The impact of follower narcissism and LMX perceptions on feeling envied and job performance

By: Darren C. Treadway, Jun Yang, Jeffrey R. Bentley, Lisa V. Williams, and Maiyuwai Reeves


This is an Accepted Manuscript of an article published by Taylor & Francis in The International Journal of Human Resource Management on 07 March 2017, available online: http://www.tandfonline.com/10.1080/09585192.2017.1288151. It is deposited under the terms of the Creative Commons Attribution-NonCommercial License (http://creativecommons.org/licenses/by-nc/4.0/), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Abstract:

Feeling envied is often an unfortunate consequence of excelling at one’s job. Despite much evidence that envied employees are the targets of resentment and hostility, little is known regarding the antecedents and consequences of feeling envied in the workplace. The current study addresses (1) the effect of employee narcissism on feeling envied, (2) the interactive effect of narcissism and leader-member-exchange (LMX) on feeling envied, and (3) the relationship between feeling envied and performance. Hypotheses were tested using a sample of 20 locations of a restaurant chain (N = 184) and were supported. Specifically, narcissism positively affects feeling envied, which in turn negatively affects performance. Simple slopes analyses indicate that high narcissism and high LMX result in the highest levels of feeling envied while low narcissism and high LMX result in the lowest levels of feeling envied.

Keywords: performance | leadership | envy | narcissism | leader–member exchange

Article:

To some degree, we all aspire to be envied. Our societal obsession with glamor, beauty, and celebrity is evidence of these aspirations. In the workplace, however, feeling envied is perceived by some people as a benefit of outperforming others (Schaubroeck & Lam, 2004), but by others as a burden. Indeed, feeling envied by others can trigger anxiety (Mosquera, Parrott, & de Mendoza, 2010; Salovey & Rodin, 1984) rather than pride in top performers. This is caused by the envied employees’ expectation that those who envy them will direct hostility and antagonistic behavior toward them (Cohen-Charash & Mueller, 2007; Schoeck, 1969). This can be a vicious ‘catch 22’ for high performing employees, in that they are selected and rewarded for outperforming others, but once their potential is realized they find themselves socially punished by colleagues. Although research on the experience of envy is growing in the organizational sciences (e.g. Tai, Narayanan, & McAllister, 2012; Veiga, Baldridge, & Markóczy, 2014),
Further conceptualization and empirical testing is needed to understand specifically how individual differences affect an employee’s perceptions of being envied and related outcomes.

The likelihood of feeling envied by others is affected by employees’ own assessments of their abilities and worth. One of the primary individual differences in the workplace that affects employees’ beliefs in their own abilities is trait narcissism, which biases employees’ self-worth assessments upwards. While popular notions of narcissism stress their inflated self-worth and self-esteem (Sedikides, Rudich, Gregg, Kumashiro, & Rusbult, 2004), they rarely consider that narcissists’ high self-esteem is fragile and fluctuating (Kernis, 2003; Morf & Rhodewalt, 2001). This fragility requires the ongoing presence of social interactions to create comparisons that sustain narcissists’ craving for self-perceived superiority (Buffardi & Campbell, 2008). Thus, those with high trait narcissism are more likely to experience anxiety from feeling envied.

As interest in narcissism has risen in the social sciences, we have greater perspective on its prevalence in the workplace and argue that it manifests as an exaggerated sense of ability and performance. This tendency might then lead to systemic issues involving performance among narcissists. This concern remains mainly unaddressed in the leadership literature, which focuses almost exclusively on narcissistic leaders (Chatterjee & Hambrick, 2007; Sankowsky, 1995), rather than the needs and characteristics of narcissistic followers. While understanding narcissistic leaders is critically important, absent from the discussion is the recognition that followers are contributing partners to the leadership process (Hollander, 1992). The leader–member relationship is a primary source of worth, importance (Liden, Wayne, & Sparrowe, 2000), satisfaction, and commitment (Gerstner & Day, 1997) for followers as well as leaders, and may play a key role in affirming narcissistic followers’ inflated sense of self.

The model discussed herein (Figure 1) articulates leader–member exchange (LMX) as a critical boundary condition that determines the extent to which followers’ narcissism ultimately affects their performance by heightening their experience of feeling envied by co-workers. Narcissistic followers are likely to feel confirmation of their amplified self-evaluations (Bogart, Benotsch, & Pavlovic, 2004; John & Robins, 1994) in the presence of a high-quality LMX relationship, thus exacerbating the performance issues that may arise from their inflated sense of self-worth and the effects they may have on others. This both builds on existing work that has presented mixed results on the types of individual differences that affect feeling envied (Vecchio, 2005), and also advances our understanding of the consequences of feeling envied beyond affective outcomes by exploring its impact on job performance. Please note that we use the phrase ‘feeling envied’ to align with Vecchio (2005), which indicates the subjective form of ‘being envied’ as used in other work (e.g. Mosquera et al., 2010).

![Figure 1. Theoretical model.](image-url)
Feeling envied

Envy is ‘an unpleasant, often painful emotion characterized by feelings of inferiority, hostility, and resentment caused by an awareness of a desired attribute enjoyed by another person or group of persons’ (Smith & Kim, 2007, p. 46). Even the potential for a referent other to benefit, such as in the case of another’s promotion (Schaubroeck & Lam, 2004), can evoke envy and dislike from those who feel they are less likely to receive such benefits. Perhaps stemming from the tension created by unfavorable social comparison, envy has been associated with a number of antagonistic, aggressive, and hostile behaviors toward others (Schoeck, 1969). For example, the emotion of envy leads to interpersonal counterproductive work behaviors directed toward the envied person (Cohen-Charash & Mueller, 2007). Despite a broad understanding of the hostility directed toward envied others, organizational researchers are only beginning to explore the personal and situational characteristics that predict feeling envied, and the consequences of such feelings for perceivers themselves.

