The Dark Side of Bottom-Line Thinking: How Supervisors' Bottom-Line Mentality Stifles Employee Voice and Innovative Work Behavior?

Imran Hameed
Associate Professor, Faculty of Business, Sohar University, Sohar, Oman
Email: ihameed@su.edu.om   im_hameed@hotmail.com

Abstract

The existing research on bottom-line mentality has mainly focused on understanding why it leads employees to unethical behaviors. The current study aimed at understanding why, how, and when supervisor bottom-line mentality (SBLM) discourages positive employee behavior (e.g., voice, and innovative work behavior), which is an under-researched area. While doing so, this study utilized the tenets of conservation of resource theory to explain the impact of SBLM. The study also identified psychological safety as the underlying mechanism of SBLM - employee positive behavior relationship. In addition, grit has been proposed in this study as the boundary condition of this relationship, which has not yet been studied with SBLM. The data from 156 respondents were collected using a self-administered questionnaire and non-random sampling. The confirmatory factor analysis was conducted using AMOS 23, and hypotheses were tested through ordinary least squares (OLS) regression analysis using SPSS Process Macro. The results supported the study hypotheses by showing that SBLM significantly affected employee voice, innovative work behavior, and psychological safety in the proposed direction. In addition, the mediation of psychological safety and moderation of grit were also supported. The study also provides important theoretical contributions and implications for managers and policymakers.

Keywords: Supervisor bottom-line mentality; employee voice; innovative work behavior; psychological safety; grit; banking sector.

1. Introduction

In the contemporary business world, characterized by hyper-competition and pressure to achieve results, it is not surprising that supervisors place too much emphasis on outcomes. Although achieving targets is undeniably important, the literature suggests that the singular focus of supervisors and leaders on bottom-line outcomes can have several unintended consequences for organizations and their employees (Babalola et al., 2022; Hameed, 2025). This approach is known as supervisor bottom-line mentality (SBLM) and is defined as supervisors' tunnel vision or a singular focus on bottom-line results (i.e., profits) and the

neglect of other competing priorities such as well-being, ethical considerations, and interpersonal dynamics (Greenbaum et al., 2012; Mitchell et al., 2023). This kind of leadership style may result in short-term gains but can have serious negative consequences in the long term (Eissa et al., 2019) for workplace culture and employee behaviors. The literature shows that a bottom-line mentality can result in incivility (Babalola et al., 2020), unethical behavior (Ge, 2018), deviance (Hameed et al., 2025), etc.

The current study contends that SBLM not only encourages employees to indulge in negative workplace behaviors but also discourages them from engaging in behaviors that are important for the organization's routine functioning and continuous improvement. Considering this, a key area of concern is to understand how SBLM affects the way employees feel about speaking up (i.e., voice) and sharing new ideas (i.e., innovative work behavior). Employee voice is defined as discretionary communication of suggestions and ideas to managers that are constructive and sometimes provocative (Liang et al., 2012). Whereas innovative work behavior (IWB) is defined as the intentional creation, introduction, and application of novel ideas for organizational benefit (Janssen et al., 2004). It is argued here that indulging in these behaviors requires a sense of safety, which refers to the belief that there will be no negative consequences for raising questions or proposing something different. This belief is called psychological safety and is argued to be a vital condition for open communication and work experimentation (Edmondson, 1999; Edmondson & Bransby, 2023). However, SBLM works against psychological safety because employees fear that their input might be ignored or punished for deviating from performance expectations (Wan et al., 2021). Therefore, psychological safety is proposed here as an important underlying mechanism for understanding how SBLM impacts employee voice and IWB, which was previously used for explaining the negative behaviors, e.g., knowledge hiding (Shahid et al., 2024).

To understand these relationships, the study uses the lens of the conservation of resources (COR) theory (Hobfoll, 1989; Hobfoll et al., 2018), which suggests that people tend to withdraw from behaviors that feel resource-draining or risky when they sense that their personal reserves—like emotional energy or trust—are being threatened. SBLM, by its nature, can create this kind of environment. If speaking up feels too risky, employees may stay silent, and if innovation feels unsupported, they may retreat into safe, routine tasks. What makes this even more complicated is that not all employees respond the same way. Some seem more resilient than others, even in unsupportive climates. One such important individual characteristic is grit. Grit is defined as a person's perseverance and passion for long-term goals (Duckworth et al., 2007) and has been linked to resilience in the face of setbacks, sustained engagement, and adaptability under pressure (Lee, 2022; Southwick et al., 2019). In demanding environments shaped by SBLM, employees with high grit might be better equipped to maintain psychological stability and continue contributing—even when conditions aren't ideal. Traits like grit tend to matter more when the environment

challenges people to dig deeper or push through discomfort (Tett & Burnett, 2003). Therefore, grit is proposed as an important boundary condition of the SBLM—psychological safety relationship.

