



Must it be Good if you Have Strong Ability? The Influence of Subordinate Performance on Leaders'unethical Directive

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Abstract. Academic research confirms that unethical leadership harms organizational well-being, a concern amplified by media coverage of corporate scandals. While the effects on subordinates are well-documented, the impact of subordinates on leaders' unethical behavior remains less explored. This study aims to explore the influence of high-performing subordinates on leaders' ethical decisions within organizations. Utilizing linear regression analysis, we analyzed data from 150 leader-subordinate dyads to assess the relationship between high-performing subordinates and the issuance of unethical directives by leaders. Our findings indicate a significant inverse correlation: leaders are less likely to issue unethical directive when subordinates exhibit superior performance. Additionally, we identified malicious jealousy as a mediating factor, suggesting that leaders may act unethically in response to feeling threatened by the outstanding achievements of their subordinates. The study also revealed that the quality of the leader-subordinate relationship can mitigate such jealousy, with a positive relationship reducing the likelihood of unethical directives stemming from jealousy. These insights offer a novel perspective on the psychological underpinnings of unethical leadership and serve as an empirical foundation for the development of robust leader-subordinate dynamics within organizations.

Keywords: Leader's unethical behavior, subordinate performance, malicious jealousy.

1 Introduction

Within the dynamic global business landscape, unethical behavior by senior executives poses significant challenges. The PwC 2020 survey indicates that senior managers are implicated in 30% of investigated unethical practices, adversely affecting legal compliance and corporate financial health and reputation[12].A 2013 US study revealed that nearly 9% of employees felt compelled to compromise their ethical standards to meet work demands[8],further harming organizational integrity and morale [4,11]. Leaders' unethical behavior refers to illegal and unethical decisions, often extending to encouraging subordinate misconduct, termed 'unethical directive' [3].Current research

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L. Chang et al. (eds.), *Proceedings of the 2024 8th International Seminar on Education, Management and Social Sciences (ISEMSS 2024)*, Advances in Social Science, Education and Humanities Research 867,

https://doi.org/10.2991/978-2-38476-297-2_106

predominantly addresses the outcomes of such behavior, with less attention on its antecedents, particularly the influence of subordinate actions on leaders' unethical behavior[1,7]. To deepen our understanding of leaders' unethical behavior, this study defines such conduct as leaders issuing unethical directive to their employees, and examines the role of high-performing subordinates as potential antecedents to these directives. Additionally, to elucidate the influence of subordinates on leaders' unethical behavior, we consider malicious jealousy as a mediating factor. Leaders may perceive a threat to their organizational status due to subordinates' exceptional performance, sparking malicious jealousy and prompting unethical directive, such as coercing subordinates into fraudulent activities. However, the superior-subordinate relationship quality can modulate this dynamic; a positive relationship can mitigate the likelihood of leaders succumbing to malicious jealousy and engaging in unethical behavior. Therefore, the research framework of this paper is as follows Figure 1:

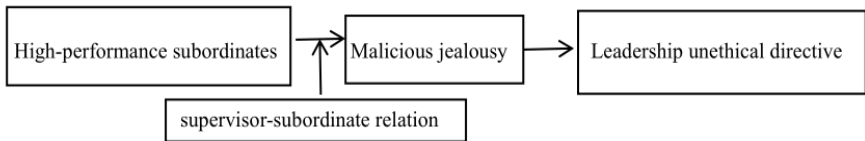


Fig. 1. Research Framework

2 Hypotheses

2.1 High-Performance Subordinates and Leader's Unethical Directive

The theory of moral exclusion suggests that individuals tend to divide others into groups that are 'worthy' or 'unworthy' of fair treatment, which affects their behavioral responses[14]. In the organizational context, high-performance subordinates may be regarded as a group worthy of fair treatment by leaders because of their significant contribution to the organization. So they are unlikely to incur unethical directive from their leaders[10].

