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Does Competitive Action Intensity Influence Team Performance via Leader Bottom-Line Mentality? A Social Information Processing Perspective

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Leader bottom-line mentality (LBLM) exists when leaders solely focus on securing bottom-line outcomes to the exclusion of alternative considerations. Our research examines why leaders adopt LBLMs and the implications of this focused leadership strategy on team sales performance and pro-environmental behavior. Utilizing social information processing theory, we examine LBLM as a mediator and contend that competitive action intensity in the work environment provokes LBLM, which then signals to teams the importance of raising sales performance and reducing pro-environmental behavior. We also suggest that leader performance reward expectancy (i.e., perceptions that rewards are directly tied to high performance) serves as a first-stage moderator and team performance reward expectancy serves as a second-stage moderator, with higher (vs. lower) levels of each strengthening the indirect effects of competitive action intensity, through LBLM, onto team sales performance and pro-environmental behavior. Utilizing field data from a large pharmaceutical company (Study 1) as well as an experimental causal chain design (Studies 2a and 2b), we found support for our theoretical model.

Keywords: leader bottom-line mentality, competitive action intensity, performance reward expectancy

Top executives have noted that “Shareholder Value Is No Longer Everything” (Gelles & Yaffe-Bellany, 2019) and corporations should focus on the triple bottom line by attending to economic, social, and environmental considerations (Waddock et al., 2002) because priorities that extend beyond profits (e.g., philanthropy) can aid in creating competitive advantages (Glavas & Mish, 2015). Yet, despite the benefits of endorsing multiple values, we suggest that contextual pressures can prompt organizational leaders to adopt a sole focus on “the results that count” (viz., profits), which can foster team behaviors that benefit organizational financial health, but to the detriment of priorities that are not immediately relevant to the bottom line (e.g., green initiatives). This sole focus is captured by the concept of leader bottom-line mentality (LBLM; i.e., “one-dimensional thinking that revolves around securing bottom-line outcomes to the neglect of competing priorities”; Greenbaum et al., 2012, p. 343). Past research has examined LBLMs’ duality in terms of driving both desirable and undesirable employee outcomes (e.g., performance, misconduct; Babalola et al., 2022), but to provide insights into why leaders may adopt bottom-line mentality (BLMs), even when this simplistic focus may fail to support their firms’ longer term interests (e.g., ethics, philanthropy), we examine environmental competition as a contextual force that can foster LBLM, which then has good and bad effects on team behaviors.

Market competition forces organizations to make quick moves and countermoves, such as price cuts or product improvements, to gain competitive advantages (Ferrier et al., 1999). These actions serve as the building blocks of competition (Chen & MacMillan, 1992), with a high number of competitive actions indicating fierce market competition (Andrevski et al., 2014; Derfus et al., 2008; Guo et al., 2020). Conventional thinking suggests that an organization can benefit from its competitive actions because they enhance the organization’s competitive position (Andrevski et al., 2014), but we suggest that because high levels of competitive actions can influence how leaders approach their work, these actions can have both positive and negative effects on team behaviors. Using social information processing (SIP) theory (Salancik & Pfeffer, 1978), we explore a benefit and drawback of high levels of competitive actions by examining how they can infiltrate organizations, influence
LBLM, and then impact teams. We propose competitive action intensity (i.e., the number of tactical moves taken by a firm to preserve its market position; Guo et al., 2020) encourages leaders to adopt BLMs as a focused leadership strategy for beating the competition. In turn, because leaders serve as relevant sources of social information for their teams (e.g., Dean & Brass, 1985), LBLM signals to teams the need to enhance their sales performance (i.e., objective sales goals set by the firm; Bluen et al., 1990) and lower their pro-environmental behavior (i.e., completing work tasks while considering the environment; Bissing-Olson et al., 2013). We also contend that the effects of competitive action intensity and subsequent LBLM are strengthened when leaders and teams have high-performance (vs. low-performance) reward expectancy (i.e., expectations of increased rewards [e.g., pay] for higher performance; Eisenberger et al., 1999) because it increases the salience of the social information provided by the environment and leader (see Figure 1).

Our work contributes to BLM research by utilizing SIP theory (Salancik & Pfeffer, 1978) to position LBLM as a mediator that links the external, competitive environment to team behaviors. By doing so, we illustrate that leaders play a sensemaking role by responding to competitive action intensity with a focused, profit-oriented work strategy that is then encoded by their work teams, affecting team sales performance and pro-environmental behaviors. Thus, we demonstrate that LBLM is not solely the product of a leader’s personal preferences or individual differences (e.g., Eissa et al., 2019). Rather, LBLM can serve as a contextualized leadership strategy that arises from external, environmental demands. In this respect, we also contribute to the literature by being one of the first to discern why leaders adopt BLMs. Examinations of antecedents can give organizations insights into what contextual factors should be bolstered (or tempered) to facilitate organizational goals (e.g., profits, philanthropy), as leaders can indirectly influence these goals by responding to their context with LBLMs that can then impact team behaviors. Finally, while past research has mainly investigated employee attributes (e.g., ambition, Babalola et al., 2021) that can moderate LBLM’s influence on employee outcomes, we contribute to the literature by investigating how perceptions of context can alter the effect of competition on team behaviors via LBLM (e.g., Johns, 2006). We provide insights into how leader and team expectations regarding their rewards can influence the effects of competitive action intensity and subsequent LBLMs, which is useful in educating practitioners on what they can control to prompt the benefits and reduce the drawbacks of competition and LBLMs.

Theoretical Development and Hypotheses

The Mediating Role of LBLM

Competition represents a process in which a firm’s competitive pursuits are eroded by its rivals’ actions (Guo et al., 2020). When competition exists, firms engage in offensive and defensive tactics, referred to as competitive actions (e.g., price cuts), to outperform their rivals (Chen & MacMillan, 1992). These tactics, captured by the construct of competitive action intensity (Guo et al., 2020), are enacted in response to competitors and vary in frequency. High competitive action intensity exists when a firm makes frequent moves, signaling that it is working to maintain its market position (Andrevski et al., 2014; Ferrier, 2001) in response to high levels of competition in the external environment (Barnett, 1997). Importantly, a firm’s competitive action intensity can vary by region such that a regional market with heightened economic development may require a local office to engage in more tactical actions than offices in other locales (Chen & MacMillan, 1992).

Given that competitive action intensity indicates environmental competition, from an SIP perspective (Salancik & Pfeffer, 1978), we suggest that high competitive action intensity influences a leader’s approach to work and in turn their team’s behaviors. SIP theory explains the role of context in the formation of workplace attitudes and behaviors, suggesting that organizational members attend to salient, relevant social information from their environment to learn what attitudes and behaviors are necessary within the broader context (Salancik & Pfeffer, 1978). Information is salient when it is readily accessible and relevant when it provides knowledge of how one should think or behave within a given context (Crick & Dodge, 1994). As such, SIP theory implies that leaders can serve as linchpins that link the external environment to team behaviors in that leaders act as environmental sensemakers, who interpret and respond to environmental cues in ways that then motivate their teams to act (Maitlis & Lawrence, 2007; Smith et al., 1991; Yukl, 1998). Leaders attend to social information from their environment to construct their social realities and form contextually appropriate leadership strategies to motivate their teams accordingly (Salancik & Pfeffer, 1978), and teams focus on their leaders as credible sources of social.

Figure 1

Research Model

![Research Model Diagram]
information (Yaffe & Kark, 2011) that aid in determining how to behave to achieve success (Boyd & Fulk, 1996; Thomas et al., 1993).