In doing so, the study aims to make multiple contributions to the existing literature. First, this study broadens our understanding of why SBLM impacts employees' positive behaviors (i.e., voice and IWB) through the lens of COR theory (Hobfoll et al., 2018). Second, the explanation of psychological safety (Edmondson & Bransby, 2023) as the underlying mechanism of the SBLM and employee outcomes relationship helps organizational policymakers understand how SBLM discourages employee positive behaviors, hence enabling them to design countermeasures. Third, it considers a unique individual factor (i.e., grit) as a moderator (Lee, 2022; Southwick et al., 2019)—asking whether those high in grit are less affected by the pressures of SBLM than their lower-grit peers. Despite the growing attention to SBLM and grit, they haven't been studied together in the extant literature, nor has enough work been done to explore how psychological safety helps explain the connection between SBLM and employee positive behaviors. Therefore, this study aims to offer a comprehensive view of how personal and contextual factors interact to shape these behaviors in the workplace.

2. Theoretical Framework and Hypotheses

2.1. Supervisor Bottom-Line Mentality, Employee Voice, and Innovative Work Behavior

The existing literature shows that employee voice is inherently relational and sensitive to how employees perceive their supervisors' (Arain et al., 2020; Klaas et al., 2012). In bottom-line-driven environments, where leaders prioritize profits over other outcomes, employees are more likely to feel that voicing concerns or suggestions is not only unwelcome but possibly detrimental to their standing. Yue et al. (2022) point out that leadership communication styles that promote empathy and clarity can cultivate strong voice behavior—but SBLM works in the opposite direction. It diminishes relational trust and makes the consequences of speaking up seem uncertain or even risky (Greenbaum et al., 2023; Moazzam & Malik, 2025). Moreover, the pressure to align strictly with performance goals can breed a culture focused on maintaining the status quo. Employees may begin to feel that dissent, even if constructive, could be interpreted as disloyalty or incompetence (Morrison, 2014). Drawing from COR theory (Hobfoll et al., 2018), when employees feel that their input may not be welcomed, their instinct is to conserve emotional and psychological energy by staying silent. Mesdaghinia et al. (2019) showed that SBLM can trigger unethical pro-leader behaviors. Employees may engage in self-protective strategies aimed at pleasing supervisors rather than challenging their decisions, effectively replacing voice with silence or compliance.

Similarly, the supervisor with a strong bottom-line mentality often narrows the perceived value of employees' contributions, sending the message that only what's measurable and immediate matters (Greenbaum et al., 2023; Hameed et al., 2025). According to Wan et al. (2021), leaders who fixate on financial outcomes foster environments where employees

feel undervalued and cautious, especially when their ideas don't align perfectly with current performance targets. Interestingly, research by Ren et al. (2024) shows that SBLM can, under competitive pressure, drive performance in some contexts—but it comes at the expense of "non-essential" behaviors, including sustainability and longer-term innovation. Therefore, we argue that SBLM discourages IWB. The same pressure that sharpens short-term focus also discourages novel ideas. Malik et al. (2023) further suggest that SBLM fosters socially undermining climates where competition and fear of failure are high. In such settings, taking initiative may feel not only unrewarded but outright dangerous, especially if the outcome is uncertain or delayed. Taken together, we hypothesize the following.

> ➢ Hypothesis 1: SBLM negatively impacts a) employee voice and b) IWB.

2.2 The Mediating Role of Psychological Safety

SBLM emphasizes performance outcomes to such an extent that employees may begin to feel that relational, ethical, or developmental priorities have been pushed aside (Greenbaum et al., 2023). In such environments, employees are more likely to experience psychological insecurity, particularly in terms of whether speaking up is welcome or even safe. Psychological safety—defined as the belief that one can express oneself without fear of negative consequences (Edmondson, 1999)—tends to diminish when leaders convey a rigid, unsupportive, and output-only focus (Greenbaum et al., 2012; Wan et al., 2021).