Hypothesis 1: High-performance subordinates negatively affect Leader's unethical directive

2.2 The Mediated Effect of Malicious Jealousy

Malicious jealousy, a potent negative emotion, often originates from coveting the talents or achievements of others and is marked by hostility towards those individuals, potentially leading to aggressive behaviors[5]. Within an organizational context, subordinates who consistently perform at a high level are recognized for their significant contributions, thereby amplifying their influence within the enterprise[2], this can provoke feelings of inadequacy in leaders, triggering malicious jealousy[9]. The emotional event theory suggests that emotional responses significantly influence behavior, implying that a leader's jealousy, prompted by a subordinate's success, may precipitate unethical actions[13]. Such negative emotions may elicit defensive behaviors[15],

such as leaders issuing unethical directives to undermine their high-performing subordinates. So we put forward the hypothesis.

Hypothesis 2: High-performance subordinates positively affect the malicious jealousy of leaders.

Hypothesis 3: The leader's malicious jealousy positively affects leader' unethical directive

Hypothesis 4: Leaders' malicious jealousy mediates the relationship between high-performance subordinates and leader' unethical directive.

2.3 The Regulating Effect of the Relationship between Superiors and Subordinates

Organizational leaders frequently categorize employees into an inner circle and an outer circle, typically allocating greater resources and attention to those in the former group. When the rapport between a leader and a subordinate is positive, the leader may view the subordinate as an ally, celebrating their achievements without succumbing to malicious jealousy, thereby reducing the likelihood of engaging in unethical behavior. Conversely, a strained relationship can lead a leader to perceive high-performing subordinates as threats to their authority, potentially provoking malicious jealousy and an increased propensity for issuing unethical directives. As a result, the hypothesis is put forward:

Hypothesis 5: The relationship between superiors and subordinates regulates the relationship between high-performance subordinates and malicious jealousy of leaders.

Hypothesis 6: The superior-subordinate relationship negatively regulates the relationship between high-performance subordinates and malicious jealousy, and the mediating effect is more significant when the superior-subordinate relationship is better.

3 Methods

This study utilized a questionnaire survey to gather data from various enterprises, including those in Guangdong, Shenzhen, Henan, and other regions, resulting in 150 analyzed leader-employee questionnaire pairs. The SPSS tool facilitated data analysis to ascertain variable relationships. High-performance subordinates were assessed on a 7-point Likert scale with 5 items, while malicious jealousy was rated on a 5-point Likert scale with 6 items. Factor loading guided the consolidation of items, with the mean serving as the index, streamlined to a scale of 3. Leaders' unethical directive were evaluated on a 5-point Likert scale with 6 items. Table 1 details variable correlations, indicating that subordinate performance negatively correlates with leaders' unethical directives, and that malicious envy, positively linked to subordinate performance ($\beta=0.210$, $p<0.001$), also positively predicts leaders' unethical directive ($\beta=0.238$, $p<0.001$).

Table 1. Correlation coefficient

Variable	M	SD	1	2	3
1 performance	5.80	0.94			
2 jealousy	2.58	0.69	0.200*		
3 unethical directive	2.67	0.74	-0.292**	0.242**	
4 relation	4.89	1.27	0.261**	-0.182*	-0.188*

Note: $p < 0.05$ *, $p < 0.01$ **

4 Results and Discussion

4.1 The Characteristic of Respondents and Research Results

The research findings were established through a process beginning with reliability and validity assessments, followed by hypothesis testing via regression analysis. Key metrics include high-performance subordinates with a Cronbach's Alpha of 0.870 and KMO of 0.863, malicious jealousy with Alpha 0.800 and KMO 0.695, unethical leadership directive with Alpha 0.886 and KMO 0.875, and superior-subordinate relationships with Alpha 0.918 and KMO 0.897; all factor loads exceeded the threshold of 0.5. Subsequent to the data collection, a common method bias (CMB) test was conducted to address potential homologous error in this study's superior-subordinate dyadic research design. Since all intermediary, outcome, and regulatory variables were assessed by subordinates, there was a risk of common method bias. To mitigate this, the Harman's single-factor test was employed. Findings indicated no single factor accounted for the majority of the variance; the first principal component explained only 28.582%, falling below the 40% threshold that signifies a concerning level of common method bias. Consequently, the study's data does not appear to suffer significantly from common method bias.