Accordingly, we argue that competitive action intensity can provoke leaders to adopt BLMs as an efficient, effective leadership strategy for dealing with environmental competition. Research suggests a narrow mindset can allow for the effective management of competition (Deutsch, 1949; Johnson & Johnson, 2005; Kilduff et al., 2016) because distracting, irrelevant content is ignored, allowing for efficient responses (Shah et al., 2002). Similarly, seminal work on BLM suggests that it reflects a win–lose, game-like mindset that can aid in beating rivals (Greenbaum et al., 2012) because of a focused attention on what matters most (i.e., bottom-line outcomes; Greenbaum et al., 2020). Moreover, Babalola et al. (2021) proposed that LBLMs provide employees with clear guidance regarding the importance of behaviors that directly benefit organizational profitability, suggesting that in the face of competition, LBLM may represent a suitable leadership strategy for informing teams of the most relevant, immediate behaviors necessary for beating the competition. Thus, in line with SIP theory (Salancik & Pfeffer, 1978), because competitive action intensity provides leaders with cues suggesting that environmental competition is high, we predict it can prompt leaders to adopt a BLM as an appropriate, narrowly focused, leadership strategy for their current competitive environment.

Given that teams look to their leaders as proximal sources of social information (Dean & Brass, 1985), we also suggest that LBLM that arises from competitive action intensity will impact team behaviors. From an SIP perspective (Salancik & Pfeffer, 1978), LBLM acts as a leadership strategy that provides teams with clear guidance on the performance behaviors that should be prioritized over others (Babalola et al., 2021), given the external environment. LBLM signals to teams that they should prioritize behaviors that clearly support the bottom line (Mawritz et al., 2017), presumably as a means of beating the competition. Increasing sales performance is one of the most obvious ways teams can work to support bottom-line success and profitability (Artz et al., 2010; Brown & Peterson, 1994) and directly and immediately impact an organization’s short-term interests, including beating the competition (Feng et al., 2020; Li et al., 2019). Thus, we suggest LBLM (that results from competitive action intensity) will prompt teams to increase their sales performance.

However, we also suggest that LBLM that results from competitive action intensity will limit team pro-environmental behavior because it is not as directly and immediately relevant to the bottom line. Pro-environmental behavior is often viewed as philanthropic, reflecting a team’s discretion in protecting the environment while undertaking work tasks (Bissing-Olson et al., 2013). In this respect, these behaviors tend to be considered secondary to the primary aim of achieving profitability and perhaps even costly to short-term, firm success because they divert employees’ resources toward behaviors that do not produce immediate financial benefits (Driessen et al., 2013; Lee et al., 2016; Ren & Jackson, 2020). Thus, in the face of competition, a leader will take on a BLM, which will provide their team with cues indicating that in pursuit of the bottom line, they should increase sales performance, while investing less in pro-environmental behaviors because they are not immediately beneficial to profitability.

**Hypothesis 1**: LBLM mediates (a) the positive relationship between competitive action intensity and team sales performance and (b) the negative relationship between competitive action intensity and team pro-environmental behavior.

**The Moderating Roles of Leader and Team Performance Reward Expectancy**

Given that SIP theory further contends that people are more likely to attend to contextual cues that are salient and relevant to their personal needs and desires (Salancik & Pfeffer, 1978), we also argue for the moderating roles of leader and team performance reward expectancy. Performance reward expectancy reflects organizational members’ expectations that their high performance will be rewarded by their organization (Eisenberger et al., 1999; Eisenberger & Aselage, 2009). Rewards for high performance typically come in the form of raises, bonuses, or promotions (Anthony & Govindarajan, 2007) and can be highly motivating because they raise a recipiend’s financial wealth or career success (Deci et al., 1999). For this reason, high-performance reward expectancy tends to prompt a search for determining how to attain superior performance evaluations and what behaviors will bring desired rewards (Eisenberger et al., 1999; Ryan, 1982). Thus, in line with SIP theory (Salancik & Pfeffer, 1978), we contend that leaders with higher (vs. lower) performance reward expectancy will respond to competitive action intensity with stronger BLMs. Past research clearly suggests that a competitor’s “win” comes as a “loss” to those vying for the same resources (De Dreu & Carnevale, 2003). As such, leaders with higher performance reward expectancy will be even more likely to view competitive action intensity as a particularly salient, relevant environmental cue because it can adversely impact their job performance and associated rewards. Therefore, when performance reward expectancy is high, leaders will be more likely to adopt LBLM as an appropriate leadership strategy for managing their environmental competition and hopefully, securing their own or their team’s performance-related rewards.

**Hypothesis 2**: Leader performance reward expectancy moderates the relationship between competitive action intensity and LBLM, such that the positive relationship is stronger when leader performance reward expectancy is higher (vs. lower).

We also expect a team’s higher performance reward expectancy to increase the salience and relevance of LBLM. Team performance reward expectancy exists when teams expect to receive rewards for their collective, high job performance (Eisenberger & Aselage, 2009) and represents outcome interdependence in which teams recognize the need to work together to secure their rewards (De Dreu, 2007). From an SIP perspective (Salancik & Pfeffer, 1978), when team performance reward expectancy is high (vs. low), teams will pay closer attention to their leaders’ cues regarding the performance behaviors that bring desired rewards (Eisenberger et al., 1999), making them feel increased pressure to engage in behaviors that are directly related to profitability (Ryan, 1982). Hence, in response to LBLMs (that result from competitive action intensity), they will be more likely to attend to their leaders’ cues indicating that resources should be devoted to behaviors that bolster, instead of impede.

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1. The construct of performance reward expectancy stems from Deci and Ryan’s (1980, 1985, 1987) work on cognitive evaluation theory and is not founded on Vroom’s (1964) expectancy theory, which would suggest that expectancy represents the link between effort and performance. Instead, performance reward expectancy represents the link between performance and rewards, which in expectancy theory, would be captured by the notion of *instrumentality*. Thus, the construct of performance reward expectancy is distinct from the construct of expectancy as defined by Vroom (1964).
profitability. That is, teams with high-performance reward expectancy will be more likely to respond to LBLMs (that result from competitive action intensity) by increasing their sales performance and decreasing their pro-environmental behavior to support the bottom line and their associated reward attainment.

**Hypothesis 3:** Team performance reward expectancy moderates (a) the positive relationship between LBLM and team sales performance and (b) the negative relationship between LBLM and team pro-environmental behavior, such that the relationships are stronger when team performance reward expectancy is higher versus lower.

**Hypothesis 4:** The positive indirect effect of competitive action intensity on team sales performance via LBLM is moderated by leader and team performance reward expectancy, such that the indirect effect is stronger when both leader and team performance reward expectancy are higher versus lower.

**Hypothesis 5:** The negative indirect effect of competitive action intensity on team pro-environmental behavior via LBLM is moderated by leader and team performance reward expectancy, such that the indirect effect is stronger when both leader and team performance reward expectancy are higher versus lower.

**Overview of Studies**

Study 1 tested our hypotheses in a field study from an organization using archival data to assess competitive action intensity and sales performance. We then provided evidence of our hypothesized effects by conducting an experimental causal chain design (Spencer et al., 2005), in which Study 2a manipulated competitive action intensity and leader performance reward expectancy and Study 2b manipulated LBLM and team performance reward expectancy.²

**Transparency and Openness**

For all three studies, we described our sampling plan, data exclusions, manipulations, and measures used, and we adhered to the *Journal of Applied Psychology*’s methodological checklist. We tested our proposed model in Study 1 with Mplus V7 and in Studies 2a and 2b with SPSS V19. Research materials are detailed in the Appendices. Data and analysis codes are available from the authors upon request. The three studies were not preregistered.

