The Influence of Supervisor Bottom-Line Mentality and Employee Bottom-Line Mentality on Leader-Member Exchange and Subsequent Employee Performance

Abstract

Are supervisors who care more about profits than employee well-being seen by employees as being good exchange partners? How do employees perceive and respond to supervisors who treat the bottom line as more important than anything else? Supervisors who hold a bottom-line mentality (BLM) neglect competing priorities such as employee well-being and ethical practices to focus on securing bottom-line success. We find high-BLM supervisors serve as low-quality exchange partners with their employees, resulting in employee perceptions of low-quality leader-member exchange (LMX) relationships. In turn, employees reciprocate by withholding the very thing the supervisor desires—performance—in order to maintain balance in the exchange relationship. As such, supervisors who possess a BLM could actually be negatively impacting the organization’s bottom line through the harmful social exchange relationships they engender with their employees and their impact on employee task performance. We also examine the moderating role of employee BLM on these relationships. When employee BLM is low, we observe a greater negative effect on employee value judgments of the supervisor (i.e., reduced LMX perceptions) and lower employee performance. We test and find support for all of our hypotheses in two multi-source (i.e., employee-supervisor dyads), time-lagged field studies (N = 189 and N = 244).

*Keywords*: bottom-line mentality; social exchange theory; LMX; task performance

The Influence of Supervisor Bottom-Line Mentality and Employee Bottom-Line Mentality on Leader-Member Exchange and Subsequent Employee Performance

Bottom-line mentality (BLM) is “one-dimensional thinking that revolves around securing bottom-line outcomes to the neglect of competing priorities” (Greenbaum et al., 2012: 344). The bottom line is most often considered to be tied to the financial performance of the organization (Wolfe, 1988). Competing priorities that are ignored for the sake of bottom-line pursuits include employee well-being, ethical practices, and other issues such as environmental responsibility or sustainability (Greenbaum et al., 2012; Wolfe, 1988). It would seem, therefore, that this type of one-dimensional approach to business could be detrimental to the organization and its stakeholders. Unfortunately, little is actually known about this phenomenon at the individual level; that is, how employees perceive their direct supervisors who operate with a BLM and how those employees will subsequently perform.

Research shows that the attitudes and behaviors of supervisors play an important role in influencing employee attitudes, perceptions, and behaviors (Duffy et al., 2002; Skarlicki and Folger, 1997; Zellars et al., 2002). As such, we suspect employees who perceive supervisors to have a solitary priority of pursuing the bottom line, often at the exclusion of also seeking employee well-being, may be influenced in significant ways. Indeed, extant empirical work on BLM has revealed the influence supervisor BLM can have on workplace behaviors, such as coworker undermining (Greenbaum et al., 2012), unethical pro-leader behaviors (Mesdaghinia et al., 2018), abusive supervision (Mawritz et al., 2017), and exemplification behaviors (Bonner et al., 2017). To date, BLM research has focused mainly on the impact of supervisor BLM on specific supervisor and employee behaviors. Yet, we know employee perceptions of leaders also strongly influence subsequent behaviors (e.g., Moorman et al., 1998; Walumbwa et al., 2011). However, past BLM research has offered little explanation in terms of *how* employees perceive supervisors who they believe hold a BLM and the behavioral responses those perceptions engender from the employee.

We draw on social exchange theory (Blau, 1964) and BLM theorizing to investigate the adverse consequences of supervisor BLM on employees’ perceptions of those supervisors and employees’ subsequent performance. We contend higher levels of supervisor BLM may result in employee behaviors that, ironically, hurt rather than support the organization’s bottom line. More specifically, we believe supervisors who hold a BLM, signal to employees that bottom-line outcomes and task performance should be focused on at the exclusion of other organizational interests (Mawritz et al., 2017). As a result, these types of supervisors serve as poor exchange partners, and employees reciprocate by decreasing the very thing the supervisor wants most—performance. Therefore, our model proposes that supervisor BLM has a negative indirect effect on employee performance as a result of employees’ perceptions of a low-quality social exchange relationship (operationalized in our model as leader-member exchange; LMX). We also argue the extent to which supervisor BLM will reduce employee perceptions of the exchange relationship and subsequent performance will be impacted by the employee’s own level of BLM (see Figure 1). This is in line with extant research that finds perceived similarity between the supervisor and employee influences employee perceptions of LMX (e.g., Dulebohn et al., 2012).

-----------------------------------------------

Insert Figure 1 about here

-----------------------------------------------

Until recently, research on BLM was largely conceptual (Barsky, 2008; Callahan, 2004; Kerr, 1975; Sims, 1992; Wolfe, 1988). The emergence of a measure for BLM (Greenbaum et al., 2012) has allowed management scholars to begin investigating BLM more fully (e.g., Bonner et al., 2017; Eissa et al., 2018; Mawritz et al., 2017; Mesdaghinia et al., 2018); yet, we are still in the early stages of understanding the full impact of both supervisor and employee BLM at the individual level. Our research contributes to the literature, first, by expanding the nomological network of BLM by identifying a damaging outcome for organizational vitality (i.e., reduced employee performance). As such, we hope to inform scholars and practitioners of the potential danger of supervisors focusing exclusively on bottom-line outcomes at the expense of other important organizational considerations.

Next, we examine how employees perceive their relationship with a BLM supervisor and how this perception influences subsequent behavioral responses. By examining the employees’ perception of the LMX relationship, we provide an explanation as to *how* employees view these types of supervisors and thereby *why* higher levels of supervisor BLM may be problematic. We argue that while high-BLM supervisors signal to their employees the importance of task performance (Mawritz et al., 2017) they also create low-quality relationships—viewing employees as a means to an end (i.e., bottom-line achievement). Thus, employees may withhold high performance from a high-BLM supervisor as a result of a perceived low-quality exchange relationship to maintain balance in the negative reciprocity relationship (Gouldner, 1960).

Finally, we further contribute by illustrating the role employee BLM plays in this process. Specifically, we seek to understand how employee and supervisor attitudes toward pursuing the bottom-line interact to influence employees’ responses to supervisor BLM. Past BLM research has conceptualized and captured BLM as two distinct constructs, employee BLM and supervisor BLM (Greenbaum et al., 2012), yet, at present, BLM research only alludes to the interactive effect of supervisor and employee BLM (Bonner et al., 2017). Our research investigates the effect of employees’ BLM on employees’ perceptions of the quality of exchange that occurs with high-BLM supervisors. This also contributes to the LMX literature as researchers have indicated that employee-leader (dis)similarity is an important component of LMX and have called for research to examine the effect of similarity, of values or priorities, on LMX and subsequent outcomes (Dulebohn et al., 2012; Liden et al., 1993).

Theoretical Overview and Hypotheses

 A core principle of social exchange theory is that as exchanges are made between parties, over time their relationship evolves to encompass trust, affect, and loyalty (Blau, 1964; Liden et al., 1993; Molm, 2000). The exchange relationship between an employee and a supervisor is known as LMX (Dansereau et al., 1975). A defining characteristic of any social exchange relationship is an interdependent, bidirectional exchange between the two parties, wherein both parties give something and receive something within the relationship (Molm, 1994). In an LMX relationship, for example, both parties are also engaged in an economic exchange based on an employment contract. Thus, supervisors are expected to ensure employees are paid for the work they do, per the employment contract. However, as Cropanzano and Mitchell (2005) point out in their review of social exchange research, Blau contends “only social exchange tends to engender feelings of personal obligations, gratitude, and trust; purely economic exchange as such does not” (1964: 94). It is the social, as opposed to economic or contractual, aspects of the LMX relationship that are the most important for employees in determining whether they have high LMX perceptions (Uhl-Bien and Maslyn, 2003). Indeed, leaders that move beyond mere economic exchanges to engender social exchange by showing care and concern for employees (e.g. ethical leaders [Brown et al., 2005], transformational leaders [Bass, 1985], authentic leaders [Ilies et al., 2005]) are judged by employees to be positive exchange partners (Hansen et al., 2013; Wang et al., 2005; Wang et al., 2014). Yet, employees who feel used or mistreated by their leaders perceive their leaders to be poor exchange partners (Xu et al., 2012). We argue high-BLM supervisors are likely to neglect competing priorities such as employee well-being (Greenbaum et al., 2012) and use employees as a means to an end for the sake of focusing on the bottom line, and as such employees will perceive high-BLM supervisors to be poor exchange partners.