Research on feeling envied began with Vecchio’s (2005) seminal investigation of its antecedents. He defined feeling envied as the perception of ‘being the target of employee envy’ (Vecchio, 2005, p. 70), and demonstrated that Machiavellianism and competitive rewards increased levels of feeling envied. LMX enhanced the strength of those relationships when it was of high quality. While Vecchio’s frame-breaking research laid the foundation for both individual and relational antecedents of feeling envied, it did not evaluate the impact of feeling envied on individual or organizational outcomes.

We expand on Vecchio’s findings, testing the role of narcissism as an antecedent of feeling envied. Moreover, we assess work in this domain in general by testing the effects of feeling envied on task performance. We argue that narcissism straddles the fine line between Machiavellianism and self-esteem, because it is both a variant of high self-esteem (i.e. fragile yet high self-esteem) and also represented by deviant behavior and a low concern for others’ well-being – not unlike the core of Machiavellianism. This unique combination allows us to more clearly ascertain the exact psychological mechanisms that give rise to feeling envied. We further test the functionality of narcissism in affecting feeling envied by replicating Vecchio’s (2005) boundary condition test using leader–member exchange.

Narcissism in organizations

The core aspects of trait narcissism are similar to those of pathological narcissism: egotism, low concern for others, and dominant, aggressive, or manipulative behavior (Raskin & Hall, 1979; Rhodewalt & Morf, 1995; Sedikides, Campbell, Reeder, Elliot, & Gregg, 2002). However, trait narcissism is characterized by fewer neurotic and greater self-enhancing tendencies (Brown, Budzek, & Tamborski, 2009; Miller & Campbell, 2008; Sedikides et al., 2004) than pathological narcissism (for review see Morf & Rhodewalt, 2001). Research has found that narcissists’ (individuals with high levels of trait narcissism) biased perceptions, emotions, and behavior serve to regulate their unique form of self-esteem (Bushman & Baumeister, 1998; Raskin, Novacek, & Hogan, 1991; Rhodewalt & Morf, 1998).
Rather than a consistently high state of self-esteem, trait narcissism ‘involves a constant struggle to maintain a grandiose but fragile self-image’ (Rhodewalt & Morf, 1998, p. 672). Derived from the presence of an over-idealized and grandiose (Morf & Rhodewalt, 2001) self-concept, narcissists experience high yet unstable self-esteem, which drives their self-enhancing and narcissistic tendencies; these tendencies, however, may be maladaptive in the long-term. Crocker and Park (2004) argued that while self-enhancement can be valuable in the short-term, ongoing use impairs the fulfillment of basic human needs and causes unhealthy behavior. Thus, while high self-esteem is often theorized and measured as stable, narcissism is a variant of unstable self-esteem, the general category of which is believed to explain many of the maladaptive reactions exhibited by individuals with high self-esteem (Kernis, 2005).

Beyond its similarities to high self-esteem, trait narcissism also relates to two other traits in the work context: Machiavellianism and subclinical psychopathy. Known as the ‘Dark Triad’ (O’Boyle, Forsyth, Banks, & McDaniel, 2012), these traits all demonstrate low concern for others’ well-being (Jakobwitz & Egan, 2006; Paulhus & Williams, 2002; Vernon, Villani, Vickers, & Harris, 2008), high levels of deceptiveness and greed (Lee & Ashton, 2005), and are linked with counterproductive work behavior (O’Boyle et al., 2012). In contrast, to both Machiavellianism and psychopathy, however, narcissism is not related to lower job performance (O’Boyle et al., 2012), lower conscientiousness (Paulhus & Williams, 2002; Vernon et al., 2008), or higher neuroticism (Jakobwitz & Egan, 2006), but is related to self-enhancement (Paulhus & Williams, 2002) and higher extraversion (Lee & Ashton, 2005; Vernon et al., 2008). Thus, while narcissism is part of this ‘Dark Triad’, evidence suggests it is empirically and conceptually distinct.

Taking both research on self-esteem instability and the ‘Dark Triad’ into account, the study of trait narcissism can be said to focus uniquely on positive yet maladaptive self-enhancement through social and relational means. This is a very different set of core characteristics than (1) the adaptive nature of high, yet stable, self-esteem (Kernis, 2003), (2) the cold and egotistically unbiased nature of Machiavellianism (Christie & Geis, 1970), or (3) the socially removed core of psychopathy. The unique space occupied by narcissism in its nomological network allows for exploration of self-enhancement-related maladaptive social perceptions, such as feeling envied.

Narcissism as an antecedent of feeling envied

In the eyes of narcissists, there is much about themselves to envy. Narcissists view themselves more positively than they view others in terms of intelligence, competence, and attractiveness (Gabriel, Critelli, & Ee, 1994; Locke, 2009). This tendency carries over to specific task performance-related situations, wherein narcissists tend to self-enhance (Campbell, Reeder, Sedikides, & Elliot, 2000; John & Robins, 1994), and are more likely than others to derogate sources of negative performance feedback (Smalley & Stake, 1996). These attributional biases are rooted in narcissists’ strong motive to maintain a positive self-image (e.g. Morf & Rhodewalt, 2001; etc.) and uphold the positive affect they experience from downward comparisons with others (Bogart et al., 2004).