**Study 1: Method**

**Sample and Procedure**

We conducted a multiple-wave, multisource field study with sales teams from a pharmaceutical corporation in East China. Competitive dynamics studies show that firms within the same industry can face different levels of competition as they compete in different places or product markets (e.g., Ang, 2008). Research and industry reports also document uneven competition in pharmaceutical sales throughout China (e.g., Deloitte, 2020; Huo et al., 2020; Sha, 2018; Tse et al., 2017) due to increased regional variations in economic, societal, and cultural practices.³ Each sales team and leader included in our data represented a local office and experienced a unique level of competitive action intensity depending on the number of competitive moves the office made in response to local consumption patterns, economic development, medical insurance systems, or distribution infrastructure.

At Time 1, we sent 500 team leaders surveys assessing performance reward expectancy, LBLM, and trait competitiveness, with 352 surveys completed (response rate: 70.40%). At Time 2 (8 weeks later), the team leaders rated their LBLM, with 289 surveys completed (response rate: 82.10%). At Time 3 (another 8 weeks later), we sent surveys to 1,802 team members to rate team performance reward expectancy, with 1,591 surveys completed (response rate: 88.29%). At Time 4 (3 months after Time 3), we obtained team sales figures from the company’s sales department. We also had employees assess team pro-environmental behavior, with 1,386 surveys completed (response rate: 87.12%). Appendix A includes all survey items. Team responses were included if at least three team members participated (Gajendran & Joshi, 2012), such that we excluded 20 teams due to small team sizes, for a final sample of 269 teams (1,289 employees).⁴

Most leaders (88.10%) were men, with 64.68% having at least a bachelor’s degree. For age, 27.51% of participants were between 30 and 40, 26.77% were below 30, 24.53% were between 40 and 50, and 21.19% were above 50. Team size ranged from three to five (M = 4.79, SD = 0.45), with the response rate per team ranging from 60% to 100%. Of the 1,289 employee respondents, 947 were men (73.47%), 31.26% were aged between 30 and 40, 34.45% were between 40 and 50, 19.55% were below 30, and 14.74% were above 50. For education, 41.43% had a technical secondary qualification, 34.57% had a vocational qualification, and 24.20% had a bachelor’s degree and above.

**Measures**

All measures were translated into participants’ native language (i.e., Chinese) using the recommended back-translation procedure (Brislin, 1970). Two bilingual PhD students completed the back-translation procedure. They compared the English and Chinese versions for consistency in meaning. All scales used a 7-point scale (1 = strongly disagree, 7 = strongly agree).

**Competitive Action Intensity**

As done in past research (e.g., Andrevski et al., 2014; Guo et al., 2020), at Time 1, competitive action intensity was measured as the number of competitive actions taken by each sales team in the preceding year. We obtained work files from each sales team and

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² All studies are approved by the China University of Mining and Technology’s School of Economics and Management (REF: GL-18-25, competition, bottom-line mentality, team behavior and performance).

³ Significant variation exists in consumption sources, with a leading pharmaceutical company serving anywhere from 0 to 113 hospitals in a given city (M = 29.52, SD = 31.45, Sha, 2018). Also, while government reform shifted prescription drug sales outside of hospitals, the number of pharmacies developed unevenly across regional areas, ranging from 54,031 in Guangdong to 4,013 in Shanghai in 2018 (Deloitte, 2020).

⁴ The two samples (removed and retained teams) showed no significant differences between group means as determined by one-way ANOVA across team size, F(1, 288) = .16, p = .69; leader gender, F(1, 288) = .06, p = .80; leader age, F(1, 288) = .97, p = .33; leader education, F(1, 288) = 2.34, p = .13; leader trait competitiveness, F(1, 288) = 3.30, p = .07; T1 LBLM, F(1, 288) = 7.1, p = .01; competitive action intensity, F(1, 288) = .02, p = .89; leader performance reward expectancy, F(1, 288) = .001, p = .97; and T2 LBLM, F(1, 288) = .15, p = .70.
from the corporate headquarters and counted each sales teams’
competitive actions as an objective indicator of competitive action
intensity (Andrevski et al., 2014; Ferrier et al., 1999; Guo et al.,
2020). We compared the data from each sales teams’ work logs with
those recorded by headquarters to confirm that we obtained an
accurate count of competitive actions. Importantly, the work logs
included rationales for the sales teams’ competitive actions (e.g.,
evidence of a rival’s price cut) and information regarding firm
approval of the teams’ actions, indicating the competitive moves
were initiated by the sales teams in response to their rival’s own
actions and the moves were enacted after approval from the
company’s headquarters. The number of competitive actions ranged
from 0 to 9, with a mean of 3.81 (SD = 1.80).5

**Leader Performance Reward Expectancy**

At Time 1, leaders rated their performance reward expectancy
using Eisenberger and Rhoades’ (2001) two-item measure
(α = .87).6

**Leader Bottom-Line Mentality**

At Time 2, leaders rated their LBLM during the past 8 weeks
(i.e., since Time 1) using four items created by Greenbaum et al.
(2012; α = .92).

**Team Performance Reward Expectancy**

At Time 3, team members rated team performance reward
expectancy using the two-item measure by Eisenberger and Rhoades
(2001; α = .95). We aggregated employee ratings to the team level,
supported by the nonindependent nature of the data, intraclass
correlation coefficient, ICC(1) = .26, ICC(2) = .63, r_wg = .92
(Bliese, 2000).

**Team Sales Performance**

At Time 4 (7 months after the start of the study), we obtained the
year-end sales figures per team (measured in 10 million RMB;
e.g., Bluem et al., 1990; Itani et al., 2019; Ramarajan et al., 2017;
VandeWalle et al., 1999).

**Team Pro-Environmental Behavior**

At Time 4, team members rated their pro-environmental behavior
with three items by Bissing-Olson et al. (2013; α = .86) that were
aggregated to the team level, ICC(1) = .40, ICC(2) = .76, r_wg = .94.

**Controls**

We controlled for team size and leader age, gender, and
education, given their potential impact on team outcomes (Jackson
& Joshi, 2004; Kozlowski & Bell, 2003). Also, to rule out the
possibility that our results were driven by individual differences,
we controlled for leader trait competitiveness (Helmreich & Spence,
1978, α = .36). In addition, in line with past research (e.g., Kiewitz et
al., 2016), we controlled for Time 1 LBLM to show the incremental
validity of competitive action intensity in driving Time 2 LBLM (α
= .90) above and beyond the effects of the leaders’ initial BLMs.
Our results were the same with or without these controls.

**Study 1: Results**

Table 1 presents the study’s descriptive statistics, and Table 2
presents the multilevel factor analysis. As shown in Table 3,
competitive action intensity was positively associated with LBLM
(B = .12, SE = .02, p < .001, 95% CI [.08, .17]). In addition, the
LBLM–team sales performance relationship was positive and
significant (B = .11, SE = .05, p = .03, 95% CI [.02, .21]), and the
relationship between LBLM and team pro-environmental behavior
was negative and significant (B = −.30, SE = .06, p < .001, 95% CI
[−.42, −.18]). Also, the positive indirect effect of competitive action
intensity on team sales performance via LBLM was significant
(indirect effect = .01, SE = .01, p = .04, 95% CI [.00, .03]), as was the
negative indirect effect of competitive action intensity on team
pro-environmental behavior via LBLM (indirect effect = −.04,
SE = .01, p < .001, 95% CI [−.06, −.02]). Thus, Hypotheses 1a and
1b were supported.