Wolfe (1988) argued organizations and individuals are inherently multivalent – having multiple values and needs that must be managed; however, a BLM challenges a person’s ability to tend to these various needs. The presence of a BLM is characterized by one issue being regarded as supremely important while all other factors are minimized or disregarded (Wolfe, 1988). In practice, the bottom line is most often referred to from a financial standpoint such as the profits of the business (Greenbaum et al., 2012; Sims, 1992; Wolfe, 1988). However, the bottom line can be whatever is focused on at the exclusion or minimization of other competing interests. Conceptually, scholars argue individuals with BLMs treat the bottom line as if it is the only outcome that matters. As such, these individuals neglect competing priorities, such as the well-being of others or ethical or environmental concerns, in favor of improving the bottom line (Callahan, 2004; Greenbaum et al., 2012; Wolfe, 1988).

Yet, it is the interpersonal aspects of the relationship that employees tend to be most concerned with in their relationships with leaders (Dockery and Steiner, 1990; Huang et al., 2008; Maslyn and Uhl-Bien, 2001). High-BLM supervisors then may provide benefits to employees from a purely economic exchange standpoint, but they likely fall short in areas that are prone to foster loyalty and affect, which should weaken the social exchange relationship. For example, high-BLM supervisors operate in a competitive, game-like environment, with a win-loss mentality that can view anyone and everyone as an opponent, including coworkers or subordinates (Callahan, 2004; Greenbaum et al., 2012). Supervisors with a BLM can even lead to employees engaging in undermining of their coworkers so that they might get ahead in a competitive business environment (Greenbaum et al., 2012). This competitiveness is driven by selfishness (Callahan, 2004; Wolfe, 1988). So, while supervisors may not desire that their employees lose, when faced with a choice to serve their own interests or those of their employees, high-BLM supervisors will operate towards the outcome that serves their own self-interested pursuit of their bottom line. Therefore, high-BLM supervisors’ self-interest hinders their ability to pursue the well-being of those around them. Specifically, their own employees, because by developing them or advocating for them in or outside the organization, these actions do not appear to directly support the supervisors’ own bottom-line goal pursuit.

High-BLM supervisors tend to focus on how their decisions impact short-term financial considerations while neglecting how those decisions might affect the organization as a whole in the short-term or in the long-term (Sims, 1992). Relatedly, high-BLM supervisors are time sensitive and very aware of how spending resources such as time, energy, and attention in one area means they cannot spend those resources in other areas (DeWall et al., 2011). So, while high-BLM supervisors would likely be seen by others as contributing to the goals of the organization—assuming they were effective in doing so—they would not make time to help with the personal goals of their employees. Rather, any assistance a high-BLM supervisor might offer an employee would be only a means to a personally-advantageous end for the supervisor, whereby the employee is a resource that is being exploited (Wolfe, 1988). Yet, employees expect effective supervisors to demonstrate self-sacrificing or others-focused behaviors (van Knippenberg and van Knippenberg, 2005), components that could be instrumental in developing affect and loyalty within the LMX relationship. Indeed, research has shown that others-focused forms of leadership such as ethical and servant leadership have a positive impact on employees’ loyalty to the supervisor (Hansen et al., 2013; Sendjaya and Pekerti, 2010) and their perceptions of leader effectiveness (Brown et al., 2005; Van Dierendonck et al., 2014).

In sum, high-BLM supervisors are solely concerned with meeting the bottom line, which is most often a financial one (Callahan, 2004; Greenbaum et al., 2012; Wolfe, 1988). Thus, they forsake an emphasis on employee well-being to focus on profits (Greenbaum et al., 2012). We argue, high-BLM supervisors effectively signal to their employees that they are merely a means to achieving the bottom line that the supervisor is pursuing. As such, high-BLM supervisors, consistent in their disregard for the social exchange aspects of their supervisory role, will be viewed by employees as low-quality LMX partners. Therefore, we hypothesize:

 *Hypothesis 1:* Supervisor BLM is negatively related to employee perceptions of the LMX relationship.

*Supervisor BLM and Employee Performance*

 A social exchange relationship involves transactions between the parties, which implies a certain level of interdependence in the relationship—a key characteristic to the application of social exchange theory (Molm, 1994). In social exchange relationships, parties are implicitly expected to abide by certain rules (e.g., exchange rules), which enable the relationship to evolve in a positive way. Arguably the best-known exchange rule is reciprocity (Cropanzano and Mitchell, 2005). An example of reciprocity is the relationship between LMX and performance. In a meta-analysis that examines this relationship, the authors note, “positive exchanges between the leader and follower increase feelings of affect and liking for the leader, and this also motivates followers to want to meet the leader’s work demands. This should in turn enhance task and contextual performance” (Martin et al., 2016: 71). This is the picture of reciprocity. However, in the case of a high-BLM supervisor, we contend the opposite will take place (i.e., negative reciprocity; Gouldner, 1960).

Negative exchanges involve negative treatment in return for negative treatment (Cropanzano and Mitchell, 2005). High-BLM supervisors signal to their employees the supreme importance of task performance (Mawritz et al., 2017). In so doing, we contend they establish low-quality exchange relationships with their employees for the reasons previously described. In a social exchange relationship, parties are inclined to consider the reciprocal behavior certain transactions warrant and to act in a way that will balance the inputs and outputs within the relationship (Bernerth et al., 2007). In his seminal work on social exchanges, Blau (1964) argued “maintaining a balance” and “straining towards reciprocity” were motivating factors in determining how parties would respond behaviorally to one another. Thus, employees, who receive negative offerings from high-BLM supervisors in the form of neglect or self-interested assistance, should be inclined to respond with their own negative offerings, in the form of the withholding of what the high-BLM supervisors most desire (and what the employees directly control), their own task performance.

Indeed, extant research has shown subordinates in negative reciprocity relationships, those characterized by self-interest, perform worse than those in higher quality exchange relationships (Uhl-Bien and Maslyn, 2003). It could also be argued subordinates in these situations would withdraw or withhold better performance because they are unhappy with the relationship (Organ, 1990). Employee performance includes meeting or exceeding job requirements, showing concern for the quality of one’s work, or searching for ways to be more productive (Alper et al., 2000). Again, we contend high-BLM supervisors will not be prone to engaging in behaviors that foster positive social exchanges. More specifically, unless the bottom-line outcome supervisors’ desire is a positive relationship with their employees, which is not likely the case in for-profit organizations, high-BLM supervisors’ singular focus on bottom-line outcomes will result in their neglecting the social exchange aspects of their relationships with employees. Thus, employees, who desire to maintain balance in the reciprocity relationship, will be less inclined to offer positive inputs of their own, such as completing work tasks, due to the low-quality exchange relationship (Harris et al., 2007).

 In sum, we expect high-BLM supervisors, who are prone to self-interest, a lack of concern for employee well-being, and treating employees as means to an end will serve as low-quality social exchange partners and thereby develop a negative reciprocity relationship with their employees (e.g., Bernerth et al., 2007). Further, these employees, experiencing low-quality LMX relationships as a result of supervisor BLMs, will contribute to the relationship in their own negative way, by withholding or decreasing their performance, the very thing the supervisor most wants. Therefore, we hypothesize the following:

*Hypothesis 2:* Supervisor BLM will have a negative indirect effect on employee task performance through a low-quality LMX relationship.

*The Moderating Role of Employee BLM*

Extant research suggests when employees and supervisors have differences in values and/or attitudes it results in lower-quality relationships (Dulebohn et al., 2012; Liden et al., 1993; Wayne and Liden, 1995). Employees and supervisors can differ in their levels of BLM1, as past research conceptualizes and captures employee and supervisor BLM as two separate constructs (Greenbaum et al., 2012). For this reason, it is also important to examine the influence an employee’s BLM, or lack thereof, has on the perception of the quality of an LMX relationship with a high-BLM supervisor (and its subsequent influence on the employee’s job performance). From a moderation perspective, past research has shown supervisor BLM influences employee emotions and subsequent behaviors (Bonner et al., 2017) and employee BLM influences negative employee behaviors (Eissa et al., 2018). Additionally, Bonner and colleagues (2017) speculated the interaction between differing levels of employee and supervisor BLM may also influence employee emotions and behaviors. Thus, we contend employee BLM and supervisor BLM can differ, and that employee BLM should moderate the influence of supervisor BLM on employee perceptions of LMX and ultimately employee performance.