As conceptualized by Vecchio (2005), the effects of narcissistic biases on feeling envied can also be understood by applying Tesser’s (1988) self-evaluation maintenance model. Tesser suggested
that people compare themselves to others with whom they are close and share a common domain as a means of bolstering their own self-evaluations by internalizing the other’s success. However, these same individuals will suffer poor self-evaluations when the other outperforms them. Building on this model, Vecchio theorized that employees with a bias toward making positive social comparisons based on the resources they have accrued would, on average, feel envied by others because it reduces the possibility of social comparison targets outperforming them. He operationalized these resources as Machiavellianism and self-esteem, yet his hypotheses were only supported for the former and not the latter.

Vecchio’s (2005) findings seem to suggest that only those who appraise their superiority via external (Machiavellianism) rather than internal (self-esteem) resources will feel envied. We suggest, however, that Vecchio’s non-findings related to self-esteem are a product of his conceptualization of high self-esteem as stable, rather than of resource accrual as internal. We argue that individuals who exhibit high levels of Machiavellianism (high-Machs) and narcissism both engage in biased social comparisons that let them believe they are superior to others, however, they do so through different means. Whereas high-Machs justify their superiority externally by the power and influence they have gained or stand to gain over others, narcissists do so internally by perpetually validating their grandiose self-concept regardless of actual external reality. Our alternative proposition is that validation of internal qualities may indeed also enhance feeling envied, but do so in cases where self-esteem is inherently unstable and requires ongoing active maintenance via social comparisons, such as in narcissists.

Expanding Vecchio’s (2005) notions, we suggest that narcissism will bias self-evaluations to be perpetually maintained as positive. However, for narcissists this is rooted in internal perceptions rather than external, because: (1) like high-Machs, narcissists are sensitive to social comparisons and internally motivated to perceive themselves as superior to others, thus making them enviable, yet, (2) unlike high-Machs, narcissists will view themselves positive regardless of others’ actual views, and all it takes is the mere presence of others to trigger their narcissistic biases. Even if narcissists are objectively powerful, their fragile self-esteem cannot be stabilized unless there are others against which they can compare themselves. Hence,

Hypothesis 1: Employee narcissism will be positively related to feeling envied.

Leader–member exchange

In further demonstrating that narcissism affects feeling envied, we offer an extension of Vecchio’s (2005) work by examining the interaction of narcissism with a situation that likely triggers self-serving social comparisons: a positive LMX relationship. LMX theory predicts that leaders develop unique exchange relationships with each of their subordinates which will, through social exchange, encourage equitable reciprocation in effort from subordinates based on the investments by the leader (Graen & Uhl-Bien, 1995; Liden, Sparrowe, & Wayne, 1997). From this perspective, both leaders and subordinates contribute to the relationship, and their respective contributions influence their behavior toward one another and the job. Since leaders have only a limited amount of time to engage in interactions with their staff, they generally develop higher quality relations with some employees over others (Dienesch & Liden, 1986).
From the followers’ perspective, LMX allows them to manage and negotiate the nature and expectations of their work role through interactions with their leaders (Dienesch & Liden, 1986). LMX quality can determine the extent of challenge, autonomy, and other characteristics in a subordinate’s role (Dienesch & Liden, 1986; Graen & Scandura, 1987). In this way, the leader becomes a valuable resource to followers, which can in turn affect subordinates’ commitment not only to their leader and the relationship, but also to the organization as a whole (Gerstner & Day, 1997). Not surprisingly, these high-quality relationships have been found to enhance an employee’s performance, citizenship behavior, and satisfaction (Dienesch & Liden, 1986; Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007).

LMX as a moderator of the narcissism–envied relationship

We offer two theoretical mechanisms through which LMX accentuates the relationship between narcissism and feeling envied. First, high-quality LMX relationships supply narcissists with more frequent and personal social interactions that provide them chances to reinforce their perceived superiority over co-workers. Simultaneously, the frequency of these interactions with their supervisor provides positive reinforcement that minimizes any negative self-evaluations that might spontaneously lower baselines of their superiority (Tesser, 1988).

Second, because heightened LMX may enhance narcissists’ perception of their status, their self-enhancement tendencies (e.g. Campbell et al., 2000) lead them to derogate others’ character (Locke, 2009). Such derogation may cause them to attribute greater negativity to co-workers’ envy, which would boost their own feelings of excellence. Moreover, accentuated by their paranoia (Kernberg, 1975), narcissists may pay special attention to their co-workers’ adverse reactions to their increased level of LMX (Morf & Rhodewalt, 2001). In turn, the self-serving biases of narcissists (Rhodewalt & Morf, 1995, 1998) make it more likely they will attribute that hostility to co-workers’ intrinsic envy rather than due to an external aspect of the co-workers’ environment (Kernis & Sun, 1994; Morf & Rhodewalt, 2001). As such, we expect:

**Hypothesis 2:** LMX will moderate the positive narcissism-feeling envied relationships such that the relationship will be more strongly positive when LMX is high rather than low.

Task performance as a consequence of feeling envied

Envy usually targets individuals with superior social status or who have the attributes one desires but does not possess (Smith & Kim, 2007). Although the higher social status implied by feeling envied may indicate the target has more resources and should excel, past research has found that feeling envied can have detrimental consequences for an employee (Exline & Lobel, 1999). For example, employees who perceive they are envied have lower levels of job satisfaction than those who do not perceive themselves as targets of others’ envy (Vecchio, 2005). We expand the domain of consequences of feeling envied by suggesting that these perceptions impact job performance as well.