This decline in safety has important implications for employee voice, which Morrison (2011) explained as a deliberate, high-risk behavior that depends on interpersonal trust and contextual support. Speaking up involves confronting ambiguity, power dynamics, and uncertainty—factors that become particularly pronounced in performance-pressured climates. Based on COR theory (Hobfoll, 1989), employees exposed to SBLM face psychological resource depletion due to high pressure, low emotional support, and relational neglect. Zhu et al. (2025) recently supported this argument by showing that SBLM impairs employees' psychological availability (i.e., a key personal resource) and subsequently undermines their creativity and discretionary behaviors. In response, they are likely to conserve what resources remain by withholding ideas, concerns, or feedback. Wan et al. (2021) found that SBLM reduced employees' psychological safety, which in turn reduced employee positive behaviors. Therefore, we argue that voice behavior requires feeling protected, and when psychological safety is low, raising a voice is not considered a viable option due to the conservation of resources (Hobfoll et al., 2018). These arguments suggest that psychological safety is not a passive outcome but an important psychological mechanism for explaining how SBLM can result in reduced employee voice and IWB.

Similarly, IWB requires employees to challenge the status quo and propose novel ideas, which involve uncertainty and risk of failure (Amabile, 1996; Janssen, 2000; Janssen & Giebels, 2013). On the contrary, SBLM emphasizes bottom-line and immediate outcomes,

unintentionally cultivating a work climate that discourages risk-taking. Such leaders are usually perceived as unsupportive (Greenbaum et al., 2020) or even punished for behavior that falls outside predefined performance expectations. COR theory (Hobfoll, 1989) explains that the absence of psychological safety becomes a key threat to cognitive and emotional resources. In such a case, employees begin to view innovation not as a contribution but as a risk. This is particularly true when failure is not tolerated or when supervisors show little appreciation for intangible outcomes (Wan et al., 2021). Psychological safety allows employees to absorb these risks, and in its absence, individuals tend to fall back on routine tasks and safe behaviors that guarantee compliance but not innovation. Therefore, psychological safety plays the role of an important underlying mechanism that transfers the impact of SBLM on employee voice and IWB. Taken together, we propose the following hypothesis.

➢ Hypothesis 2: Psychological safety mediates the a) SBLM—employee voice and b) SBLM—IWB relationship.

2.3 The Moderating Role of Grit

While SBLM tends to undermine psychological safety, the degree of that impact is not uniform across individuals. One key factor that may buffer this relationship is grit, defined as the passion and perseverance for long-term goals (Duckworth et al., 2007). Individuals high in grit are more likely to persist in the face of adversity, maintain emotional stability, and stay focused even when external conditions are not supportive (Southwick et al., 2019). Therefore, grit can function as a boundary condition that mitigates the emotional and cognitive strain caused by SBLM.

SBLM creates a high-pressure and goal-dominant environment. Literature shows that Employees high in grit are more likely to stay engaged, persevere despite tension, and maintain a sense of internal psychological security—even when their leaders fail to provide external support (Lee, 2022). Southwick et al. (2019) argue that individuals with grit tend to sustain their psychological resources even in volatile or resource-depleting environments. Yet, the role of grit is not purely compensatory. It may not reverse the climate created by SBLM, but it can weaken its adverse psychological effects. Gritty employees are more accustomed to long-term struggle and delayed gratification; they may interpret high demands not as hostile but as challenges to be met. This reframing can protect their sense of psychological safety, even if leadership signals are otherwise unsupportive. Biggs et al. (2024) further show that grit is vital for employees to continue working in challenging environments without getting disengaged.

To sum up, grit can potentially work as a boundary condition of SBLM—psychological safety relationship. Grit enables employees to cope at a personal level and feel less psychologically unsafe while working with a high bottom-line mentality supervisor. Therefore, we hypothesize the following (please see Figure 1).

Hypothesis 3: Grit moderates the SBLM—psychological safety relationship, such that the relationship is weaker when grit is high and vice versa.
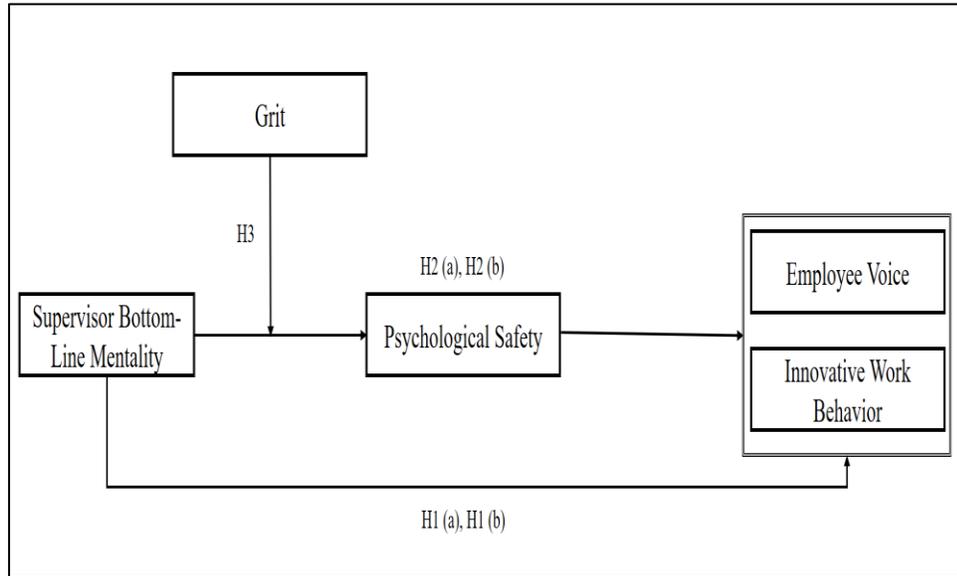

