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Bottom-Line Mentality: How It Affects Performance

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Bottom-Line Mentality: How It Affects Performance

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For better or worse, supervisors affect performance. Past research has proven that supervisors who prioritize the bottom-line above all else affect the behavior of their subordinates. In two studies, we dwell deeper into how employees perceive this type of supervisor and how this mentality affects the way subordinates act. We found that supervisors with high bottom-line mentality garner negative perceptions from employees, damage the relationship between the two, and lead to decreased performance—even when employees also have a high bottom-line mentality.



Bottom-line Mentality and Social Exchange Theory

Bottom-line mentality refers to a mindset that focuses on bottom-line outcomes to the neglect of other priorities. This mentality is characterized by a singular focus and competitiveness. Supervisors with high bottom-line mentality will prioritize their own interests and view others—including their subordinates—as opponents to be bested or resources to be exploited in pursuit of the bottom-line. While the bottom-line is most often related to financial performance, it can be anything that is focused on at the detriment of competing interests.

Aside from bottom-line mentality, our research also draws from social exchange theory. Social exchange theory states that interactions between parties, such as a supervisor and employee, can create a high-quality relationship over time. However, to build this positive relationship, both sides need to follow certain “rules.” The most famous of these rules is reciprocity, where individuals respond in kind to how they are being treated.

The Effects of Supervisor Bottom-line Mentality

Supervisors who consider the bottom-line as supremely important may not want their employees to fail. However, because bottom-line mentality drives them to pursue their own interests, they end up neglecting employee well-being. As a result, if these supervisors help employees, it is only to support bottom-line pursuits.

These actions effectively signal to employees that they are merely a means to an end. They also represent the opposite of what employees expect out of good supervisors: selfless and others-

focused behaviors. In this way, supervisors who have a high bottom-line mentality fail to build fondness and trust with their employees, leading employees to consider the relationship to be a poor social bond.

In turn, this negative opinion held by employees translates into poor work performance. This response aligns with social exchange theory: employees who feel neglected or used will also feel inclined to respond with reciprocity by withholding good work performance. Note that although employees are paid for their work, this purely economic exchange is not nearly as important as social aspects when employees determine the quality of a relationship and their subsequent response in the form of work performance.

We tested these ideas in two studies that involved a series of surveys to analyze the relationship of a combined 443 pairs of employees and supervisors in a broad range of jobs and industries. The results of these studies corroborate our hypotheses. In short, supervisors with high bottom-line mentality develop poor relationships with employees, who will withhold performance as a result.

What About Employee Bottom-line Mentality?

Research has also shown that when employees and supervisors have differences in values or attitudes, the quality of the relationship between the two suffers. Accordingly, the lower the bottom-line mentality of an employee, the worse they will consider the relationship with a high bottom-line mentality supervisor to be and the worse they will perform. On the other hand, if supervisors and employees hold similar views about the bottom-line, the negative effects on the relationship and performance will be less severe. The findings from our two studies suggest these ideas hold true. Hence, we can conclude that even employees with high bottom-line mentality want supervisors that focus on interpersonal aspects of a relationship and not only on the bottom-line.

Application and Real Estate Perspective

The results of our research are clear: if you manage or supervise others and you focus exclusively on the bottom-line, you are damaging those relationships and decreasing the actual performance of your real estate team. Therefore, you should be very aware of the message you pass along to employees, as even those who prioritize the bottom-line above all else can be negatively affected. If you have been pursuing the bottom-line at the expense of other priorities, you may be holding back your team. By shifting your mindset and actively building these relationships with employees, you can help them, and the company as a whole, thrive instead.

Recommended Reading

Quade, Matthew J., Benjamin D. McLarty, and Julena M. Bonner (2019) “The Influence of Supervisor Bottom-Line Mentality and Employee Bottom-Line Mentality on Leader-Member Exchange and Subsequent Employee Performance,” *Human Relations*, doi:

[10.1177/0018726719858394](https://doi.org/10.1177/0018726719858394).

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