The self-centered, win-lose mentality engendered by a high supervisor BLM signals to the employee that the supervisor is a low-quality exchange partner in general, and we contend this effect may be strengthened or mitigated by the degree to which the employee also holds a BLM. When employees are low in BLM while their supervisors are high in BLM, the dissimilarity may adversely influence the perceived quality of the relationship (i.e., strengthen the negative relationship; e.g., Dulebohn et al., 2012). In this instance, employees would believe there is more to be considered than just the bottom line, including employee well-being (Greenbaum et al., 2012). However, that same attitude would not be held by their high-BLM supervisor. This contrasting view on what should be focused on within the organization will lead to poor LMX perceptions. Indeed, when supervisors and employees differ in attitudes it can create barriers or detachment, which serve to deteriorate the social exchange relationship (Dulebohn et al., 2012; Uhl-Bien, 2006). Additionally, research has shown attitude dissimilarity results in decreased evaluations of employee performance (Tepper et al., 2011). Thus, we anticipate in situations when employee BLM is low while supervisor BLM is high, there will also be a negative conditional indirect effect on employee performance.

However, in instances where an employee is high in BLM, the perceived similarity in BLM attitudes between the employee and the supervisor could serve to mitigate the negative influence of supervisor BLM on employee perceptions of LMX and subsequent performance. It is well established that considering oneself similar to another person in terms of attitudes is predictive of affect for or liking of that person (Byrne, 1971; Fisher and Gitelson, 1983). Furthermore, having perceived similarity in the workplace can lead to enhanced communication (Fairhurst, 2001), which is valuable in enhancing social exchange relationships. Thus, if an employee and supervisor share similar high BLMs, it is likely that employee will have greater affinity for the singular focus of the supervisor than an employee who holds a low BLM, which would result in greater LMX perceptions.

In sum, we argue employee BLM serves as a condition under which the effects of supervisor BLM are impacted. More specifically, we argue when employee BLM is low it is likely to result in an even lower-quality LMX relationship, and lower performance. However, when employee BLM is high, the perception of the LMX relationship, though still of a lower-quality, will be mitigated and the subsequent impact on employee performance will be less severe. Therefore, we hypothesize the following:

*Hypothesis 3:* Employee BLM moderates the relationship between supervisor BLM and employee perceptions of the LMX relationship, such that the negative relationship is stronger when employee BLM is low.

*Hypothesis 4:* Employee BLM moderates the strength of the indirect relationship between supervisor BLM and employee task performance via employee perceptions of the LMX relationship, such that the mediated relationship is stronger when employee BLM is low.

Overview of Studies

 We conducted two independent studies to test our hypotheses. Study 1 is a time-lagged, multi-source field study wherein LMX is assessed using Liden and Maslyn’s measure (1998). Although this is one of the most common measures of LMX (Joseph et al., 2011), it is multidimensional in nature and thus could have introduced some concerns regarding overlapping of constructs within our model. Thus, we conducted a second study to replicate our results and add robustness to our findings by using an alternative measure of LMX, thereby increasing confidence in our results (Lykken, 1968). In Study 2, also a time-lagged, multi-source field study, we utilized a different measure of LMX by Bernerth and colleagues (2007) that more directly measures the exchange occurring within the supervisor employee relationship (Colquitt et al., 2014).

Study 1

*Sample and Procedure*

We collected field data across two time periods from employees and supervisors who work in a broad range of jobs and industries including: financial services, health care, sales, legal, and education. Following techniques supported by recent research (Wheeler et al., 2014) and similar to those used by other data collection efforts (e.g., Grant and Mayer, 2009; Kluemper et al., 2015), we utilized students enrolled in business management courses at a large university in the southern United States. These students provided contact information for a full-time employee (working at least 30 hours per week) to serve as the study participant. Students were given extra credit for the course as an incentive for their nomination. At Time 1, the research team emailed the employees directly, asking them to complete a survey and provide the contact information for their direct supervisor. Two weeks later at Time 2, employees were sent a second survey while the direct supervisors were emailed a separate survey. Employee and supervisor participants were placed into a random drawing to win one of ten $25 gift cards as an incentive for participation.

 Students provided 505 useable employee nominations, of which 354 completed a survey at Time 1. Of those 354 employees, 284 completed a Time 2 survey. Based on information provided by employee respondents at Time 1, 328 supervisors were sent a survey at Time 2 (not all employees nominated a supervisor participant), of which 253 completed the survey. There were 199 matched employee-supervisor dyads that included all three surveys. However, we removed ten cases that we detected belonged to careless responders due to the inclusion of items in our surveys that identify inattentive participants as outlined by Meade and Craig (2012). Thus, our final sample consisted of 189 matched employee-supervisor dyads across Times 1 and 2.

Of the 189 employees in our final sample, 67.2% were female and 86.2% worked full-time (more than 30 hours per week). Among these employees, 81% were Caucasian, 11.6% African American, 1.6% Hispanic, 4.2% Asian, 0.5% Arabic, and 1.1% selected “other.” The employees’ average age was 42.35 years (*SD* = 13.47) and their average organizational tenure was 9.39 years (*SD* = 9.20). Employees reported having worked an average of 6.50 years (*SD* = 6.79) with the direct supervisor who also participated in this study. Of the 189 supervisor respondents, 55% were male, while 82.5% were Caucasian, 12.7% African American, 2.6% Asian, 0.5% Arabic, and 1.6% selected “other.” The supervisors’ average age was 50.03 years (*SD* = 11.12) and their average organizational tenure was 13.85 years (*SD* = 11.16).

*Measures*

The focal employee surveys consisted of measures of supervisor BLM, employee BLM, and demographic variables at Time 1 and employee perceptions of LMX with the supervisor at Time 2. Supervisor surveys (only at Time 2) contained measures of employees’ task performance and supervisor demographics. All items in this study were measured using a seven-point Likert-type scale. Unless noted, the scale anchors were 1 for *strongly disagree* to 7 for *strongly agree*.

*Supervisor bottom-line mentality.* Supervisor BLM (*α* = .91) was measured using a four-item scale created and validated by Greenbaum and colleagues (2012). Respondents were asked to “think about their supervisor in regard to business dealings” and to “indicate the extent to which they agreed…regarding their supervisor’s thinking when working within their organization”. Sample items include, “treats the bottom line as more important than anything else” and “cares more about profits than employee well-being.”

*Employee bottom-line mentality.* Employee BLM (*α* = .77) was measured using the same four-item scale developed by Greenbaum and colleagues (2012). However, for this measure respondents assessed their own level of BLM. Sample items include, “I treat the bottom line as more important than anything else” and “I care more about profits than employee well-being.”

*LMX.* Employees rated their perceptions of the LMX relationship with their supervisor using the twelve-item scale from Liden and Maslyn (1998) (*α* = .94). Sample items include, “I like my supervisor very much as a person” and “my supervisor would defend me to others in the organization if I made an honest mistake.”

*Task performance.* Employee task performance (*α* = .94) was assessed by supervisors using a six-item scale (Alper et al., 2000). Supervisors were asked to indicate how frequently their employee engaged in activities involving his/her work performance over the previous two weeks using a seven-point scale (1 = *never* to 7 = *always*). The question stem was “how often did he/she…” and sample items include “work effectively” and “meet or exceed his/her productivity requirements.”

Study 1 Results

The means, standard deviations, and correlations for the study’s variables are reported in Table 1. Because of the potential overlap between constructs, we conducted confirmatory factor analyses (CFAs) to compare the hypothesized four-factor model—supervisor BLM, employee BLM, LMX, and task performance—with several alternative models. Using maximum likelihood estimation and randomly created item parcels (Floyd and Widaman, 1995; Landis et al., 2000) for LMX, we examined the fit indices for the four-factor model and found adequate fit (*χ2* (129) = 389.22; CFI = .90, RMSEA = .10, SRMR = .06). Next we compared the four-factor model to a three-factor model in which employee BLM and supervisor BLM were loaded on one factor, while LMX and performance loaded on two separate factors, a two-factor model in which employee BLM, supervisor BLM, and LMX were loaded on one factor, and performance was loaded on a second factor, and a one-factor model in which all items were loaded on a single factor. Using chi-square difference tests, results revealed the four-factor model produced a significant improvement in chi-square over the three-factor (∆*χ2* = 170.84, ∆*df* = 3, *p* < .01), two-factor (∆*χ2* = 586.29, ∆*df* = 5, *p* < .01), and single-factor (∆*χ2* = 1531.90, ∆*df* = 6, *p* < .01) model. In summary, the four-factor model fit the data significantly better than did any alternative model, thus providing evidence of discriminant validity.