Figure 1: Hypothesized Model

3. Method

The data for the current study were collected from employees working in the banking sector in Lahore, Pakistan. The banking sector was considered to be the relevant target population for the current study, considering the intense focus of this sector on bottom-line outcomes and strict deadlines. The total number of items in the survey questionnaire was 26; therefore, according to sample to item ratio, we needed a minimum of (26 x 5) 130 respondents (Suhr, 2006). The survey questionnaire was divided into two sections. The first section contained demographic variables, and the second section contained questions related to the main study variables [i.e., SBLM, psychological safety (PS), employee voice, IWB, and grit]. The questionnaire was accompanied by a cover letter, which explained the purpose of the study and ensured the respondent's anonymity of their responses (Podsakoff et al., 2012). The respondents were not required to fill in any identifying information in the questionnaire. They were also requested to express their consent and return the filled questionnaire to the researcher if they deem appropriate. Using non-random sampling (convenience sampling) and a self-administered questionnaire, 250 respondents were contacted by using personal contacts. Out of 250, 164 filled questionnaires were received, showing a response rate of 66% approximately. After discarding eight questionnaires with significant missing data, the final dataset comprised 156 respondents. The majority of

respondents were males (51%), and the majority held a bachelor's degree (56%), followed by master's (38%). The average age of the respondents was 31 years, and the average experience was 4.6 years.

3.1 Measures

All the items were measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) until specified otherwise (except demographics). SBLM was measured using a four-item scale developed by Greenbaum et al. (2012). Psychological safety was measured using a four-item scale from Edmondson's (1999) psychological safety scale. Employee voice was measured using a six-item scale developed by Van Dyne and LePine (1998). IWB was measured using a four-item scale developed by Welbourne et al. (1998). Grit was measured using an eight-item short grit scale (Grit-S) developed by Duckworth and Quinn (2009).

Employee demographics such as age, gender, education, and experience were also measured to serve as controls during the analysis and rule out alternative explanations for the hypothesized relationships.

4. Results

After initial data screening, the confirmatory factor analysis (CFA) was conducted using AMOS 23. All items of the five variables (i.e., SBLM, PS, voice, IWB, and grit) were loaded on their respective factors. We used the CFI, TLI, RMSEA, and CMIN/DF as the model fit indices (Kline, 2023), which are most commonly used in business and management research. The results of the hypothesized model showed good data fit (CMIN/DF=1.22, CFI=.96, TLI=.96, RMSEA=.04). Then we also tested two alternate models (Bentler & Bonett, 1980). The first alternate model was a two-factor model (the first factor was created by loading the items of SBLM and grit together, and the second factor comprised the items of the other three variables), which showed poor data fit (CMIN/DF=3.53, CFI=.57, TLI=.52, RMSEA=.13). The second alternate model was a single-factor model which also showed poor data fit (CMIN/DF=4.17, CFI=.46, TLI=.41, RMSEA=.014), hence providing support for the hypothesized five-factor model (please see Table 1). Harman's (1960) single factor test was also conducted for testing common method bias (CMB), which showed that the first factor only accounted for 27.45% variance, which is below the threshold value of 50%, suggesting that CMB was not a major threat in our dataset.

Table 1: Measurement Model

Measurement Model	CMIN/DF	CFI	TLI	RMSEA
Model 1: Five-Factor Model	1.22	.96	.96	.04
Model 2: Two-Factor Model (SBLM + Grit, and other three variables)	3.53	.57	.52	.13
Model 3: Single-Factor Model	4.17	.46	.41	.14

The next step was to test the composite reliability (CR), convergent and discriminant validity of the constructs. The CR value should be greater than .70, and for convergent validity to be established, average variance extracted (AVE) should be greater than .50, and for discriminant validity to be established AVE should be greater than maximum shared variance (MSV) (Hair et al., 2010). The results presented in Table 2 showed that all variables fulfil the criteria for CR, convergent and discriminant validity, except for grit which has low AVE.