Supporting Hypothesis 2, the competitive action intensity–leader
performance reward expectancy interaction was significantly related
to LBLM (B = .09, SE = .03, p < .001, 95% CI [.04, .15]). When
leader performance reward expectancy was higher, the positive
relationship was stronger (simple slope = .20, SE = .04, p < .001,
95% CI [.14, .28]) than when it was lower (simple slope = .04, SE = .03,
p = .23, 95% CI [−.02, .10]). The nature of the moderated
relationship is shown in Figure 2. Supporting Hypothesis 3a, the
LBLM–team performance reward expectancy interaction was
significantly related to team sales performance (B = .21, SE = .07,
p < .001, 95% CI [.07, .36]). When team performance reward
expectancy was higher, the positive relationship between LBLM and
team sales performance was stronger (simple slope = .22, SE = .06,
p < .001, 95% CI [.11, .34]) than when it was lower (simple slope = −.01,
SE = .07, p = .94, 95% CI [−.13, .12]). Supporting Hypothesis
3b, the LBLM–team performance reward expectancy interaction was
significantly related to team pro-environmental behavior (B = −.29,
SE = .08, p < .001, 95% CI [−.45, −.13]; see Table 3). When team
performance reward expectancy was higher, the negative relationship
between LBLM and team pro-environmental behavior was stronger
(simple slope = −.47, SE = .07, p < .001, 95% CI [−.61, −.32]) than
when it was lower (simple slope = −.14, SE = .08, p = .08, 95% CI
[−.30, .02]). The nature of these moderated relationships was
depicted in Figures 3 and 4, respectively.

Results for Hypotheses 4 and 5 are shown in Table 4. Supporting
Hypothesis 4, at higher levels of leader performance reward
expectancy and team performance reward expectancy (indirect
effect = .05, SE = .01, p < .001, 95% CI [.02, .08]), the positive
indirect effect of competitive action intensity on team sales
performance was stronger than the indirect effect at lower levels

5 We also collected leader-rated competitive action intensity using six
items developed by Joworski and Kohli (1993), with the sample item:
“Anything that one competitor can offer, others can match readily” (α = .94),
which correlated with the objective measure (r = .62, p < .001). Using this
subjective measure in place of the objective measure in the model, the
statistical significance of hypothesized relationships remained the same.

For performance reward expectancy, we originally had both leaders and
team members assess this variable with Eisenberger and Aselage’s (2009)
four-item measure. However, our review team pointed out that two of these
four items were low in face validity in terms of capturing performance reward
expectancy, namely the link between performance and rewards. Thus, we
dropped these two items from our analyses. We found support for our
hypotheses with both the two-item and four-item measures.
of the moderators (indirect effect = .00, SE = .00, p = .96, 95% CI [−.01, .01]; index = .02, SE = .01, p = .04, 95% CI [0.01, .04]). Supporting Hypothesis 5, when leader and team performance reward expectancy were higher (indirect effect = −.10, SE = .02, p < .001, 95% CI [−.14, −.06]), the negative indirect effect of competitive action intensity on team pro-environmental behavior was stronger when they were lower (indirect effect = −.01, SE = .01, p = .33, 95% CI [−.02, .00]; index = −.03, SE = .01, p < .001, 95% CI [−.05, −.01]).

Studies 2a and 2b: Method

Sample, Procedure, and Measures

For Studies 2a (N = 197; 49.24% male, M age = 35.50, SD age = 9.21) and 2b (N = 120; 48.89% male, M age = 21.18, SD age = .88), we conducted an experimental causal chain design (Spencer et al., 2005) to provide internally valid evidence of our hypotheses (e.g., Burgess et al., 2022; Liang et al., 2016). A benefit of this design is that using two separate experiments allows for a manipulation of the mediator, which can be superior to measuring it and then using the measured variable to test the effects on the outcomes, as measuring the mediator can bias participants’ reporting of the outcomes (Spencer et al., 2005).

Participants for Study 2a were recruited through Prolific Academic (Polan & Schitter, 2018), which allowed us to gain a diversified sample from Prolific’s general population. Each participant was paid £2 ($2.4) for their participation. For Study 2b, participants were recruited from undergraduate business classes at a large Chinese university. Both studies had a 2 × 2 between-subject design (Study 2a: low/high competitive action intensity, low/high leader performance reward expectancy; Study 2b: low/high LBLM, low/high team performance reward expectancy). All survey items are reported in Appendix A. In Study 2a, although controls were unnecessary due to random assignment (Arason et al., 1990), to align with Study 1, we assessed trait competitiveness and demographics as controls by administering a presurvey that included the trait competitiveness items used in Study 1 (α = .85) and assessments of gender, age, and education. Next, participants were randomly assigned to read different scenarios (see Appendix B), imagining they were a regional sales manager in a setting similar to Study 1. Finally, participants assessed manipulation checks for competitive action intensity (α = .91) that included four items from Jaworski and Kohli (1993) and for leader performance reward expectancy (α = .97) with the same items used in Study 1. They also indicated their LBLM with the same scale used in Study 1 (α = .92). Our results were the same with or without the controls.

In Study 2b, during their normal class time, students were randomly assigned to teams and asked to read different scenarios (see Appendix B), imagining they were working in a regional sales team in a setting similar to Studies 1 and 2a. Then, they completed manipulation checks for LBLM (α = .96) and team performance reward expectancy (α = .94) with the items used in Study 1. After, participants were told that their professor was partnering with a sales agency to evaluate how the next generation of salespeople were being trained and were asked to work as a team to create a promotional video for a new influenza drug, which would be part of that evaluation (see Appendix B). We used these videos to assess team sales performance. In line with past research (Aime et al., 2014; Humphrey et al., 2017), we had three research assistants (i.e., PhD students) unfamiliar with the study independently watch the

### Table 1

**Descriptive Statistics and Correlations (Study 1)**

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>α</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>
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<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Team size (T1)</td>
<td>4.79</td>
<td>0.45</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td></td>
</tr>
<tr>
<td>2. Leader gender (T1)</td>
<td>0.12</td>
<td>0.32</td>
<td>—0.9</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>3. Leader age (T1)</td>
<td>1.40</td>
<td>1.10</td>
<td>−10.12</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>4. Leader education (T1)</td>
<td>1.77</td>
<td>1.05</td>
<td>0.07</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td></td>
</tr>
<tr>
<td>5. Leader trait competitiveness (T1)</td>
<td>3.60</td>
<td>0.66</td>
<td>0.04</td>
<td>−0.00</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>6. TL1 LBLM (T1)</td>
<td>4.08</td>
<td>0.92</td>
<td>0.08</td>
<td>−0.10</td>
<td>—</td>
<td>—</td>
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<tr>
<td>7. Competitive action intensity (T1)</td>
<td>3.81</td>
<td>1.80</td>
<td>−0.00</td>
<td>−0.06</td>
<td>—</td>
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<td></td>
</tr>
<tr>
<td>8. Leader performance reward expectancy (T1)</td>
<td>3.96</td>
<td>0.88</td>
<td>0.10</td>
<td>−0.17</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>9. TL2 LBLM (T2)</td>
<td>3.99</td>
<td>0.85</td>
<td>0.03</td>
<td>−0.24</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>10. Team performance reward expectancy (T3)</td>
<td>4.11</td>
<td>0.55</td>
<td>0.03</td>
<td>−0.30</td>
<td>—</td>
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</tr>
<tr>
<td>11. Team sales performance (T4)</td>
<td>1.69</td>
<td>0.63</td>
<td>−0.01</td>
<td>−0.06</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td></td>
</tr>
<tr>
<td>12. Team pro-environmental behavior (T4)</td>
<td>3.63</td>
<td>0.63</td>
<td>0.08</td>
<td>0.06</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tr>
</tbody>
</table>

Note. N = 269 teams. Leader gender: 0 = male, 1 = female. Leader age: 0 = under 30, 1 = between 30 and 40, 2 = between 40 and 50, 3 = over 50. Leader education: 0 = high school or technical secondary school, 1 = junior college or vocational education, 2 = undergraduate, 3 = postgraduate and above. LBLM = leader bottom-line mentality. Team sales performance: Sales figure measured in 10 million RMB. α = Cronbach’s α; T1 = data collected at Time 1; T2 = data collected at Time 2; T3 = data collected at Time 3; T4 = data collected at Time 4.

*p < .05. **p < .01.