---------------------------------------

Insert Table 1 about here

---------------------------------------

To test Hypotheses 1 and 2, we used Hayes’ (2013) PROCESS macro (Model 4) using 5,000 bias-corrected bootstrap samples. Hypothesis 1 stated supervisor BLM would be negatively related to employee perceptions of the LMX relationship2. To test this hypothesis, we analyzed the mediator variable model of the PROCESS output, which examines the relationship between the independent variable and the mediator variable. As we hypothesized, supervisor BLM was negatively related to employee-rated LMX (*b* = -.23, *p* < .001; see Table 2). Thus, Hypothesis 1 was supported. Our results also show the indirect effect between supervisor BLM and task performance is significant (*b* = -.04, CI [-.086, -.009]). Therefore, Hypothesis 2 is supported as supervisor BLM is associated with lower employee task performance, which is explained here by the employees’ low perceptions of LMX.

To test Hypotheses 3 and 4, we used Hayes’ (2013) PROCESS macro (Model 7) using 5,000 bias-corrected bootstrap samples. First, we find the interactive effect of supervisor BLM and employee BLM on employee-rated LMX is positive and significant (*b* = .09, *p* < .05, Δ*R2* = .03; see Table 3). We analyzed this interaction further by plotting it (Figure 2) and conducting simple slopes analysis. Results show the simple slope of employee-rated LMX on supervisor BLM was negative and significant when employee BLM was low (*t* = -6.97, *p* < .001), yet it was weaker when employee BLM was high (*t* = -3.57, *p* < .001). That is, when employee BLM is low the relationship between supervisor BLM and LMX perceptions is made worse, yet the effect is less severe when employee BLM is high. Thus, Hypothesis 3 is supported as the negative relationship between supervisor BLM and employee LMX perceptions is strengthened more so when employee BLM is low as opposed to high.

-----------------------------------------------

Insert Tables 2 and 3 and Figure 2 about here

------------------------------------------------

To analyze Hypothesis 4, we first note LMX is positively related to task performance (*b* = .16, *p* < .05). Next, we analyzed the conditional indirect effect of supervisor BLM on employees’ task performance through LMX at different levels of employee BLM. The conditional indirect effect is significant when employee BLM is low (i.e., 1 standard deviation below the mean), average, and high (i.e., 1 standard deviation above the mean; see Table 3 for results). Additionally, PROCESS produces a more definitive test of moderated mediation (Hayes, 2015), called the Index of Moderated Mediation (IOMM). When the bootstrap confidence interval for the IOMM does not include zero, moderated mediation can be said to be occurring. In our analyses, the IOMM is significant for task performance (*b* = .01 (.01), CI [.001, .047]). These results demonstrate the negative relationship between supervisor BLM and employees’ task performance as mediated by employee perceptions of LMX is strengthened (i.e., made worse) when employee BLM is low, providing support for Hypothesis 4.

Extant research on leadership has most commonly controlled for follower gender, organizational tenure, and age when studying LMX (Bernerth et al., 2018). Given our theoretical model focused on employee perceptions of LMX as a mediating mechanism, we also conducted analyses while controlling for these three employee demographic variables. Those results were largely identical to those presented herein and support was also found for all four hypotheses. However, none of the control variables were significant predictors and thus, following best practices for control variable usage (Bernerth and Aguinis, 2016), we opted to not include them in our final analyses.

 Study 1 provides evidence supervisor BLM will result in lower levels of employee task performance as mediated by lower LMX perceptions. This indirect effect is made worse when employees are low on BLM. We then designed Study 2 to replicate our results while operationalizing the explanatory mechanism, LMX, in a way that more specifically examines the social exchange in the supervisor-employee relationship.

Study 2

*Sample and Procedure*

Similar to procedures used in Study 1, we collected field data from employees and their direct supervisors across two time periods in a wide range of industries. Students enrolled in business management courses at two large universities in the southern United States provided the contact information for a full-time working adult and his/her supervisor in exchange for extra credit. At Time 1, the research team emailed the employee participants directly with their first survey. Two weeks later (Time 2), the research team emailed employees their second and final survey and supervisors received their survey. For their participation, employees and supervisors were entered into a random drawing to win one of ten $50 gift cards.

 Students provided 295 useable employee-supervisor nominations, of which 277 employees completed a survey at Time 1. Among those, 271 completed a Time 2 survey. Also, at Time 2, 262 supervisors completed a survey, resulting in 248 matched employee-supervisor dyads across the two time periods. As in Study 1, we removed four cases of careless responders (Meade & Craig, 2012), resulting in a final sample of 244 matched employee-supervisor dyads.

Of the 244 employees, 68.9% were female and 91.0% reported working full-time (more than 30 hours per week). Among them, 77% were Caucasian, 8.2% African American, 6.6% Hispanic, 6.6% Asian, and 1.6% selected “other.” The average age of employees was 41.38 years (*SD* = 12.34) and the average organizational tenure was 8.11 years (*SD* = 8.23). Employees’ average tenure with their direct supervisor was 4.92 years (*SD* = 5.22). Of the 244 supervisors, 52% were male, while 81.9% were Caucasian, 5.6% Asian, 5.2% Hispanic, 4.3% African American, and 3% selected “other.” Supervisors’ average age was 48.25 years (*SD* = 11.08) and their average organizational tenure was 13.81 years (*SD* = 9.71).

*Measures*

Employees rated their supervisors’ BLM and their own BLM at Time 1 and their perceptions of LMSX at Time 2. Supervisors rated their employees’ task performance at Time 2. Supervisor BLM (*α* = .83), employee BLM (*α* = .77), and task performance (*α* = .91) were measured using the same items and seven-point scale anchors as in Study 1.

*LMSX.* To demonstrate the robustness of our model, we measured LMX using a measure focused more specifically on the social exchange aspect of the supervisor-employee relationship. Employees rated LMSX using an eight-item scale (Bernerth et al., 2007; *α* = .93). This measure differs from the Liden and Maslyn (1998) measure by focusing specifically on the exchange process of the relationship between employees and supervisors.

Study 2 Results

The means, standard deviations, and correlations for the study’s variables are reported in Table 4. As in Study 1, we conducted CFAs to compare the expected four-factor model with a three-factor model in which employee BLM and supervisor BLM were loaded on one factor, a two-factor model in which employee BLM and supervisor BLM and LMSX were loaded on one factor, and a single-factor model in which all items were loaded onto a single factor. As was done in Study 1, randomly created parcels were used for LMSX. Results from a series of chi-square tests showed the four-factor model (*χ2* (129) = 557.25; CFI = .87, RMSEA = .12, SRMR = .07), fit the data better than the three-factor (∆*χ2* = 54.21, ∆*df* = 3, *p* < .01), two-factor (∆*χ2* = 945.39, ∆*df* = 5; *p <* .01) and single-factor models (∆*χ2* = 1912.06, ∆*df* = 6, p < .01), again providing evidence of discriminant validity.

---------------------------------------

Insert Table 4 about here

---------------------------------------

As in Study 1, Hypotheses 1 and 2 were tested using Hayes’ (2013) PROCESS macro (Model 4) with 5,000 bias-corrected bootstrap samples. Hypothesis 1 is supported as supervisor BLM is negatively related to employee-rated LMSX (*b* = -.16, *p* < .01) (see Table 5). Hypothesis 2 is also supported as the indirect effect between supervisor BLM and task performance through LMSX is significant (*b* = -.03, CI [-.066, -.009]).