Then, we use MPLUS7.4 for confirmatory factor analysis to test the discriminant validity between variables in the model. The results of confirmatory factor analysis are as shown by Table 2, the 4-factor model $\chi^2(183)=231.47$, $p < 0.05$, CFI=0.968, TLI=0.963, SRMR=0.048, which indicates that the fitting data of the 4-factor model is good, and the factor load of all factors is significant, which supports the aggregate validity. On the other hand, the fitting indexes of the 1-factor model were not accepted by the 1-factor model $\chi^2(189)=1131.62$, $p < 0.05$, CFI=0.380, TLI=0.311, SRMR=0.202, The factor model's fit indices were not satisfactory. However, when juxtaposed with a one-factor model, the four-factor model demonstrated superior fit indices, suggesting robust discriminant validity among the four key variables within the study.

Table 2. Confirmatory factor analysis

Model	χ^2	<i>df</i>	χ^2/df	$\Delta\chi^2$	RMSEA	TLI	CFI	SRMR
4 Factor model: A,B,C,D	231.47	183	1.26		0.042	0.963	0.963	0.048
3 Factor model: A,B,C+D	896.45	186	4.82	(3)664.98	0.160	0.473	0.533	0.170
2 Factor model: A,B+C+D	787.66	188	4.19	(2)108.79	0.146	0.560	0.606	0.172
1 Factor model: A+B+C+D	1131.62	189	5.99	(1)343.96	0.182	0.311	0.380	0.202

Note: A is the High-performance subordinates, B for malicious jealousy, C is the leader’s unethical directive, D is the superior and subordinate relation

Finally, we carry on the regression test. The regression results were shown by Table 3 and Table 4. From Table 4, it is known that high-performance subordinates negatively affect the unethical directive of leaders($\beta=-0.355, p<0.01$). Therefore, hypothesis 1 is supported.

Mediated effect test This study’s analysis proceeded through three key steps. Initially, the relationship between high-performance subordinates (independent variable) and malicious jealousy (mediating variable) was assessed, with results from Table 3 indicating a significant positive effect ($\beta=0.293, p<0.01$), thus supporting Hypothesis 2. The second step evaluated the link between malicious jealousy and unethical leadership (dependent variable), confirming a significant positive association ($\beta=0.303, p<0.01$) and supporting Hypothesis 3. The third step involved examining the enhanced effect of high-performance subordinates on leaders’ unethical directive after accounting for malicious jealousy, revealing a masking effect. A bootstrapped 95% confidence interval from Table 4, calculated from 5000 resamples, showed an indirect effect of 0.049 (95% CI: [0.0051, 0.1219]), excluding zero and verifying Hypothesis 4.

Regulation effect test Hypothesis 5 suggests that the superior-subordinate relationship moderates the link between high-performance subordinates and malicious jealousy, with Table 3 detailing the negative impact of this intersection on malicious jealousy ($\beta=-0.122, p<0.01$). The moderated mediation analysis, also presented in Table 3, indicates significant differences in the indirect paths under varying levels of the superior-subordinate relationship ($\beta=0.061, p<0.05$), with a 95% bootstrap confidence interval [0.030,0.1238]. At high relationship quality, malicious jealousy strongly mediates the effect on leaders’ unethical directive ($\beta=0.125, p<0.05$), with a confidence interval [0.0318,0.1720]. Conversely, at low relationship quality, the indirect effect is weaker ($\beta=0.064, p<0.05$), with a confidence interval [0.0173,0.1313]. The total effect of high-performance subordinates on unethical directive, accounting for the superior-subordinate relationship, is significant ($\beta=0.024, 95\% CI [0.0012,0.0487]$), supporting Hypothesis 6.