Exline and Lobel (1999) argued that those who outperform others grow concerned about others’ negative reactions to them, which then causes discomfort and a fear of further success. They
suggest that out-performers’ sensitivity to being the target of threatening upward comparisons is triggered not only by a concern for others, but also a concern for one’s own well-being and the maintenance of relationships with enviers; this latter point is specifically relevant for narcissists who require some form of social relationship to manage their self-esteem. They further suggested that the fear of hostile and antagonistic reactions might lead outperformers to reduce their performance to avoid these negative consequences. In support of this, Henagan and Bedeian (2009) found that employees reduced their performance to maintain positive relationships with their co-workers when overperformance made them feel uncomfortable.

Mosquera et al. (2010) integrated Exline and Lobel’s (1999) and Foster’s (1972) work to suggest that there may be positive consequences from feeling envied by those who value independence and autonomy. Mosquera et al. found that only employees in an individualistic culture felt an increase in self-confidence from feeling envied, but feeling envied had a negative effect on relational outcomes in both cultures. They suggested that employees were concerned that others’ envy might cause them to withdraw from the relationship or avoid the employee. We argue that for employees with stable self-esteem, such an argument may apply, and employees feel a balance of positive (e.g. pride) and negative (e.g. caution) consequences. However, for those with unstable self-esteem, such as narcissists, the perceived potential of removal of others from one’s social network poses a strong threat that outweighs the short-term stabilizing effect of reveling in their superiority.

Baumeister and Vohs (2001) proffered that narcissists are addicted to boosts in their self-esteem, in that they crave feeling the highs after their naturally occurring lows. Carrying this idea forward, social interactions with others are the ‘drug’ that narcissists abuse. Thus, the removal of social interactions may threaten the long-term tenability of narcissists’ undeservedly inflated sense of self-worth. In contrast, employees with stable self-esteem tend to process social information more objectively than narcissists, and will feel an externally justified increase of self-esteem in the moment from feeling envied, which subsides once the objective situation has ended. For narcissists, however, social information is processed relative to their already grandiose self-concept, which is an enduring feature of their self-concept (Morf & Rhodewalt, 2001). As such, the long-term integrity of their assumed self-worth will be threatened by momentarily feeling envied, because such an experience implies that others may dislike them and leave, thus no longer serving as a possible source of future self-inflation (cf. narcissists continually seek new sources of self-inflation; Rhodewalt, Madrian, & Cheney, 1998).

Revisiting Mosquera et al. (2010), we hypothesize a net negative effect of feeling envied on performance because narcissism alters only the reason employees desire to retain relationships (i.e. to sustain their biased subjective perceptions vs. to prevent themselves from feeling humiliated or from harming others) with others rather than the overall importance they place on relationship retention in the first place. In other words, narcissists aren’t concerned with using their relationships to perform better; they’re concerned with lowering their performance to keep the relationships in existence for self-worth purposes. Hence,

**Hypothesis 3a:** Feeling envied will be negatively related to task performance.
Hypothesis 3b: Feeling envied will mediate the positive narcissism-task performance relationship.

Hypothesis 3c: LMX will moderate the negative, mediated narcissism-task performance relationship such that the relationship will be significantly stronger when LMX is high rather than low.

Method

Participants and procedure

Data were collected at two time points from a franchise of an international restaurant chain operating in the United States. At time 1, surveys were sent directly to 786 employees at their place of employment. 541 surveys were returned (68.8% response rate). The sample was predominantly female (75.4%), and averaged 32.9 years old and 2.4 years of tenure in the organization. The sample included 81.9% employees, 10.5% shift supervisors, and 7.6% other management personnel. Three months later an additional survey was sent to store managers asking them to rate the performance of their employees. Fifty percent responded and provided performance ratings for 267 employees (usable response rate of 34.0%). Combining the two waves, listwise deletion of missing variables reduced the sample size to 184 employees.

Measures

Narcissism

The Ames, Rose, and Anderson (2006) scale was used to assess narcissism. This scale asks respondents to choose between sets of statement, where one statement in each set reflects narcissistic tendencies and the other does not. Narcissistic statement responses were coded as ‘1’ and non-narcissistic as ‘0’. We deleted the item ‘I find it easy to manipulate people / I don’t like it when I find myself manipulating people’, because item analyses revealed it was an unstable representation of the construct. Coefficient alpha reliability of the resultant 14-item measure is .71.

LMX

LMX was measured with Scandura and Graen’s (1984) seven-item scale (α = .86). Participants were asked to report their perceptions of the quality of their relationships with their supervisors. A sample item is ‘How would you characterize your working relationship with your supervisor?’ and the anchors for this question are 1 (‘Extremely Ineffective’) to 5 (‘Extremely Effective’).

Feeling envied

Feeling envied was assessed by a three-item measure (α = .81) adopted from Vecchio (2005). A sample item is ‘Some of my co-workers are envious of my accomplishments’. The response format is a seven-point Likert scale, ranging from 1 (‘Very Inaccurate’) to 7 (‘Very Accurate’).
Job performance

Three months after the first survey was completed, each store manager in the 20 locations received a performance survey assessing their employees’ performance on a five-point Likert scale. The instruction was ‘Please rate the overall task performance of each of your subordinates over the last three months’. The response format ranged from 1 (‘Poor’) to 5 (‘Excellent’).