We then tested Hypotheses 3 and 4 again using Hayes’ (2013) PROCESS macro (Model 7) with 5,000 bias-corrected bootstrap samples. Hypothesis 3 is supported as the interactive effect of supervisor BLM and employee BLM on employee-rated LMSX is positive and significant (*b* = .11, *p* < .05, Δ*R2* = .03; see Table 6). We also plotted the interaction (Figure 3) and conducted simple slopes analysis. The pattern of results is similar to what was found in Study 1. The simple slope of employee-rated LMSX on supervisor BLM is negative and significant when employee BLM is low (*t* = -4.09, *p* < .001), and not significant when employee BLM is high (*t* = -1.41, *ns*). Thus, low levels of employee BLM exacerbate the negative effect of supervisor BLM on employees’ LMSX perceptions.

---------------------------------------

Insert Tables 5 and 6 and Figure 3 about here

---------------------------------------

In analyzing Hypothesis 4, we first note LMSX is positively related to task performance (*b* = .18, *p* < .001). Next, the results show the conditional indirect effect is significant when employee BLM is low (i.e., 1 standard deviation below the mean) and average, but becomes non-significant when employee BLM is high (i.e., 1 standard deviation above the mean; see Table 6). Additionally, the IOMM is significant for task performance (*b* = .02 (.01), CI [.005, .047]). Therefore, as in Study 1, Hypothesis 4 is supported. As was done in Study 1, we tested our theoretical model while also controlling for follower gender, organizational tenure, and age. The results of those analyses were consistent with those presented here and provided support for all four hypotheses. For the same reason outlined in Study 1, we opted to not include the control variables in our final analyses. Thus, we find support for all four hypotheses in both studies3, using a different operationalization of the mediating mechanism, LMX, in each study. This helps to demonstrate the robustness of our findings.

Discussion

Performance is clearly important to an organization’s health and vitality, and it is also argued to be the most important bottom-line consideration (Brenner and Molander, 1977). Thus, it may seem a supervisor’s exclusive focus on bottom-line outcomes, what has been described herein as a BLM, would be advantageous in the pursuit of such an organizationally-relevant outcome. Yet, the outcomes that are largely ignored while the bottom-line is singularly focused on, such as ethical, social, and employee issues (Greenbaum et al., 2012; Wolfe, 1988), raise concerns about the perceptions and behavioral reactions of employees whose supervisors hold a BLM. Through the lens of social exchange theory, we identify an adverse employee outcome of supervisor BLM—lower employee performance. Thus, while high-BLM supervisors signal to their employees the importance of task performance (Mawritz et al., 2017), they also create low-quality relationships with their employees and employees reciprocate by withholding the behavior the high-BLM supervisors want most, performance. In two multi-source, time-lagged field studies, we demonstrate supervisor BLM leads to lower employee performance as a result of employees perceiving low-quality LMX relationships with their high-BLM supervisors. Furthermore, we find employee BLM serves as a moderating factor on these relationships such that when supervisor BLM is high and employee BLM is low, the damaging effects of supervisor BLM are strengthened due to even worse perceptions of the LMX relationship.

*Theoretical Implications*

Our work contributes to and helps advance the burgeoning research on BLM in several ways. First, from prior research, we understand some of the behavioral implications of supervisor BLM including increased coworker undermining (Greenbaum et al., 2012), unethical behaviors (Mesdaghinia et al., 2018), and abusive supervision (Mawritz et al., 2017). We understand employee BLM can also enhance the impact of supervisor undermining on employee undermining (Eissa et al., 2018). These studies shed light on the impact BLM can have on negative workplace *behaviors*. However, to date, no research has studied how employees *perceive* BLM supervisors and thereby why those employees will respond with negative behaviors, such as social undermining (Greenbaum et al., 2012) and unethical behavior (Mesdaghinia et al., 2018). We find high-BLM supervisors serve as low-quality social exchange partners resulting in employees perceiving low-quality LMX relationships with those supervisors. Building on past BLM literature and social exchange theory (Blau, 1964), we contribute to BLM theorizing by explaining that employees will perceive lower quality relationships with high-BLM supervisors and, in an effort to maintain reciprocity with the supervisors, will behave in a way that may detract from the supervisors’ bottom-line pursuit, withholding their performance efforts. Thus, an employee’s perception of the LMX relationship with a BLM supervisor can serve as an explanation for *why* supervisor BLM can result in negative outcomes. Thus, our work also contributes to the literature by establishing an indirect link between supervisor BLM and lower employee task performance. This is a critical connection to uncover, given the BLM supervisor’s primary focus would seemingly be to have employees perform at higher rather than lower levels. Relatedly then, our work expands the current nomological network of BLM by identifying these organizationally relevant consequences of supervisor BLM, low LMX and lower employee performance.

Second, our work contributes to a broader understanding of the impact of supervisor BLM on employee behavior in relation to the employees’ own level of BLM. To our knowledge, no other research has empirically examined the interaction between supervisor and employee BLM. Recent BLM research calls for an examination of this interaction and suggests low BLM employees may see themselves as being quite different than their high-BLM supervisors (Bonner et al., 2017). Past research indicates when people have similar values, they are more satisfied with one another interpersonally (Fisher and Gitelson, 1983), and LMX research argues similarities between leaders and employees influence perceptions of LMX (Dulebohn et al., 2012). Yet, when values or priorities are different, namely when supervisor BLM is high and employee BLM is low, we observed a significant decline in the employees’ perception of the LMX relationship with their high-BLM supervisors. Thus, we find the mediating role of LMX perceptions in explaining the supervisor BLM to performance relationship is strongest when supervisor BLM is high and employee BLM is low. This work also contributes to the LMX literature which has called for a greater understanding of the effect of employee-leader similarity on LMX and subsequent outcomes (Dulebohn et al., 2012; Liden et al., 1993). Interestingly, in Study 1, when supervisor and employee BLM is similarly high, our research demonstrates the negative effect on performance is only buffered, not mitigated—indicating no degree of supervisor BLM seems to be particularly beneficial. This could be because employees tend to be more concerned with the interpersonal aspects of the LMX relationship (Huang et al., 2008), aspects high-BLM supervisors would not generally be inclined to address.

Third, we contribute to the LMX literature by identifying a new antecedent that hinders employee-supervisor relationships, supervisor BLM. In their meta-analysis on antecedents and consequences of LMX, Dulebohn and colleagues noted they “were able to find only five variables representing leader characteristics (i.e., behavior and perceptions)” as antecedents of LMX and that this suggests “that there has not been a great deal of research in this area” (2012: 1741). Furthermore, it seems the bulk of the literature has identified antecedents that strengthen LMX relationships. Thus, by demonstrating a new and unique leader characteristic, supervisor BLM, that adversely influences LMX quality, our work serves to deepen scholars’ understanding of an additional leader characteristic as well as those that may have negative effects on LMX.

*Practical Implications*

There are also practical implications that can be gained from our research. To begin with, we demonstrate supervisor BLM impacts how employees perceive their supervisors and how they perform under this type of supervision. If supervisors operate with a BLM and demonstrate this mindset to their subordinates, it will eventuate in lower employee performance. This outcome is detrimental for the organization, the supervisor, and the employee. Thus, a major implication of this research is to stress the negative organizational consequences that can occur when leaders foster a BLM. Not only should leaders be wary of employing such an approach, but organizations should also be aware emphasizing bottom-line outcomes will result in the neglect of other important organizational concerns, such as employee well-being and ethical standards.

 Supervisors undoubtedly face heavy scrutiny for the performance levels of their employees, and as such they may tend to emphasize the need for employees to pursue bottom-line outcomes at the exclusion of other competing priorities such as ethical practices, personal development or building social connections in the workplace. However, in doing so they may have to suffer the consequence of reduced employee respect, loyalty, and even liking. Even more importantly, having such a singular focused management approach results in lower employee performance. Hence, managers should be acutely aware of the message they pass along to employees when they tout bottom-line profits as the most important consideration. Additionally, our results indicate even when an employee has a higher BLM, negative consequences (though somewhat mitigated as compared to low BLM employees) are still likely to occur in the presence of a high-BLM supervisor. It seems even if employees maintain a BLM they would prefer for their managers to focus on interpersonal aspects of the job that foster healthier social exchange relationships with their employees (Huang et al., 2008) in addition to the bottom line.