7 Study 2a: N = 197, including 50 in the high competitive action intensity/high leader performance rewards expectancy condition, 51 in the high competitive action intensity/low leader performance rewards expectancy condition, 47 in the low competitive action intensity/high leader performance rewards expectancy condition, and 49 in the low competitive action intensity/low leader performance rewards expectancy condition.

8 Study 2b: N = 120 teams made up of 360 participants, including 32 in the high LBLM/high team performance rewards expectancy condition, 34 in the high LBLM/low team performance rewards expectancy condition, 29 in the low LBLM/high team performance rewards expectancy condition, and 25 in the low LBLM/low team performance rewards expectancy condition.
videos and indicate the amount of money they would pay for the new drug, given that most influenza drugs usually cost between 15 and 50 RMB (see Appendix A). We operationalized team sales performance by averaging the research assistants’ responses. There was significant agreement among their responses, ICC(1) = .56, ICC(2) = .79, F = 4.87, p < .001, r_wg = .88. We assessed team pro-environmental behavior by having participants respond to the items used in Study 1 (α = .88).

### Studies 2a and 2b: Results

Before running our analyses, we checked the manipulations with our manipulation checks. For Study 2a, the manipulations for competitive action intensity (M_high = 5.51, SD_high = 1.86), M_low = 3.89, SD_low = 1.86), t(195) = -8.03, p < .001, and leader performance reward expectancy (M_high = 4.95, SD_high = 2.24, M_low = 2.47, SD_low = 1.60), t(195) = -8.97, p < .001, were successful. For Study 2b, the manipulations for LBLM (M_high = 4.78, SD_high = 1.53, M_low = 2.47, SD_low = .77), t(118) = -10.10, p < .001, and team performance reward expectancy (M_high = 5.04, SD_high = 1.40, M_low = 2.83, SD_low = 1.45), t(118) = -8.52, p < .001, were also successful.

Table 5 shows the descriptive statistics of the variables included in both studies. For Study 2a, a two-way analysis of variance revealed a positive relationship between competitive action intensity and LBLM, F(1, 116) = 4.94, p = .03, and a significant interaction for competitive action intensity and leader performance reward expectancy on LBLM, F(1, 116) = 6.77, p = .009 (see Figure 5), such that LBLM was highest in the high competitive action intensity–high leader performance reward expectancy condition. For Study 2b, a two-way analysis of variance revealed a positive relationship between LBLM and team sales performance, F(1, 116) = 11.89, p < .001, and a negative relationship between LBLM and team pro-environmental behavior, F(1, 116) = 32.71, p < .001. In addition, results showed a significant interaction between LBLM and team performance reward expectancy on team sales performance, F(1, 116) = 7.17, p = .01, and pro-environmental behavior, F(1, 116) = 4.32, p = .04 (see Figures 6

---

### Table 2

**Multilevel Confirmatory Factor Analysis (Study 1)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Δχ²</th>
<th>Δdf</th>
<th>χ²</th>
<th>df</th>
<th>χ²/df</th>
<th>CFI</th>
<th>TLI</th>
<th>RMSEA within</th>
<th>SRMR between</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1: Hypothesized six-factor model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L1: Team performance reward expectancy, team pro-environmental behavior</td>
<td>390.86</td>
<td>141</td>
<td>2.77</td>
<td>.96</td>
<td>.95</td>
<td>.04</td>
<td>.01</td>
<td>.08</td>
<td></td>
</tr>
<tr>
<td>L2: T2 LBLM, leader performance reward expectancy, team pro-environmental behavior</td>
<td>211.61</td>
<td>5</td>
<td>602.47</td>
<td>146</td>
<td>4.13</td>
<td>.93</td>
<td>.91</td>
<td>.05</td>
<td>.01</td>
</tr>
<tr>
<td>L3: T1 LBLM and leader performance reward expectancy, team pro-environmental behavior</td>
<td>284.07</td>
<td>9</td>
<td>674.93</td>
<td>150</td>
<td>4.50</td>
<td>.92</td>
<td>.90</td>
<td>.05</td>
<td>.06</td>
</tr>
<tr>
<td>L4: Once-factor model</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 2: Five-factor model</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L1: Team performance reward expectancy, team pro-environmental behavior</td>
<td>824.33</td>
<td>12</td>
<td>1215.19</td>
<td>153</td>
<td>7.94</td>
<td>.83</td>
<td>.80</td>
<td>.07</td>
<td>.06</td>
</tr>
<tr>
<td>L2: T2 LBLM, leader performance reward expectancy and team pro-environmental behavior</td>
<td>2709.22</td>
<td>15</td>
<td>3100.08</td>
<td>156</td>
<td>19.87</td>
<td>.52</td>
<td>.44</td>
<td>.12</td>
<td>.20</td>
</tr>
<tr>
<td>L3: T1 LBLM, leader performance reward expectancy combined</td>
<td>2971.97</td>
<td>16</td>
<td>3362.83</td>
<td>157</td>
<td>21.42</td>
<td>.48</td>
<td>.40</td>
<td>.13</td>
<td>.22</td>
</tr>
</tbody>
</table>

**Note.** L1: N = 1,289; L2: N = 269. L1 = Level 1 (individual level); L2 = Level 2 (team level); LBLM = leader bottom-line mentality; CFI = comparative fit index; TLI = Tucker–Lewis index; RMSEA = root-mean-square error of approximation; SRMR = standardized root-mean-square residual; T1 = data collected at Time 1; T2 = data collected at Time 2.
and 7). That is, team sales performance was highest in the high LBLM–high team performance reward expectancy condition, and team pro-environmental behavior was lowest in the high LBLM–high team performance reward expectancy condition. In sum, Studies 2a and 2b provided evidence of the core linkages of our proposed mediation (Hypothesis 1), hypothesized moderating effects (Hypotheses 2, 3a, and 3b), and the linkages proposed in our moderated mediation hypotheses (Hypotheses 4 and 5).

### Discussion

#### Theoretical Implications

Our research enriches the knowledge of LBLM as a mechanism that links the external environment to team behaviors. Past research has used social cognitive (Bandura, 1986) and social exchange (Blau, 1968) theories to understand LBLMs’ effects on employee dysfunctional behaviors (e.g., Greenbaum et al., 2012), with recent

