanation for this counterintuitive finding is rooted in the Chinese traditions. Cultural predispositions toward the reciprocity norm may underpin why Chinese nationals welcome balanced reciprocity as much as generalized reciprocity because they might actually interpret balanced reciprocity as a form of social exchange \( r = 0.87, p < 0.05; \) Study 2). In Chinese society, where the norm of returning financial and socio-emotional debts is essential for building and nurturing relationships (Tsui and Farh, 1997; Xin and Pearce, 1996), requesting immediate and equal repayment is not only appropriate but legitimate, especially when the organization starts the exchange process. Interpreting the give and take in balanced reciprocity as signs of trust and investment (basic underpinnings of social exchange; Blau, 1964; Eisenberger et al., 1986; Rousseau, 1995; Shore et al., 2006), Chinese employees respond quite positively given their strong adherence to the reciprocity norm (Buchan et al., 2002; Gabrenya and Hwang, 1996; Xin and Pearce, 1996; Yang, 1994). By contrast, Westerners may deem ‘quid pro quo’ exchanges (i.e., balanced reciprocity) as mainly an economic transaction (Sahlins, 1972) but would feel it unseemly to expect equal and immediate returns in social exchanges (Befu, 1977). This explanation echoes Gouldner’s (1960) assertion that the reciprocity norm is culturally stable but ‘functions differently in some degree in different cultures’ (p. 171).

That generalized and balanced reciprocity effects are similar yields practical implications for how Chinese organizations manage people. Employers in China – whether foreign nationals or Chinese locals – should base employment exchanges on generalized or balanced reciprocity if they hope to enhance organizational commitment, job retention and organizational trust. Such exchanges are especially crucial for deterring managerial and professional employees from leaving as two-thirds of CEOs of private enterprises and joint ventures in China regard attracting and retaining highly skilled employees as one of their top concerns (Chen, 2002). In contrast, employment relationships relying on negative reciprocity alienate
Chinese employees, reducing their commitment and trust. Furthermore, our findings suggest that Chinese businesses might consider balanced reciprocity practices that yield similar dividends in employee loyalty and trust as generalized reciprocity for the latter represents a greater cost to implement. Examples of employment practices can be found in the management literature. Using Tsui et al.’s (1997) EOR scheme, Tsui and Wu (2005) presented various managerial practices to establish over-investment EOR (in which inducements provided by an employer surpass contributions expected from an employee, echoing the generalized reciprocity notion) and mutual investment EOR (providing employees with high inducements but expecting their broad contributions, representing the idea of balanced reciprocity) with the purpose of increasing organizational effectiveness.

**Limitations and Further Research**

We acknowledge several methodological shortcomings in our study, notably sampling and measurement issues. Like many China studies (e.g., Chen et al., 2005; Hui et al., 2004), we sampled students enrolled part-time in MBA programs. Such highly educated respondents are not representative of the Chinese workforce. Even so, they occupy pivotal positions in Chinese enterprises given that managerial and professional talent is scarce (Turban et al., 2001). Indeed, our sample is broader than samples in earlier China research by including MBA students from 11 different universities in China located in a wide range of geographic locales. At the very least, our respondents are highly representative of the part-time MBA population. Future research needs to replicate and extend our work by surveying managerial and nonmanagerial employees who are not enrolled in MBA programs.

Common method bias may also have affected our results. Yet a one-factor measurement model fitted to three reciprocity factors in Study 2 explained data poorly, suggesting that Sahlins’ three reciprocity factors are distinctive. We also replicated this finding in Study 3 as the one-factor model fit worse than the three-factor measurement model: $\chi^2 (104) = 1435.73$, $p < 0.05$; CFI = 0.74; IFI = 0.74; SRMR = 0.17. For a more rigorous test, we also applied Podsakoff et al.’s (2003) approach to correct for common method variance in Studies 2 and 3. Though inflating correlations among reciprocity factors, method bias did not erase their differential pattern of relationships with other correlates – especially the reciprocity extremes.

All the same, further work on the reciprocity nomological network should collect data that are free from same-source bias, such as supervisory ratings of organizational citizenship (Farh et al., 1997) and turnover behavior. While current findings for the universality of Sahlins’ (1972) typological system are heartening, they are not definitive. External constructs examined in the present investigation represent only part of the correlational network of the reciprocity norm. Consideration of other correlates, such as perceived organizational support (Rhoades and
Eisenberger, 2002), employment relationship (Tsui et al., 1997), and in-role and extra-role performance, may disclose more cultural variability. Moreover, researchers should investigate Sahlin's typological system in other cultures to furnish more evidence for its international stability.

Conclusions

We presented a new scale measuring reciprocity types and carried out a comprehensive assessment of its construct validity for the Chinese context. We marshaled evidence from three studies to support its construct validity via its factor structure, discriminant validity, and nomological network. Our investigation contributed to the mainstream social exchange literature by the assessment of widely cited explanatory mechanisms (Befu, 1977) for research on exchange relationships in organizations. Furthermore, our inquiry contributed to the Chinese management literature. Availability of well-validated measures of Sahlin's typological system can further the growing Chinese management literature on employment relationships. In particular, they can clarify theorized reciprocity mechanisms implicit in many China studies and reveal both the etic and emic nature of the reciprocity norm across cultures (Wang et al., 2003).

NOTES

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The Chinese version of the scales is available on the MOR website: www.iacmr.org and also from the first author of this article.

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Reciprocity Scale Development and Validation


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