Finally, organizations and supervisors should consider how they might overcome the negative influence of BLM. If organizations desire supervisors to focus more on the bottom line at the exclusion of alternative interests, which would denote a BLM, then organizations will need to compensate for the negative impact of supervisor BLM in other ways to ensure employees do not have low LMX perceptions. Organizations that need to emphasize bottom-line outcomes should pair the BLM management style with other management approaches that research shows produce positive results in the areas where BLM induces negative consequences. One way organizations might be able to do this is to emphasize to their supervisors the importance of practicing ethical leadership as well as a BLM. Research shows ethical leadership is linked to higher levels of LMX (Walumbwa et al., 2011) and increased levels of employee job performance (Bonner et al., 2016; Piccolo et al., 2010). Thus, pairing a BLM with ethical leadership may offset some of the negative consequences produced by a supervisor’s high BLM, which could be tied to a BLM supervisor’s natural tendency to overlook ethical considerations.

*Limitations and Future Directions*

Our research findings should be considered in light of certain limitations. Although our study design produced respondents representing a wide range of industries, helping to provide generalizable evidence of our study results, it does not account for the differences that may exist if this model were analyzed within a single organization or in a specific industry where BLMs are especially prevalent and perhaps even seen as necessary. Additionally, there could be other factors that impact an employee’s LMX perception of the supervisor, which are not accounted for in our model. For example, employees’ experiences with prior supervisors in their careers who did or did not manage with a BLM could affect their response to their current supervisors’ BLM. Finally, though we collected time-lagged data in a design that aligns with other extant research, our ability to infer any strong causal relationships between supervisor BLM and employees’ LMX perceptions or employees’ LMX perceptions and their subsequent performance is limited. However, our theoretical arguments do support the direction of our hypothesized relationships. Indeed, leadership styles typically precede LMX ratings (Henderson et al., 2009) and meta-analytic evidence reveals performance does not precede LMX (Martin et al., 2016); therefore, it is reasonable to expect supervisor BLM should precede LMX, which should precede performance. Additionally, there are alternative avenues that could be explored in relation to different conceptualizations of LMX as a construct in relation to BLM. Liden and Maslyn (1998) operationalize LMX according to four dimensions that include affect, loyalty, contribution and professional respect. Whereas we chose not to pursue it as a path in our research, future work could examine how each of these aspects of LMX might be influenced more specifically by employee perceptions of supervisor BLM.

Prior research has also argued supervisor BLM can potentially lead to employee BLM (Greenbaum et al. 2012); whereas our work does not account for this possibility, it is conceivable that an alternative model that examines this path could be investigated. For example, perhaps employees with a BLM are poor social exchange partners in the minds of their coworkers. While we believe our study provides generalizable results that demonstrate the perils of supervisor BLM, future research would benefit from additional studies of this model (and alternatives) using experimental data, longitudinal data, or samples from an organization or in an industry where BLM is especially prevalent that can help to further establish causal relationships suggested in our model.

Future research would also benefit greatly from additional investigations relating to both antecedents and consequences of BLMs. For example, individual characteristics that may lead to BLM include Machiavellianism (i.e., a tendency to control people and situations to meet specific outcomes without regard for ethics; Dahling et al., 2009) or narcissistic supervisors who tend to care only about their own well-being, admiration, and success (Rosenthal and Pittinsky, 2006). These individual characteristics likely support self-focused thinking, revolving around the achievement of one’s own priorities to the exclusion of other important priorities, such as ethical consideration or the well-being of others. Exploring these individual differences as antecedents to BLM could further explain how this mentality develops in both supervisors and employees and the more specific behaviors they employ. Further, the literature would benefit greatly from research that sheds light on the actions of BLM supervisors (i.e., how high BLM supervisors behave towards others). Specifically, investigating how high-BLM supervisors actually behave. For example, the win-lose aspect of a BLM may encourage supervisors to employ a calculative mindset or operate more competitively, which will affect employee-supervisor interactions and employee perceptions of, and attitude toward, high-BLM supervisors. All of these are questions that could be uniquely explored through qualitative efforts. We could envision such a study articulating unique differences in how supervisor BLMs could be exemplified behaviorally in different contexts, levels of an organization, or given different employee capabilities. Ultimately, BLM research is still largely in its infancy and thus ripe for rich investigations that can shed light on this important, and potentially damaging phenomenon.

*Conclusion*

Our research provides evidence supervisors who hold a BLM will be perceived as low-quality LMX partners by employees, which results in lower employee performance. Ironically, performance in the organization, because of its connection to the bottom line, would seem to be the primary thing high-BLM supervisors would want from their employees. These effects are strengthened when employee BLM is low, which signals that when employee and supervisor attitudes about the bottom line differ it can make the LMX relationship and its repercussions on performance even more damaging. In sum, supervisors should proceed with caution when considering whether to adopt a BLM and should certainly consider how such a managerial approach will impact their employees.

*Notes*

1 Our theoretical arguments are built on the assumption that some employees will be either high or low in their own BLM regardless of whether their supervisor maintains a BLM. This is an empirically testable assumption. However, while it has been shown supervisor BLM can influence employee BLM (Greenbaum et al., 2012), to date no research has been conducted to identify the level of agreement of individual BLMs within a workgroup or work dyad. Future research would benefit greatly from such an investigation.

2 The role of LMX in our model was to assess the level of LMX and the mediating role it plays. We were not interested in the change in LMX and thus we did not control for LMX at Time 1.

3 We also collected the exact same measure of LMX (Linden and Maslyn, 1998) from Study 1 in Study 2 and found the pattern of results remain the same when using this measure of LMX in the model.

**REFERENCES**

Alper S, Tjosvold D and Law K (2000) Conflict management, efficacy, and performance in organizational teams. *Personnel Psychology* 53(3): 625-42.

Barsky A (2008) Understanding the ethical cost of organizational goal-setting: A review and theory development. *Journal of Business Ethics* 81(1): 63–81.

Bass B (1985) Leadership: Good, better, best. *Organizational Dynamics* 13(3): 26-40.

Bernerth J and Aguinis H (2016) A critical review and best-practice recommendations for control variable usage. *Personnel Psychology* 69(1): 229-83.

Bernerth J, Armenakis A, Field H, Giles W and Walker H (2007) Leader-member social exchange (LMSX): Development and validation of a scale. *Journal of Organizational Behavior* 28(8): 979-1003.

Bernerth J, Cole M, Taylor E and Walker H (2018) Control variables in leadership research: A qualitative and quantitative review. *Journal of Management* 44(1): 131-60.

Blau P (1964) *Exchange and power in social life*. New York, NY: Wiley.

Bonner J, Greenbaum R and Mayer D (2016) My boss is morally disengaged: The role of ethical leadership in explaining the interactive effect of supervisor and employee moral disengagement on employee behaviors. *Journal of Business Ethics*137(4): 731-42.

Bonner J, Greenbaum R and Quade M (2017) Employee unethical behavior to shame as an indicator of self-image threat and exemplification as a form of self-image protection: The exacerbating role of supervisor bottom-line mentality. *Journal of Applied Psychology* 102(8): 1203-21.

Brenner S and Molander E (1977) Is the ethics of business changing? *Harvard Business Review* 55(1): 57-71.

Brown M, Treviño L and Harrison D (2005) Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes* 97(2): 117-34.

Byrne D (1971) *The attraction paradigm*. New York, NY: Academic Press.

Callahan D (2004) *The cheating culture: Why more Americans are doing wrong to get ahead*. Orlando, FL: Harcourt.

Colquitt J, Baer M, Long D and Halvorsen-Ganepola M (2014) Scale indicators of social exchange relationships: A comparison of relative content validity. *Journal of Applied Psychology* 99(4): 599-618.

Cropanzano R and Mitchell M (2005) Social exchange theory: An interdisciplinary review. *Journal of Management* 31(6): 874-900.

Dahling J, Whitaker B and Levy P (2009) The development of a new Machiavellianism scale. *Journal of Management* 35(2): 219-57.

Dansereau F, Graen G and Haga W (1975) A vertical dyad linkage approach to leadership within formal organizations: A longitudinal investigation of the role making process. *Organizational Behavior and Human Performance* 13(1): 46-78.

DeWall C, Baumeister R, Mead N and Vohs K (2011) How leaders self-regulate their task performance: Evidence that power promotes diligence, depletion, and disdain. *Journal of Personality and Social Psychology* 100(1): 47-65.

Dockery T and Steiner D (1990) The role of the initial interaction leader-member exchange. *Group and Organization Studies* 15(4): 395-413.