Control variables

Age, gender, position, organizational tenure, and store location were used as controls in the current study. The information for these variables was obtained from the company’s Human Resources department. Age and tenure are continuous variables, and gender and position are categorical variables. Gender was coded ‘0’ for males and ‘1’ for females. Position was coded in four categories: 1 = ‘store front’, 2 = ‘shift supervisor’, 3 = ‘food prep’, and 4 = ‘others’. We controlled for store location in our analyses in order to rule out the variance accounted by different stores. We coded the store location from ‘1’ through ‘20’ to represent the 20 store locations we sent the surveys, and because only 10 stores returned the surveys.

Confirmatory Factory Analysis

Before testing hypotheses, a confirmatory factor analysis was conducted in order to establish the convergence yet independence of primary constructs, and the results were presented in Table 1. We create item-parcels before performing CFA analysis because our sample size is relatively small as compared to the number of measurement items (sample size = 184, number of items = 25) (Landis, Beal, & Tesluk, 2000). We reduced the number of items by creating three indicators for each single-dimension construct (LMX, feeling envied, and narcissism). Based on the factor loadings in our exploratory factor analysis, we combined the items with highest and lowest loadings, followed by items with the next highest and lowest loadings, until all of the items were assigned to one of the indicators (Liu, Liu, & Wu, 2010). We averaged the scores of items in each indicator to produce a single score for that indicator.

Table 1. Means, standard deviations, and correlations of study variables.

<table>
<thead>
<tr>
<th>Variable</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>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>.73</td>
<td>.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>32.54</td>
<td>12.35</td>
<td>.10</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Position</td>
<td>1.34</td>
<td>.71</td>
<td>-19**</td>
<td>.26**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>2.32</td>
<td>2.79</td>
<td>-.15*</td>
<td>.31**</td>
<td>.38**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Store Location</td>
<td>12.06</td>
<td>5.05</td>
<td>-.70</td>
<td>-.10</td>
<td>.83</td>
<td>.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Narcissism</td>
<td>.53</td>
<td>.20</td>
<td>-.13</td>
<td>.08</td>
<td>.06</td>
<td>.10</td>
<td>-.26**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LMX</td>
<td>3.34</td>
<td>.82</td>
<td>-.07</td>
<td>.00</td>
<td>.12</td>
<td>.16*</td>
<td>.16*</td>
<td>-.15*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeling Envied</td>
<td>2.52</td>
<td>.75</td>
<td>.01</td>
<td>-.01</td>
<td>.02</td>
<td>-.03</td>
<td>-.20*</td>
<td>.25**</td>
<td>-.10</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>3.28</td>
<td>.88</td>
<td>-.03</td>
<td>-.05</td>
<td>.08</td>
<td>.19*</td>
<td>.01</td>
<td>-.08</td>
<td>.18*</td>
<td>-.18*</td>
</tr>
</tbody>
</table>

Notes: N = 184.
* p < .05
** p < .01.
Based on the result in Table 1, three different statistical models were tested, each with an increasing number of unique factors. The first model in which all three variables were modeled as unique yet related constructs demonstrated best fitness than other two models ($\chi^2 = 49.42$, $df = 24$, $p < .01$; RMSEA = .08, CFI = .96; TLI = .93). In particular, the first model fits better than the second model ($\chi^2 = 189.22$, $df = 26$, $p < .01$; RMSEA = .19, CFI = .61; TLI = .72; $\chi^2\text{diff} = 139.80$, $p < .01$) in which the items for LMX and feeling envied loaded on the same latent construct, and the second model fit better than the third model ($\chi^2 = 324.51$, $df = 27$, $p < .01$; RMSEA = .25, CFI = .49; TLI = .31; $\chi^2\text{diff} = 135.29$, $p < .01$) in which all the items loaded on a single latent construct.

Strategy of analysis

The main effect of narcissism on feeling envied (Hypothesis 1), and the interaction of narcissism and LMX on feeling envied (Hypothesis 2) were both tested with multiple regression analysis. We used an SPSS macro ‘PROCESS’ developed by Hayes (2012) to test the moderated mediation hypothesis (Hypotheses 3a, 3b, and 3c). Continuous variables were centered prior to their inclusion in the analysis model. PROCESS computes regression results with the mediator (feeling envied in this case) as the dependent variable, then the outcome (job performance) as the dependent variable, the indirect effect (effect of narcissism on performance via feeling envied), and finally the conditional indirect effect (indirect effect at low, mean, and high levels of LMX).

Results

The descriptive analysis for the current study is shown in Table 1, which includes means, standard deviations, and correlations. Hypothesis 1 predicted that narcissism would relate positively to feeling envied. After controlling for gender, age, position, tenure, and location in our regression analysis, narcissism was found to be a significant and positive predictor ($\beta = .21$, $\Delta R^2 = .09$, $p < .05$) of feeling envied. Employees who reported high narcissism also expressed higher levels of feeling envied, thus supporting Hypothesis 1 (See Table 3).

Hypothesis 2 predicted that narcissism and LMX would interact to affect feeling envied, so that when LMX is high, the positive association between narcissism and feeling envied is stronger than when LMX is low. The results for this hypothesis are shown in Table 2. The narcissism × LMX interaction predicted incremental variance above and beyond the control variables and main effects ($\beta = .17$, $\Delta R^2 = .02$, $p < .05$). This result indicated that LMX and narcissism interact in affecting feeling envied.