### Table 3

Unstandardized Coefficients, Standard Errors, and 95% Confidence Intervals of Study 1 Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>T2 LBLM</th>
<th>Team sales performance</th>
<th>Team pro-environmental behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant</strong></td>
<td>.73</td>
<td>.28</td>
<td>.01                [ .19, .128]</td>
</tr>
<tr>
<td><strong>Team size</strong></td>
<td>-.13</td>
<td>.56</td>
<td>.82                [-1.22, .97]</td>
</tr>
<tr>
<td><strong>Leader gender</strong></td>
<td>.12</td>
<td>.12</td>
<td>.32                [-1.1, .35]</td>
</tr>
<tr>
<td><strong>Leader age</strong></td>
<td>.00</td>
<td>.03</td>
<td>.98                [-.06, .06]</td>
</tr>
<tr>
<td><strong>Leader education</strong></td>
<td>-.04</td>
<td>.04</td>
<td>.29                [-1.1, .03]</td>
</tr>
<tr>
<td><strong>Leader trait competitiveness</strong></td>
<td>.08</td>
<td>.06</td>
<td>.17                [-.03, .19]</td>
</tr>
<tr>
<td><strong>T1 LBLM</strong></td>
<td>.19**</td>
<td>.05                    &lt; .001 [ .10, .29]</td>
<td></td>
</tr>
<tr>
<td><strong>Competitive action intensity (CAI)</strong></td>
<td>.12**</td>
<td>.02                    &lt; .001 [ .08, .17]</td>
<td></td>
</tr>
<tr>
<td><strong>Leader performance reward expectancy (LPRE)</strong></td>
<td>.44**</td>
<td>.05                    &lt; .001 [ .34, .53]</td>
<td></td>
</tr>
<tr>
<td><strong>CAI × LPRE</strong></td>
<td>.09**</td>
<td>.03                    &lt; .001 [ .04, .15]</td>
<td></td>
</tr>
<tr>
<td><strong>T2 LBLM</strong></td>
<td>.11*</td>
<td>.05                    .03                [.02, .21]</td>
<td></td>
</tr>
<tr>
<td><strong>Team performance reward expectancy (TPRE)</strong></td>
<td>.40**</td>
<td>.08                    &lt; .001 [.26, .56]</td>
<td></td>
</tr>
<tr>
<td><strong>T2 LBLM × TPRE</strong></td>
<td>.21**</td>
<td>.07                    .004               [.07, .36]</td>
<td></td>
</tr>
<tr>
<td><strong>R²</strong></td>
<td>.42</td>
<td>.19                    .27</td>
<td></td>
</tr>
</tbody>
</table>
research demonstrating indirect, positive effects of LBLM on employee performance (e.g., Babalola et al., 2020, 2021). However, extant research has yet to clearly examine LBLM as a mediator, which is needed to understand why leaders adopt this leadership strategy that then drives team outcomes. Hence, we contribute to the literature by using SIP theory (Salancik & Pfeffer, 1978) to explain that competitive action intensity propels LBLM as an appropriate leadership strategy for handling competition but also by demonstrating LBLM elicits signals that are encoded by teams to affect their behaviors. Importantly, our research shows that both objective and subjective measures of competitive action intensity support our model, thus illustrating the robustness of our predictions.

By relying on SIP theory (Salancik & Pfeffer, 1978), our research provides knowledge of why in the face of environmental competition, teams prioritize sales performance, and not green initiatives, irrespective of the importance of upholding sustainability considerations. We provide a unified theoretical account of the effects of competitive action intensity. We suggest that leaders take

**Figure 3**

*Interaction of Team Performance Reward Expectancy on the Relationship Between Leader Bottom-Line Mentality and Team Sales Performance (Study 1)*

![Figure 3](image)

*Note.* T2 = data collected at Time 2.

**Figure 4**

*Interaction of Team Performance Reward Expectancy on the Relationship Between Leader Bottom-Line Mentality and Team Pro-Environmental Behavior (Study 1)*

![Figure 4](image)

*Note.* T2 = data collected at Time 2.
on LBLMs in response to competitive cues because LBLM represents an efficient, effective leadership strategy for motivating employees to work to beat the competition. In turn, LBLM enhances team sales performance because these behaviors directly support bottom-line profitability that would aid in readily beating the competition (Feng et al., 2020) but reduces team pro-environmental behavior because going green requires considerable effort that likely diverts resources away from behaviors that are more immediately relevant to a high financial return (Dowell & Muthulingam, 2017; Ren et al., 2018). Our work is the first to theoretically explain why competitive action intensity can indirectly provoke team performance behaviors through LBLMs, with competitive action intensity driving the LBLM mediation effect above and beyond the effect of Time 1 LBLM as shown in Study 1. We demonstrate that LBLMs can be provoked by contextual cues from competitive action intensity and not merely due to a leader’s inclinations toward bottom-line thinking (e.g., Eissa et al., 2019). Thus, our work advances the literature by changing the conversation in LBLM research away from a simple focus on its consequences and toward a more holistic consideration of the contexts in which LBLM may be deemed prudent, thereby giving way to both positive and negative effects on team outcomes.

Our research also allows for a better understanding of when competition is more likely to drive LBLM and more or less likely to produce certain team performance behaviors. Our examination of contextual moderators diverges from past LBLM research that has examined employee characteristics as moderators (e.g., Babalola et al., 2021; Farasat et al., 2020; Quade et al., 2020; Zhang et al., 2020). SIP theory (Salancik & Pfeffer, 1978) explains that environmental cues may be more salient and relevant if those cues have high personal relevance. As such, we demonstrated that leader performance reward expectancy strengthened the relationship between

Table 4
Indirect and Conditional Indirect Effects for Study 1

<table>
<thead>
<tr>
<th>Effect</th>
<th>Indirect effects</th>
<th>Estimate</th>
<th>SE</th>
<th>p</th>
<th>95% CI</th>
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</thead>
<tbody>
<tr>
<td>CAI—LBLM—team sales performance (Hypothesis 1a)</td>
<td>CAI—LBLM—team pro-environmental behavior (Hypothesis 1b)</td>
<td>.01*</td>
<td>.01</td>
<td>.04</td>
<td>[0.00, 0.03]</td>
</tr>
<tr>
<td>Indirect effect on team sales performance when leader and team performance reward expectancy are lower (Hypothesis 4)</td>
<td>Indirect effect on team sales performance when leader and team performance reward expectancy are higher (Hypothesis 4)</td>
<td>.04**</td>
<td>.01</td>
<td>&lt;.001</td>
<td>[−.06, −.02]</td>
</tr>
<tr>
<td>Indirect effect on team pro-environmental behavior when leader and team performance reward expectancy are lower (Hypothesis 5)</td>
<td>Indirect effect on team pro-environmental behavior when leader and team performance reward expectancy are higher (Hypothesis 5)</td>
<td>.05**</td>
<td>.01</td>
<td>001</td>
<td>[0.02, 0.08]</td>
</tr>
</tbody>
</table>

Note. N = 269 teams. CAI = competitive action intensity; LBLM = leader bottom-line mentality; CI = confidence interval; SE = standard error. Bootstrap sample size = 5,000.

* p < .05. ** p < .01.

Table 5
Means, Standard Deviations, and Correlations Among Variables in Studies 2a and 2b

<table>
<thead>
<tr>
<th>Study 2a</th>
<th>M</th>
<th>SD</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td>1. Gender</td>
<td>.49</td>
<td>.50</td>
<td>—</td>
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<td>—</td>
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<td>—</td>
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<td>—</td>
</tr>
<tr>
<td>2. Age</td>
<td>35.50</td>
<td>9.21</td>
<td>−17*</td>
<td>—</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>3. Education</td>
<td>1.82</td>
<td>.85</td>
<td>−.06</td>
<td>.23**</td>
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<td>—</td>
<td>—</td>
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<td>—</td>
</tr>
<tr>
<td>4. Trait competitiveness</td>
<td>4.78</td>
<td>1.32</td>
<td>.85</td>
<td>−.27**</td>
<td>−.06</td>
<td>−.07</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>5. Competitive action intensity</td>
<td>.50</td>
<td>.50</td>
<td>.01</td>
<td>−.07</td>
<td>−.27**</td>
<td>.08</td>
<td>.01</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>6. Leader performance reward expectancy</td>
<td>.49</td>
<td>.50</td>
<td>.01</td>
<td>−.16*</td>
<td>−.11</td>
<td>−.04</td>
<td>.12</td>
<td>.15*</td>
<td>.30**</td>
<td>—</td>
</tr>
<tr>
<td>7. LBLM</td>
<td>3.27</td>
<td>1.50</td>
<td>.92</td>
<td>−.16*</td>
<td>—</td>
<td>—</td>
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<table>
<thead>
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<th>Study 2b</th>
<th>M</th>
<th>SD</th>
<th>α</th>
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<th>2</th>
<th>3</th>
<th>4</th>
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<td>.50</td>
<td>—</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2. Team performance reward expectancy</td>
<td>.51</td>
<td>.50</td>
<td>.05</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>3. Team sales performance</td>
<td>36.64</td>
<td>6.26</td>
<td>.32**</td>
<td>.34**</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>4. Team pro-environmental behavior</td>
<td>4.36</td>
<td>.69</td>
<td>.88</td>
<td>−.42**</td>
<td>−.33**</td>
<td>−.37**</td>
<td>—</td>
</tr>
</tbody>
</table>

Note. Study 2a: N = 197. Competitive action intensity (0 = low, 1 = high) and leader performance reward expectancy (0 = low, 1 = high) were dummy variables. Gender: 0 = male, 1 = female; age: measured in years; education: 0 = high school or technical secondary school, 1 = junior college or vocational education, 2 = undergraduate, 3 = postgraduate, 4 = PhD; team sales performance: sales figure measured in RMB. Study 2b: N = 120. LBLM (0 = low, 1 = high) and team performance reward expectancy (0 = low, 1 = high) were dummy variables. LBLM = leader bottom-line mentality; α = Cronbach’s α.