Duffy M, Ganster D and Pagon M (2002) Social undermining in the workplace. *Academy of Management Journal*45(2): 331-51.

Dulebohn J, Bommer W, Liden R, Brouer R and Ferris G (2012) A meta-analysis of antecedents and consequences of leader-member exchange: Integrating the past with an eye towards the future. *Journal of Management* 38(6): 1715-59.

Eissa G, Wyland R and Gupta R (2018) Supervisor to coworker social undermining: The moderating roles of bottom-line mentality and self-efficacy. *Journal of Management and Operations* 1-18. doi: 10.1017/jmo.2018.5

Fairhurst G (2001) Dualism in leadership research. *The New Handbook of Organizational Communication: Advances in Theory, Research, and Methods*. Newbury Park, CA: Sage, 379-439.

Fisher C and Gitelson R (1983) A meta-analysis of the correlates of role conflict and ambiguity. *Journal of Applied Psychology* 68(2): 320-33.

Floyd F and Widaman K (1995) Factor analysis in the development and refinement of clinical assessment instruments. *Psychological Assessment* 7(3): 286-99.

Gouldner A (1960) The norm of reciprocity: A preliminary statement. *American Sociological Review* 25(2): 161-78.

Grant A and Mayer D (2009) Good soldiers and good actors: Prosocial and impression management motives as interactive predictors of affiliative citizenship behaviors. *Journal of Applied Psychology* 94(4): 900-12.

Greenbaum R, Mawritz M and Eissa G (2012) Bottom-line mentality as an antecedent of social undermining and the moderating roles of core self-evaluations and conscientiousness. *Journal of Applied Psychology* 97(2): 343-59.

Hansen S, Alge B, Brown M, Jackson C and Dunford B (2013) Ethical leadership: Assessing the value of a multifoci social exchange perspective. *Journal of Business Ethics* 115(3): 435-49.

Harris K, Kacmar K and Zivnuska S (2007) An investigation of abusive supervision as a predictor of performance and the meaning of work as a moderator of the relationship. *The Leadership Quarterly* 18(3): 252-63.

Hayes A (2013) *An introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. New York, NY: Guilford Press.

Hayes A (2015) An index and test of linear moderated mediation. *Multivariate Behavioral Research* 50(1): 1-22.

Henderson D, Liden R, Glibkowski B and Chaudhry A (2009) LMX differentiation: A multilevel review and examination of its antecedents and outcomes. *The* *Leadership Quarterly* 20(4): 517-34.

Huang X, Wright R, Chiu W and Wang C (2008) Relational schemas as sources of evaluation and misevaluation of leader–member exchanges: Some initial evidence. *The Leadership Quarterly* 19(3): 266-82.

Ilies R, Morgeson F and Nahrgang J (2005) Authentic leadership and eudaemonic well-being: Understanding leader-follower outcomes. *Leadership Quarterly* 16(3): 373-94.

Joseph D, Newman D and Sin H (2011) Leader-member exchange (LMX) measurement: Evidence for consensus, construct breadth, and discriminant validity. In DD Bergh and DJ Ketchen (Eds.), *Research Methodology in Strategy and Management, vol 6*. London, UK: Emerald, 89-135.

Kerr S (1975) On the folly of rewarding A while hoping for B. *Academy of Management Journal* 18(4): 769-83.

Kluemper D, McLarty B and Bing M (2015) Acquaintance ratings of the big five personality traits: Incremental validity beyond and interactive effects with self-reports in the prediction of workplace deviance. *Journal of Applied Psychology* 100(1): 237-48.

Landis R, Beal D and Tesluk P (2000) A comparison of approaches to forming composite measures in structural equation models. *Organizational Research Methods* 3(2): 186-207.

Liden R and Maslyn J (1998) Multidimensionality of leader-member exchange: An empirical assessment through scale development. *Journal of Management*24(1): 43-72.

Liden R, Wayne S and Stilwell D (1993) A longitudinal study on the early development of leader-member exchanges. *Journal of Applied Psychology* 78(4): 662-74.

Lykken D (1968) Statistical significance in psychological research. *Psychological Bulletin* 70(3): 151-59.

Martin R, Guillaume Y, Thomas G, Lee A and Epitropaki O (2016) Leader-member exchange (LMX) and performance: A meta-analytic review. *Personnel Psychology* 69(1): 67-121.

Maslyn J and Uhl-Bien M (2001) Leader-member exchange and its dimensions: Effects of self-effort and other’s effort on relationship quality. *Journal of Applied Psychology* 86(4): 697-708.

Mawritz M, Greenbaum R, Butts M and Graham K (2017) I just can’t control myself: A self-regulation perspective on the abuse of deviant employees. *Academy of Management Journal* 60(4): 1482-1503.

McLarty B, Vardaman J and Barnett T (2019) Congruence in exchange: The influence of supervisors on employee performance in family firms. *Entrepreneurship Theory and Practice* 43(2): 302-321.

Meade A and Craig S (2012) Identifying careless responses in survey data. *Psychological Methods* 17(3): 437-55.

Mesdaghinia S, Rawat A and Nadavulakere S (2018) Why moral followers quit: Examining the role of leader bottom-line mentality and unethical pro-leader behavior. *Journal of Business Ethics* 1-15. doi: 10.1007/s10551-018-3812-7.

Molm L (1994) Dependence and risk: Transforming the structure of social exchange. *Social Psychology Quarterly* 57(3): 163-76.

Molm L (2000) Theories of social exchange and exchange networks. In G. Ritzer & B. Smart (Eds.), *Handbook of social theory*. Thousand Oaks, CA: Sage, 260-72.

Moorman R, Blakely G and Niehoff B (1998) Does perceived organizational support mediate the relationship between procedural justice and organizational citizenship behavior? *Academy of Management Journal* 41(3): 351-57.

Organ D (1990) The subtle significance of job satisfaction. *Clinical Laboratory Management Review* 4(1): 94-98.

Piccolo R, Greenbaum R, Den Hartog D and Folger R (2010) The relationship between ethical leadership and core job characteristics. *Journal of Organizational Behavior* 31(2-3):

259-78.

Rosenthal S and Pittinsky T (2006) Narcissistic leadership. *Leadership Quarterly* 17(6): 617–33.

Sendjaya S and Pekerti A. (2010) Servant leadership as antecedent of trust in organizations. *Leadership and Organization Development Journal* 31(7): 643-63.

Sims R (1992) The challenge of ethical behavior in organizations. *Journal of Business Ethics* 11(7): 505–13.

Skarlicki D and Folger R (1997) Retaliation in the workplace: The roles of distributive, procedural, and interactional justice*. Journal of Applied Psychology* 82(3): 434-43.

Tepper B, Moss S and Duffy M (2011) Predictors of abusive supervision: Supervisor perceptions of deep-level dissimilarity, relationship conflict, and subordinate performance. *Academy of Management Journal* 54(2): 279-94.

Uhl-Bien M (2006) Relational leadership theory: Exploring the social processes of leadership and organizing. *Leadership Quarterly* 17(6): 654-76.

Uhl-Bien M and Maslyn J (2003) Reciprocity in manager-subordinate relationships: Components, configurations, and outcomes. *Journal of Management* 29(4): 511-32.

van Dierendonck D, Stam D, Boersma P, Windt N and Alkema J (2014) Same difference? Exploring the differential mechanisms linking servant leadership and transformational leadership to follower outcomes. *Leadership Quarterly* 25(3): 544-62.

van Knippenberg B and van Knippenberg D (2005) Leader self-sacrifice and leadership effectiveness: The moderating role of leader prototypicality. *Journal of Applied Psychology* 90(1): 25-37.

Walumbwa F, Mayer D, Wang P, Wang H, Workman K and Christensen A (2011) Linking ethical leadership to employee performance: The roles of leader–member exchange, self- efficacy, and organizational identification. *Organizational Behavior and Human Decision Processes* 115(2): 204-13.

Wang H, Law K, Hackett R, Wang D and Chen Z (2005) Leader-member exchange as a mediator of the relationship between transformational leadership and followers’ performance and organizational citizenship behavior. *Academy of Management Journal* 48(3): 420-32.

Wang H, Sui Y, Luthans F, Wang D and Wu Y (2014) Impact of authentic leadership on performance: Role of followers’ positive psychological capital and relational processes. *Journal of Organizational Behavior* 35(1): 5-21.