Table 3. Regulation effect test

Variable	jealousy			Unethical Leader's request		
	Model1	Model2	Model3	Model4	Model5	Model6
Performance	0.200*	0.266**	0.293**	-0.292*	-0.355**	-0.341**
jealousy relation		-0.251**	-0.122**		0.313**	0.303**
95%Bootstrap					[0.0051,0.1219]	
Lnt			0.075*			
R ²	0.04	0.10	0.133	0.085	0.180	0.181
F ²	6.172*	8.071**	7.416**	13.834**	16.112**	10.790**
ΔR ²	0.04	0.06	0.033	0.085	0.095	0.001
ΔF ²	6.172	1.899	0.655	13.834	2.278	5.322
Dependent variable: malicious jealousy						
Note: Lnt is Performance*relation,p<0.05 *,p<0.01 **						

Table 4. Test of the mediation mediation (N=150)

Regulated variable	Test of the mediation mediation	
	Effects	95%confidence interval
Low level of interpretation(-1SD)	0.064	[0.0173,0.1313]
High level of interpretation(+1SD)	0.125	[0.0318,0.1720]
Differences between high and low groups	0.061	[0.030,0.1238]

5 Conclusion

This study significantly contributes to the fields of organizational behavior and management, particularly concerning the dynamics and mechanisms underlying unethical leaders' behavior. It introduces a theoretical framework that incorporates high-performing subordinates as independent variables, malicious jealousy as a mediator, and the quality of superior-subordinate relationships as a moderator. This framework elucidates the internal psychological processes and boundary conditions influencing leaders' unethical directive. The findings highlight an inverse correlation between the performance of subordinates and the unethical directives by leaders. The mediating role of malicious jealousy offers psychological insights into leaders' negative emotional responses to their subordinates' achievements and the subsequent behavioral implications. This enriches moral leadership theory by underscoring the significance of emotional intelligence in ethical decision-making. Furthermore, the study empirically confirms the moderating influence of superior-subordinate relationships, revealing variations in how these relationships affect leaders' experiences of malicious jealousy in response to subordinate performance. This extends the Leader-Member Exchange (LMX) theory, offering a novel perspective on how organizational social structures can

influence unethical conduct. It also aligns with and advances Hassan's[6]inquiry into the roots of unethical leadership behavior within organizational contexts.

The study underscores the multifaceted approach necessary for addressing unethical leader' behaviors within organizational management. It advocates not solely focusing on leaders, but also considering subordinate behaviors, organizational social structures, and the interplay between leaders and followers. This comprehensive strategy is pivotal for fostering organizational ethics and elevating moral standards across the board. The research offers a nuanced exploration into the etiology of unethical leadership, contributing valuable theoretical insights and empirical evidence. However, acknowledged limitations suggest avenues for future inquiry. The sample's geographic concentration may restrict the study's generalizability, highlighting a need for a more diverse and representative dataset. The cross-sectional methodology precludes definitive causal conclusions, necessitating longitudinal approaches. Additionally, reliance on subordinate self-reports could introduce biases, potentially skewing the findings. The study also acknowledges the possibility of unexplored psychological factors, such as leaders' self-efficacy and perceptions of justice by subordinates, which may influence unethical conduct.

In view of these limitations, we suggest that future research can: 1) Collect data from different regions, different industries and organizations of different sizes to enhance the universality of the research conclusions; 2) Adopt longitudinal research design to more accurately capture the dynamic relationship between variables. 3) Combine a variety of data collection methods, such as independent reports of leaders and subordinates, as well as objective job performance indicators to reduce deviations; 4) Explore other possible mediating and moderating variables, such as leaders' personality traits, subordinates' job satisfaction or organizational culture, in order to build a more comprehensive theoretical model. 5) Consider testing potential interventions, such as leadership training or organizing ethics education, to reduce the incidence of unethical behavior.

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