* p < .05. ** p < .01.
competitive action intensity and LBLM because competition can affect the leaders’ reward obtainment. Likewise, our findings suggest team reward expectancy makes it more likely that LBLM will result in higher team sales performance and lower team pro-environmental behaviors because these behavioral responses match the leader’s bottom-line focused, work strategy and assist in team reward attainment. In sum, our SIP account of LBLM provides a more contextualized view (see Johns, 2006) of how it forms and functions within organizations.

Practical Implications

Our research is also practically important. Executives often tout the importance of more than just profits (Gelles & Yaffe-Bellany, 2019) but still may choose to obsessively focus on bottom-line profits above all else. Our research suggests that when this happens, organizations may find it difficult to fulfill philanthropic goals and support the triple bottom line (Babalola et al., 2021). Thus, organizations, especially those in competitive environments, should attend to the benefits and liabilities of their external environments and subsequent LBLMs. Moreover, because organizations faced with environmental competition may benefit from LBLM’s positive effects on performance, organizations may want to institute reward systems that strengthen these effects. Our research suggests if organizations signal to leaders and teams that high performance is directly related to rewards, leaders may be more likely to adopt LBLMs that could then be even more beneficial to team sales performance. In this regard, especially in the short term, performance reward expectancies can benefit organizations, leaders, and teams who need to up their performance to maintain favorable market positions. However, to prevent LBLM’s dysfunctional effects (e.g., Quade et al., 2022), organizations should warn leaders that contextual forces may propel LBLM, which can harm green initiatives. If organizations desire philanthropy to support the firm’s longer term interests, they should encourage leaders to attend to multiple values that include the bottom line but also move beyond finances, and they should structure their reward systems in ways that help to promote the fulfillment of multiple priorities.

Limitations and Future Directions

Our research was not without limitations. For Study 1, our operationalization of competitive action intensity included actions that were context-driven reactions to rivals’ competitive moves and approved by the company headquarters, such that leaders were not solely responsible for their units’ actions. Yet, we are cautious in making causal claims with these data because our operationalization may have been influenced by LBLM in that leaders may have played a role in their offices’ competitive actions. Also, for Study 1, although we tested our model using an objective measure of competitive action intensity, we tested our moderating hypotheses with perceptual measures. SIP theory (Salancik & Pfeffer, 1978) supports an examination of perceptual moderators, but we acknowledge these measures may have contributed to common method variance (Podsakoff et al., 2003), although it is unlikely that common method variance would explain our observed moderation results (Siemsen et al., 2010). Furthermore, our Studies 2a and 2b improve upon Study 1 by manipulating competitive action intensity and leader performance reward expectancy (Study 2a) and LBLM and team performance reward expectancy (Study 2b).

The context of all three studies may have also constituted a limitation of our research in that the pharmaceutical industry may have been particularly relevant to our research model (Johns, 2006). Thus, future research should test the generalizability of our findings to other industries. Additionally, our work could be advanced by examining additional contextual predictors of LBLM, such as time pressure (Maruping et al., 2015) or environmental turbulence (Lichtenhaler, 2009). Investigating a range of antecedents can give organizations knowledge of what provokes LBLMs that could then support (or prevent) organizational effectiveness. Additionally, given that our Study 2b relied on self-reports of pro-environmental behavior because it was difficult to objectively capture it in our short-term experiment, future work could address this limitation by utilizing a longitudinal field experiment that objectively captures this behavior (e.g., recycling). Finally, although we controlled for leader demographic information and team size, economic conditions...
Figure 7
Interaction of Team Performance Reward Expectancy on the Relationship Between Leader Bottom-Line Mentality and Team Pro-Environmental Behavior (Study 2b)

![Figure 7](image_url)

could have played a role in the relationships we examined and should be considered in future research endeavors.

Conclusion

Our research contributes to the growing BLM literature by utilizing SIP theory to illustrate that LBLM may represent a strategic, leadership response to contextual cues that suggest a need to focus on profits above all else. We hope our study provokes additional research on why and when LBLMs may form as well as when and why this leadership strategy impacts team behaviors, making it more or less valuable to an organization’s vitality.

References


Appendix A

Measures

Study 1 Measures

Control Variables
Time 1 Leader Bottom-Line Mentality (Greenbaum et al., 2012)
1. I am solely concerned with meeting the bottom line.
2. I care more about profits than employee well-being.
3. I only care about the business.
4. I treat the bottom line as more important than anything else.

Time 1 Leader Trait Competitiveness (Helmreich & Spence, 1978)
1. I enjoy working in situations involving competition with others.
2. It is important to me to perform better than others on a task.
3. I feel that winning is important in both work and games.
4. I try harder when I am in competition with other people.

Main Variables
Time 1 Competitive Action Intensity (Andrevski et al., 2014; Guo et al., 2020): The number of tactical competitive actions
Time 1 Leader Performance Reward Expectancy (Eisenberger & Rhoades, 2001)
1. If I perform well, it leads to higher pay.
2. Good performance in my job leads to higher pay.

Time 2 Leader Bottom-Line Mentality (Greenbaum et al., 2012)
1. I am solely concerned with meeting the bottom line.
2. I care more about profits than employee well-being.
3. I only care about the business.
4. I treat the bottom line as more important than anything else.

Time 3 Team Performance Reward Expectancy (Eisenberger & Rhoades, 2001)
1. If our team performs well, it leads to higher pay.
2. Good performance in our team leads to higher pay.

Time 4 Team Sales Performance: Year-end sales figures per team (measured in 10 million RMB)
Time 4 Team Pro-Environmental Behavior (Bissing-Olson et al., 2013)
1. I adequately completed assigned duties in environmentally friendly ways.

A small portion of the scale items is included due to copyright issues.

Study 2a Measures

Control Variables (Preexperimental Survey)
Leader Trait Competitiveness (Helmreich & Spence, 1978)
1. I enjoy working in situations involving competition with others.
2. It is important to me to perform better than others on a task.
3. I feel that winning is important in both work and games.
4. I try harder when I am in competition with other people.

Manipulation Checks (Postexperimental Survey)
Competitive Action Intensity (Jaworski & Kohli, 1993)
1. Competition in my industry is cutthroat.

Leader Performance Reward Expectancy (Eisenberger & Aselage, 2009)
1. If I perform well, it leads to higher pay.
2. Good performance in my job leads to higher pay.

Main Variables (Postexperimental Survey)
Leader Bottom-Line Mentality (Greenbaum et al., 2012)
1. I would be solely concerned with meeting the bottom line.
2. I would care more about profits than employee well-being.
3. I would only care about the business.
4. I would treat the bottom line as more important than anything else.

Study 2b Measures

Manipulation Checks
Leader Bottom-Line Mentality (Greenbaum et al., 2012)
1. My sales manager, Chris, is solely concerned with meeting the bottom line.
2. My sales manager, Chris, cares more about profits than employee well-being.
3. My sales manager, Chris, only cares about the business.
4. My sales manager, Chris, treats the bottom line as more important than anything else.