Wayne S and Liden R (1995) Effects of impression management on performance ratings: A longitudinal study. *Academy of Management Journal* 38(1): 232-60.

Wheeler A, Shanine K, Leon M and Whitman M (2014) Student-recruited samples in organizational research: A review, analysis, and guidelines for future research. *Journal of Occupational and Organizational Psychology* 87(1): 1-26.

Wolfe D (1988) Is there integrity in the bottom line: Managing obstacles to executive integrity. In S. Srivastva (Ed.), *Executive integrity: The search for high human values in organizational life*. San Francisco, CA: Jossey-Bass, 140–71.

Xu E, Huang X, Lam C and Miao Q (2012) Abusive supervision and work behaviors: The mediating role of LMX. *Journal of Organizational Behavior* 33(4): 531-43.

Zellars K, Tepper B and Duffy M (2002) Abusive supervision and subordinates’ organizational citizenship behavior. *Journal of Applied Psychology* 87(6): 1068-76.

Table 1

*Study 1 – Descriptive Statistics, Reliability Estimates, and Study Variable Intercorrelations*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variables | *Mean* | *SD* | 1 | 2 | 3 | 4 |
| 1. Supervisor BLM | 2.81 | 1.44 | (.91) |  |  |  |
| 2. Employee BLM | 2.90 | 1.08 | .41\*\* |  (.77) |  |  |
| 3. LMX | 5.90 | 0.95 |  -.36\*\* |  .05 | (.94) |  |
| 4. Task performance | 6.43 | 0.71 | -.15\* |  -.09 | .24\*\* | (.94) |

*Note*. *N* = 189. Cronbach’s alphas are shown on the diagonal.

a employee demographic.

\*\* *p* < .01 (2-tailed), \* *p* < .05 (2-tailed).

Table 2

*Study 1 – Mediation Analyses using Hayes’ (2013) PROCESS Macro (Model 4)*

|  |  |
| --- | --- |
|   | Mediator model |
|  | LMX |
|   | *b* | *SE* |
| Constant | 6.56\*\*\* | 0.14 |
| Supervisor BLM | -0.23\*\*\* | 0.05 |
|  | Dependent variable model |
|  | Task performance |
|   | *b* | *SE* |
| Constant | 5.58\*\*\* | 0.39 |
| Supervisor BLM | -0.04 | 0.04 |
| LMX | 0.16\* | 0.06 |
|   | Effect | CI |
| Direct effect | -0.04 | (-.110, .038) |
| Indirect effect | -0.04 | (-.086, -.009) |

*Note*. *N* = 189. Bootstrap sample size = 5,000.

95% Confidence Interval (CI).

BLM= bottom-line mentality*.*

a employee demographic.

Bootstrapped estimates for the standard error are shown.

\*\*\* *p* < .001, \*\* *p* < .01, \* *p* < .05.

Table 3

*Study 1 – Moderated-Mediation Analyses using Hayes’ (2013) PROCESS Macro (Model 7)*

|  |  |  |
| --- | --- | --- |
|   | Mediator model | Dependent variable model |
|  | LMX | Task performance |
|   | *b* | *SE* | *b* | *SE* |
| Constant | 5.84\*\*\* | 0.07 | 5.48\*\*\* | 0.34 |
| Supervisor BLMa | -0.30\*\*\* | 0.05 | -0.04 | 0.04 |
| Employee BLMa | 0.18\* | 0.06 |  |  |
| SBLM × EBLM | 0.09\* | 0.04 |  |  |
| LMX |  |  | 0.16\* | 0.06 |
| *R2* | 0.20\*\*\* |  | 0.06\*\* |  |
| Mediator: LMX |   |   | Effect (SE) | CI |
| -1 SD Employee BLM |  |  | -0.06 (.03) | (-.132, -.015) |
| Mean Employee BLM |  |  | -0.05 (.02) | (-.096, -.009) |
| +1 SD Employee BLM |  |  | -0.03 (.02) | (-.079, -.005) |
| Index of Moderated Mediation |   |   | 0.01 (.01) | (.001, .047) |

*Note*. *N* = 189. Bootstrap sample size = 5,000. 95% Confidence Interval (CI).

a Variables were mean centered prior to analysis. b employee demographic.

SBLM= supervisor bottom-line mentality*.* EBLM= employee bottom-line mentality.

Bootstrapped estimates for the standard error are shown.

\*\*\* *p* < .001, \*\* *p* < .01, \* *p* < .05.

Table 4

*Study 2 – Descriptive Statistics, Reliability Estimates, and Study Variable Intercorrelations*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Variables | *Mean* | *SD* | 1 | 2 | 3 | 4 |
| 1. Supervisor BLM | 2.80 | 1.27 | (.83) |  |  |  |
| 2. Employee BLM | 2.72 | 1.12 | .75\*\* |  (.77) |  |  |
| 3. LMSX | 5.68 | 1.06 |  -.19\*\* |  -.08 | (.93) |  |
| 4. Task performance | 6.18 | 0.79 | -.09 |  .03 | .26\*\* | (.91) |

*Note*. *N* = 244. Cronbach’s alphas are shown on the diagonal.

a employee demographic.

\*\* *p* < .01 (2-tailed), \* *p* < .05 (2-tailed).

Table 5

*Study 2 – Mediation Analyses using Hayes’ (2013) PROCESS Macro (Model 4)*

|  |  |
| --- | --- |
|   | Mediator model |
|  | LMSX |
|   | *b* | *SE* |
| Constant | 6.13\*\*\* | 0.16 |
| Supervisor BLM | -0.16\*\* | 0.05 |
|  | Dependent variable model |
|  | Task performance |
|   | *b* | *SE* |
| Constant | 5.21\*\*\* | 0.31 |
| Supervisor BLM | -0.03 | 0.04 |
| LMSX | 0.18\*\*\* | 0.05 |
|   | Effect | CI |
| Direct effect | -0.03 | (-.106, .049) |
| Indirect effect | -0.03 | (-.066, -.009) |

*Note*. *N* = 244. Bootstrap sample size = 5,000.

95% Confidence Interval (CI).

BLM= bottom-line mentality*.*

a employee demographic.

Bootstrapped estimates for the standard error are shown.

\*\*\* *p* < .001, \*\* *p* < .01, \* *p* < .05.

Table 6

*Study 2 – Moderated-Mediation Analyses using Hayes’ (2013) PROCESS Macro (Model 7)*

|  |  |  |
| --- | --- | --- |
|   | Mediator model | Dependent variable model |
|  | LMSX | Task performance |
|   | *b* | *SE* | *b* | *SE* |
| Constant | 5.57\*\*\* | 0.08 | 5.13\*\*\* | 0.27 |
| Supervisor BLMa | -0.25\*\* | 0.08 | -0.03 | 0.04 |
| Employee BLMa | 0.10 | 0.09 |  |  |
| SBLM × EBLM | 0.11\* | 0.04 |  |  |
| LMSX |  |  | 0.18\*\*\* | 0.05 |
| *R2* | 0.07\*\* |  | 0.07\*\*\* |  |
| Mediator: LMSX |   |   | Effect (SE) | CI |
| -1 SD Employee BLM |  |  | -0.07 (.03) | (-.145, -.020) |
| Mean Employee BLM |  |  | -0.05 (.02) | (-.104, -.012) |
| +1 SD Employee BLM |  |  | -0.02 (.02) | (-.074, .006) |
| Index of Moderated Mediation |   |   | 0.02 (.01) | (.005, .047) |

*Note*. *N* = 244. Bootstrap sample size = 5,000. 95% Confidence Interval (CI).

a Variables were mean centered prior to analysis. b employee demographic.

SBLM= supervisor bottom-line mentality*.* EBLM= employee bottom-line mentality.

Bootstrapped estimates for the standard error are shown.

\*\*\* *p* < .001, \*\* *p* < .01, \* *p* < .05.

Figure 1

*Hypothesized Theoretical Model*



Figure 2

*Study 1 – Interactive Effect of Supervisor BLM and Employee BLM on LMX*

**
*Note*. BLM – Bottom-line mentality.

Figure 3

*Study 2 – Interactive Effect of Supervisor BLM and Employee BLM on LMSX*



*Note*. BLM – Bottom-line mentality.