Figure 2 depicts the narcissism × LMX interaction on feeling envied. We found a significant and positive relationship between narcissism and feeling envied for employees with a high level of LMX ($b = 1.60$, $p < .001$), yet not significant for employees with a low level of LMX ($b = .25$, $p = .30$). Consistent with our hypothesis, this graph indicates that perceptions of feeling envied are higher when both narcissism and LMX are high. In addition, when LMX is low, the positive effect of narcissism on feeling envied is weaker than when LMX is high. These results indicated that employee narcissism was only linked to feeling envied when employees also perceived high LMX with their supervisor; narcissism did not affect feeling envied when employee-rated LMX was low.
Table 2. Results of regression analysis of feeling envied as the dependent variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1 β</th>
<th>Model 2 β</th>
<th>Model 3 β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure</td>
<td>−.04</td>
<td>−.05</td>
<td>−.04</td>
</tr>
<tr>
<td>Age</td>
<td>−.03</td>
<td>−.04</td>
<td>−.05</td>
</tr>
<tr>
<td>Gender</td>
<td>.00</td>
<td>.03</td>
<td>.03</td>
</tr>
<tr>
<td>Position</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
</tr>
<tr>
<td>Store Location</td>
<td>−.20**</td>
<td>−.14</td>
<td>−.13</td>
</tr>
<tr>
<td>Narcissism (A)</td>
<td></td>
<td>.21**</td>
<td>.25**</td>
</tr>
<tr>
<td>LMX (B)</td>
<td></td>
<td>−.05</td>
<td>−.05</td>
</tr>
<tr>
<td>A × B</td>
<td></td>
<td></td>
<td>.17*</td>
</tr>
<tr>
<td>F value</td>
<td>1.51</td>
<td>2.35</td>
<td>2.76</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.04</td>
<td>.09*</td>
<td>.11**</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.01</td>
<td>.05*</td>
<td>.07**</td>
</tr>
<tr>
<td>$ΔR^2$</td>
<td></td>
<td>.05*</td>
<td>.02*</td>
</tr>
</tbody>
</table>

Notes: $N = 184$.
* $p < .05$
** $p < .01$.

Figure 2. Interaction of follower’s narcissism and LMX on feeling envied.

Hypothesis 3a predicted that feeling envied would have a negative impact on task performance, while Hypothesis 3b predicted that feeling envied would indirectly heighten the negative relationship between narcissism and task performance. The moderated mediation analysis supported Hypotheses 3a, 3b, and 3c. We clustered the data hierarchically by stores to control for rater effects attributed to supervisors rating multiple employees at one location. As shown in Table 3, after clustering and controlling for gender, age, position, and tenure at the employee-level, feeling envied directly negatively affected supervisor-rated task performance ($β = −.20, p < .05$). Employees who more strongly reported feeling envied also exhibited lower job performance as rated by their supervisors. We also computed the indirect negative effect of narcissism on task performance by feeling envied and it was statistically significant (indirect effect = −.12, 95% CI = −.40, −.03). The negative effect of employee narcissism on their supervisor-rated job performance is due in part to their heightened degree of feeling envied.
**Table 3.** Results of moderated mediation analysis.

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Mediator variable model: feeling envied</th>
<th>Dependent variable model: performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Predictors B</td>
<td>SE</td>
</tr>
<tr>
<td>Narcissism (A)</td>
<td>.78</td>
<td>.29</td>
</tr>
<tr>
<td>LMX (B)</td>
<td>-.06</td>
<td>.07</td>
</tr>
<tr>
<td>A × B</td>
<td>1.09</td>
<td>.35</td>
</tr>
<tr>
<td>Age</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Organizational tenure</td>
<td>-.01</td>
<td>.02</td>
</tr>
<tr>
<td>Gender</td>
<td>.08</td>
<td>.12</td>
</tr>
<tr>
<td>Position</td>
<td>.12</td>
<td>.08</td>
</tr>
</tbody>
</table>

**Indirect effect of narcissism on performance**

<table>
<thead>
<tr>
<th>Feeling Envied</th>
<th>Indirect effect</th>
<th>SE</th>
<th>LL95%CI</th>
<th>UL95%CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling Envied</td>
<td>.12</td>
<td>.10</td>
<td>-40</td>
<td>.03</td>
</tr>
</tbody>
</table>

**Conditional effect at LMX = mean and ±1 SD**

<table>
<thead>
<tr>
<th>LMX</th>
<th>Indirect effect</th>
<th>SE</th>
<th>LL95%CI</th>
<th>UL95%CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.51 (low)</td>
<td>.02</td>
<td>.10</td>
<td>-15</td>
<td>.24</td>
</tr>
<tr>
<td>3.33 (mean)</td>
<td>-.15</td>
<td>.10</td>
<td>-.42</td>
<td>-.02</td>
</tr>
<tr>
<td>4.16 (high)</td>
<td>-.33</td>
<td>.20</td>
<td>-.85</td>
<td>-.04</td>
</tr>
</tbody>
</table>

Notes: N = 184.

* Parameters are unstandardized.

**Figure 3.** Conditional indirect effect of narcissism on performance.
Hypothesis 3c predicted that the negative indirect effect of narcissism on task performance through feeling envied would only hold when LMX was high, but not when low. Conditional indirect effects analysis reveals that LMX does indeed moderate the entire indirect pathway (Table 3), which supports Hypothesis 3c. When LMX is high, narcissism indirectly reduces task performance via feeling envied (indirect effect = −.33, 95 CI = −.85, −.04), however, there is no indirect effect via feeling envied when LMX is low (indirect effect = −.02, 95 CI = −.15, .24). To reiterate, employee narcissism only affects performance via heightened experience of feeling envied when employees perceive high LMX, not when they perceive low LMX. We have plotted this indirect effect in Figure 3.