(Appendices continue)
You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. Because Brimo is your main competitor and the competition in your market is intense, on a yearly basis, your company typically engages in many tactical, competitive actions to maintain its market position, profitability, and survival. These competitive actions include cutting prices, improving products and services, or offering “extras” to make a sale (e.g., offering free blood sugar/blood pressure tests). In the past year, your company has engaged in a number of these activities to remain competitive and outperform its rivals. You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance.

According to your reward structure, your compensation is not based on your sales performance.

A small portion of the scale items is included due to copyright issues.

Main Variables

Team Sales Performance

Team Pro-Environmental Behavior (Bissing-Olson et al., 2013)

1. My team adequately completed the promotional video in environmentally friendly ways.

Appendix B

Experiments

Study 2a Manipulations

High Competitive Action Intensity/High Leader Performance Reward Expectancy

You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. Because Brimo is your main competitor and the competition in your market is intense, on a yearly basis, your company typically engages in many tactical, competitive actions to maintain its market position, profitability, and survival. These competitive actions include cutting prices, improving products and services, or offering “extras” to make a sale (e.g., offering free blood sugar/blood pressure tests). In the past year, your company has engaged in a number of these activities to remain competitive and outperform its rivals. You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance.

According to your reward structure, your compensation is not based on your sales performance.

Low Competitive Action Intensity/Low Leader Performance Reward Expectancy

You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. However, even though Brimo is your main competitor, the competition in your market is not intense. Therefore, on a yearly basis, your sales team does not engage in tactical, competitive actions to maintain your market position, profitability, and survival. These competitive actions can include cutting prices, improving products and services, or offering “extras” to make a sale (e.g., offering free blood sugar/blood pressure tests). You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance.

According to your reward structure, your compensation is not based on your sales performance.

Low Competitive Action Intensity/Low Leader Performance Reward Expectancy

You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. However, make a sale (e.g., offering free blood sugar/blood pressure tests). In the past year, your company has engaged in a number of these activities to remain competitive and outperform its rivals. You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance. According to your reward structure, your compensation is not based on your sales performance.

A small portion of the scale items is included due to copyright issues.

High Competitive Action Intensity/Low Leader Performance Reward Expectancy

You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. Because Brimo is your main competitor and the competition in your market is intense, on a yearly basis, your company typically engages in many tactical, competitive actions to maintain its market position, profitability, and survival. These competitive actions include cutting prices, improving products and services, or offering “extras” to make a sale (e.g., offering free blood sugar/blood pressure tests). In the past year, your company has engaged in a number of these activities to remain competitive and outperform its rivals. You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance.

According to your reward structure, your compensation is not based on your sales performance.

A small portion of the scale items is included due to copyright issues.

Low Competitive Action Intensity/Low Leader Performance Reward Expectancy

You are a regional sales manager of Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a regional sales manager and a team of three to five sales associates. You are expected to achieve your own sales goals and manage your team of sales associates.

Within your region, your company’s main competitor is Brimo, which is a regional player with a strong market position. However,
even though Brimo is your main competitor, the competition in your market is not intense. Therefore, on a yearly basis, your sales team does not engage in tactical, competitive actions to maintain your market position, profitability, and survival. These competitive actions can include cutting prices, improving products and services, or offering “extras” to make a sale (e.g., offering free blood sugar/ blood pressure tests).

You are responsible for managing the sales performance in your region, but your rewards are not based on your sales performance. According to your reward structure, your compensation is not based on your sales performance.

Study 2b Manipulations and Team Task Instructions

High LBLM/High Team Performance

Reward Expectancy

You are the sales associate at Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a sales manager and a team of—one to five sales associates. Your team is responsible for increasing the sales of your local office. The sales manager of your office, Chris, is responsible for managing your team. Chris is solely concerned with meeting the bottom line (i.e., profits), only cares about the business, treats the bottom line as more important than anything else, and cares more about profits than employee well-being. In addition, your team’s rewards are clearly based on sales performance. According to your company’s reward structure, if your team exceeds its sales performance target by 100%—110%, the team will get a 5% bonus, and if your team exceeds its target by 110%—120%, the team will get a 15% bonus.

High LBLM/Low Team Performance

Reward Expectancy

You are the sales associate at Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a sales manager and a team of—one to five sales associates. Your team is responsible for increasing the sales of your local office. The sales manager of your office, Chris, is responsible for managing your team. Chris is solely concerned with meeting the bottom line (i.e., profits), only cares about the business, treats the bottom line as more important than anything else, and cares more about profits than employee well-being. In addition, your team’s rewards are not based on sales performance. According to your company’s reward structure, your team’s rewards are not based on sales performance.

Low LBLM/Low Team Performance

Reward Expectancy

You are the sales associate at Motic, a large pharmaceutical corporation headquartered on the East Coast of the United States. Motic has an expansive sales network, with 500 local offices across different regions in the United States. Each local office includes a sales manager and a team of—one to five sales associates. Your team is responsible for increasing the sales of your local office. The sales manager of your office, Chris, is responsible for managing your team. Chris focuses on all aspects of his job. He is not solely concerned with meeting the bottom line (i.e., profits), cares about more than just the business, does not treat the bottom line as more important than anything else, and cares about profits as well as employee well-being. In addition, your team’s rewards are clearly based on sales performance. According to your company’s reward structure, if your team exceeds its sales performance target by 100%—110%, the team will get a 5% bonus, and if your team exceeds its target by 110%—120%, the team will get a 15% bonus.

Team Task

Your Task

Today, your sales manager, Chris, has asked your team to create a 60-s promotional video for a new drug that can treat influenza symptoms. Your team is responsible for creating and recording a 60-s commercial for this new drug. Given the importance of your team’s marketing videos to your sales performance, your commercial should be informative, but most importantly, it should market the new drug and help to increase the sales of the new drug. You will be given 1 hr to create and rehearse the commercial, and then, you will record your commercial on your smartphone. After your team completes its video, you should email the video to your professor. The specific instructions for your task are listed below:

Step 1: Read the following information regarding the drug you will promote.

Influenza, commonly called the flu, is an infection of the nose, throat, and lungs, which are part of the respiratory system. People can get influenza through close contact with another person who has the virus. The symptoms can be mild to moderate, including fever, muscle aches, and congestion, but can also be severe, resulting in shortness of breath, persistent chest pain, and even death. While research suggests that most influenza cases are mild, serious illness can happen. People of all ages or groups can be infected with influenza, and some people are more likely than others to get very sick from it, which can lead to hospitalization or death, even when symptoms start off as mild.

There is a newly created treatment for influenza. DAXAFLU is a new, innovative treatment that can help to alleviate the symptoms of
influenza and significantly lessen the chances that the illness will become severe.

To take DAXAFLU, patients will take one pill in the morning and one pill at night for 5 days. They should take DAXAFLU for the full 5 days, even if their symptoms subside. Although there are possible side effects of this new drug, including abdominal pain and muscle aches, medical research has shown that the benefits of the DAXAFLU in helping to alleviate influenza symptoms are significant and far outweigh the possible side effects. People can talk to their doctor about taking DAXAFLU. Their doctor can describe their treatment options and let them know if DAXAFLU is the right choice for them.

Step 2: Create and rehearse a 60-s commercial that will help to increase the sales of this new drug to people infected with influenza. Your video should provide consumers with information on the new drug but should mostly focus on selling the benefits of the drug to consumers to increase its sales.

Step 3: Record the video on your smartphone.

Step 4: Email the video to your professor.

### Appendix C

**Multiple Group Comparisons**

#### Table C1

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<th>Mean difference</th>
<th>SE</th>
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<td>Low competitive action intensity</td>
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<td>Low leader performance reward expectancy</td>
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<td>.28</td>
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*Note.* Study 2a: N = 197. SE = standard error.

#### Table C2

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<td>Low team performance reward expectancy</td>
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*Note.* Study 2b: N = 120. SE = standard error.