**Discussion**

While researchers have begun to better understand the role of envy in the workplace, little is known about employees who perceive themselves as the targets of envy (Vecchio, 2005). This gap is problematic as the fragile egos of an increasingly narcissistic workforce (Twenge, Konrath, Foster, Campbell, & Bushman, 2008) are challenged by the increasing competitiveness of the global marketplace. With this in mind, the current study sought to answer two research questions. First, what effect does employee narcissism have on feeling envied? Second, does feeling envied impact job performance? The results of our study suggest that narcissistic employees are more likely to feel envied, and this likelihood is increased to the degree that they perceive their LMX quality to be high. Furthermore, feeling envied then has an adverse impact on job performance.

These findings build on Vecchio’s (2005) earlier work by clarifying the link between narcissism, as a variant of self-esteem, and feeling envied. We found evidence that personal characteristics that enhance the likelihood of social comparison based on internal assessments of worth (e.g. narcissism) operate similarly to those that are based on external conditions of worth (e.g. Machiavellianism; Vecchio, 2005) in that they each enhance the experience of feeling envied. However, such personal characteristics will only have this effect when they are based in the social deception and low concern for others’ well-being that is characteristic of narcissists. Thus, our results clarify the boundary conditions of feeling envied in the workplace, and build on past work by demonstrating an important link to task performance.

**Theoretical implications and future directions**

Toward further expanding the nomological network surrounding feeling envied, our study indicates that feeling envied is the product of both relational and individual characteristics. Moving forward the growing focus on the science of relationships (Berscheid, 1999; Uhl-Bien, 2006) suggests that while understanding follower perceptions of LMX is important, we may gain further insight by assessing the roles of leaders in cultivating these relationships. From this perspective, research on feeling envied might benefit from looking at the personal characteristics of the leader, the context within which the relationship is developed, and the shifting evolutionary patterns of feeling envied. This more dynamic and comprehensive approach may yield greater insight into the phenomenon.
Another illustration of this relational focus is LMX differentiation (Henderson, Liden, Glibkowski, & Chaudhry, 2009). LMX differentiation is the process by which a leader engages in differential exchange patterns (transactional vs. social exchange) with subordinates and thus forms different quality exchange relationships. Research indicates that subordinates are sensitive to leaders’ practice of LMX differentiation (Liden, Erdogan, Wayne, & Sparrowe, 2006) and that subordinate perceptions of LMX variability have negative effects on their reactions and perceptions of coworker relations beyond the impact of personal LMX quality (Hooper & Martin, 2008). In light of our present findings, such LMX differentiation may have an even more detrimental effect on employees with high LMX who are narcissistic than on those who are less so. The increased distrust from colleagues that accompanies having high LMX in a highly differentiated team environment, may further compound with narcissists’ natural tendency to feel envied, thus deteriorating their performance even worse than we observed in our study. The more they feel their potential sources of self-validating relationships are threatened, the more they’ll focus on maintenance overperformance.

While job performance is of great importance to organizational success, other outcomes of feeling envied may affect the broader workplace through different routes. One such pathway, for instance, is by eliciting other negative emotions or affective states. Vecchio (2005) suggests that feeling envied is linked with interpersonal resentment. Resentment, in turn, has been shown to correlate with aggression (Blackburn & Fawcett, 1999) and indirect hostility (Genthner & Taylor, 1973), all of which might lead to the development of a hostile work environment or unsafe culture that impairs relational development and cohesion. It may be fruitful to continue investigating the degree to which feeling envied is related to interpersonal deviance toward, and emanating from, the envied person (Cohen-Charash & Mueller, 2007), and any employee or group characteristics that may prevent such deviance from affecting the affective tone of the group.

Finally, we acknowledge that while the individual hypotheses tested in this study are theoretically sound, the broader model may appear to have counterintuitive findings in relation to narcissism. We lean on Exline and Lobel’s (1999) work on fear of social comparison to explain the negative impact of feeling envied on performance. This concept rests on the premise that individuals will lower their performance due to fear of social exclusion and tense social interactions. However, most descriptions of narcissists indicate their lack of concern for others in general and in relation to social acceptance in particular. We argue this is another interesting example of the paradox of narcissism. This paradox exists because narcissists are typically ‘[s]elf-aggrandizing and self-absorbed, yet easily threatened and overly sensitive to feedback from others’ (Morf & Rhodewalt, 2001, p. 177). Thus, we suggest that organizational researchers move beyond the view of narcissists as only concerned with their own well-being, and more closely consider the detrimental impact of narcissistic social comparison on the self.

Practical implications

Findings of the current study suggest a couple of important practical implications. First and foremost, managers need to wisely manage their LMX relationships. It seems that they walk a ‘tight-rope’ when attempting to balance high-quality LMX relationships and the potential for feeling envied that comes from in-group status. Managers may need to explicitly address the
effects of feeling envied with narcissistic in-group subordinates as a means of inoculating them from decreased performance. Finding alternate ways to reduce the threat of relationship loss may be critically important here, such as enhancing task interdependence, assigning them project leadership roles, or team-building activities designed to enhance bonding and positive affect among members. Our theorizing suggests that if narcissists are secure in their potential for future self-aggrandizing social interactions, they will be less distracted by relationship maintenance.

Second, managers may need to offer unique reasons for each subordinate’s in-group status in order to minimize bases for social comparisons and feeling envied. There are multiple ways this can be accomplished, but two seem foremost in modern HR practices. First, offering a developmental performance appraisal independent of pay-and-promotion appraisals may enhance perceptions of uniqueness. Because the developmental appraisal focuses on personal progress, rather than comparison to group standards, downward comparisons may be attenuated. Some evidence suggests that perceived utility of developmental appraisals enhances performance for employees with lower needs for autonomy (Kuvaas, 2007); if narcissists are indeed dependent on group-inclusion over personal freedom for deriving worth, they may benefit from developmental appraisals. Second, placing narcissists on cross-functional teams may also reduce the potential for social comparison. If subordinates are performing essentially different tasks, it can become difficult for narcissists to compare themselves with others on performance outcomes.

Limitations

Several limitations of our study should be considered when interpreting the findings. First, although the use of 20 field sites provides a level of generalizability, the study was conducted within one organization and the results could still be unique to its particular culture. Data on the individual-level variables were collected using cross-sectional and self-report methods, which may be biased by localized issues affecting some employees over others. While these effects are plausible, it is unlikely that such contextual effects would manifest across all 20 physically separated locations, and any that did occur would add random error rather than systematic error to statistical models. Seeing as how we were still able to detect a significant effect, and received a reasonable response size of 34%, we do not find strong evidence that our results are biased.

Building on the above point, the self-report nature of the individual differences (narcissism and feeling envied) and relational data (LMX) could be affected by common-source bias because they were all measured at the same time point and by the same subjects. To address this concern, we conducted a test for common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Our results suggest that narcissism, feeling envied, and LMX do share some variance on a common factor, which we attribute to methods effect. The strength of this effect, however, is less than of the item loading factors on their designated constructs, and past research has found that multiplicative interaction factors are rarely affected by method effects (Evans, 1985). The different foci of the measures (e.g. narcissism focuses on self, feeling envied focuses on others, LMX focuses on supervisor) may also reduce method effects, as may the use of time-lagged performance ratings. We also included control variables linked with feeling envied and task performance, however, we were unable to obtain more precise estimates of tenure with one’s particular supervisor, only organizational tenure, and recommend including supervisor tenure in future studies.
Next, the relevancy of our study may seem threatened by the relatively low-level of variance accounted for in terms of feeling envied, as well as with our one-item performance measure. In reference to the first issue, the amount of variance in feeling envied that is explained by our control variables, narcissism, and LMX is on par with that found in other studies of feeling envied, in general (Mosquera et al., 2010), and is above estimates provided by Vecchio (2005), in particular. Narcissism and the control variables may even account for slightly more variance in feeling envied than Machiavellianism, suggesting that the Dark Triad has both consistent and notable effects on feeling envied.

Regarding our performance measure, we are aware that job performance is a multi-faceted complex construct, however, a number of studies have found that one item can be used as a reliable and valid measurement of job-related phenomenon (e.g. job satisfaction, focus of attention on work-relevant targets; Gardner, Cummings, Dunham, & Pierce, 1998; Wanous & Hudy, 2001). This has been extended to job performance as well (van der Kam, Janssen, van der Vegt, & Stoker, 2014). While the one-item measure may underrepresent the criterion of performance, such an effect would make it more difficult to detect performance effects, which suggests that our statistically significant findings may actually hint at a larger underlying impact. Further, although there are no studies that have directly examined the impact of narcissism, LMX, and feeling envied, on task performance, other work examining employee individual differences (e.g. psychological empowerment, core self-evaluations; see below) explain similar amounts of variance in performance as found in our present study, ranging from .07 (Hill, Kang, & Seo, 2014) and .08 (Harris, Wheeler, & Kacmar, 2009), to .16 (Kacmar, Collins, Harris, & Judge, 2009).

Lastly, the results of the present study were collected in North America, and as such may be interpreted with caution when applied to employees in different cultural contexts with a weaker emphasis on individualism. As we discussed earlier, Mosquera et al. (2010) found that employees in individualistic contexts felt increased self-confidence compared to those in collectivistic contexts, although employees in both contexts experienced negative effects from feeling envied as well. Our study suggests that those negative effects may indeed, as hypothesized, have a stronger overall effect on performance in an individualistic context when explored in relation to narcissism, despite any positive buffering that may theoretically occur from increased self-confidence (although the present study did not focus on self-confidence relative to feeling envied, only performance).

Employees in collectivistic cultures seem to gain very little personal confidence from feeling envied by others (Mosquera et al., 2010), and we expect that narcissism among employees in collectivistic cultures would cause feeling envied to lead to even greater decreases in task performance. While collectivism may curb the expression of narcissism in some cultures, research finds that narcissism is expressed equally in individuals who identify as ‘white’ as those who identify as ‘Asian’, albeit less than other ethnicities (Foster, Campbell, & Twenge, 2003). Other, more recent, research has also found that narcissistic biases do still manifest effects in collectivistic cultures in everyday social contexts (Feng, Zhou, Liang, & Yi, 2012) and may even be on the rise (Cai, Kwan, & Sedikides, 2012). Researchers and practitioners in collectivistic
contexts may benefit from attending to the performance-deteriorating effects of narcissism, just as much as those in individualistic contexts.

Funding

This work was supported by the Renmin University of China under International Publication [grant number 3XNK017]; the Center for Leadership and Organizational Effectiveness at SUNY Buffalo.

Disclosure statement

No potential conflict of interest was reported by the authors.

References


Twenge, J. M., Konrath, S., Foster, J. D., Campbell, W. K., & Bushman, B. J. (2008). Egos inflating over time: A cross-temporal meta-analysis of the narcissistic personality inventory. Journal of Personality, 76, 875–902. 10.1111/jopy.2008.76.issue-4