Table2: Reliability and Validity

	CR	AVE	MSV	ASV	IWB	SBLM	PS	Voice	Grit
IWB	0.87	0.62	0.24	0.14	0.78				
SBLM	0.80	0.51	0.21	0.13	-0.35	0.71			
PS	0.88	0.65	0.24	0.20	0.49	-0.46	0.80		
Voice	0.86	0.51	0.23	0.15	0.30	-0.43	0.48	0.72	
Grit	0.85	0.41	0.13	0.09	0.35	-0.08	0.36	0.30	0.64

N= 156; CR=Composite reliability; AVE=Average variance extracted; MSV=Maximum shared variance.

Table 3 presents the descriptive statistics and bivariate correlations. The correlation results showed that all main study variables have significant correlations in the desired direction. None of the control variables had a significant correlation with the main variables, except gender with PS and education with IWB.

Table 3: Correlation and Descriptive Statistics

	Mean	SD	1	2	3	4	5	6	7	8	9
1-Age	31.05	6.44	1								
2-Gender	1.49	.50	-.04	1							
3-Education	2.31	.59	-.04	.24**	1						
4-Exp.	4.61	4.29	.82**	.10	-.07	1					
5-SBLM	3.22	.84	.09	.01	-.07	.15	1				
6-PS	1.89	.97	-.10	-.16*	-.09	-.14	-.37**	1			
7-Voice	2.18	.99	.03	-.13	.03	.05	-.28**	.37**	1		
8-IWB	2.44	.96	-.10	-.11	-.21**	-.07	-.31**	.41**	.28**	1	
9-Grit	2.90	.75	-.00	-.15	-.14	-.01	-.05	.29**	.25**	.29**	1

The study's hypotheses were tested using SPSS Process Macro (Hayes, 2018). Hypothesis 1 stated a negative impact of SBLM on employee voice and IWB. The results presented in Table 4 showed that SBLM had negative significant effect on voice (effect size = -.21, standard error = .06, P = .026, confidence interval = -.40, -.03), and IWB (effect size = -.26, standard error = .09, P = .006, confidence interval = -.42, -.07). Therefore, hypothesis 1 was supported. The second hypothesis argued the mediating role of PS in the SBLM—voice and SBLM—IWB relationship. Following the steps of Zhao et al. (2010), the path a and path b should be significant to test the indirect effect. The path a (i.e., SBLM to PS) was significant (effect size = -.42, standard error = .09, P = .000, confidence interval = -.59, -.25). The path b (i.e., PS to voice and IWB) was also significant in both cases i.e., voice (effect size = .32, standard error = .08, P = .000, confidence interval = .16, .49), and IWB (effect size = .30, standard error = .08, P = .000, confidence interval = .15, .46). The indirect effect of SBLM on voice (effect size = -.13, standard error = .05, confidence interval = -.24, -.05), and IWB (effect size = -.13, standard error = .04, confidence interval = -.42, .07) was significant, hence providing support for hypothesis 2.

Table 4: Hypotheses Testing Results

	PS		Voice		IWB	
	Estimate (SE)	P (LLCI, ULCI)	Estimate (SE)	P (LLCI, ULCI)	Estimate (SE)	P (LLCI, ULCI)
Age	-.01 (.02)	.764 (-.05, .03)	-.02 (.02)	.348 (-.06, .02)	-.03 (.02)	.179 (-.06, .01)
Gender	-.26 (.15)	.095 (-.55, .04)	-.25 (.16)	.112 (-.56, .06)	-.06 (.15)	.681 (-.35, .23)
Education	-.15 (.13)	.228 (-.40, .09)	.14 (.13)	.274 (-.11, .40)	-.31 (.12)	.012 (-.55, -.07)
Experience	-.01 (.03)	.755 (.07, .05)	.06 (.03)	.073 (-.01, .12)	.03 (.03)	.306 (-.28, .09)
SBLM	-.42 (.09)	.000 (-.59, -.25)	-.21 (.06)	.026 (-.40, -.03)	-.26 (.09)	.006 (-.42, -.07)
PS			.32 (.08)	.000 (.16, .49)	.30 (.08)	.000 (.15, .46)
Grit	.34 (.09)	.000 (.15, .53)				
Indirect Effect						
SBLM→PS→Voice			-.13 (.05)	(-.24, -.05)		
SBLM→PS→IWB					-.13 (.04)	(-.42, -.07)
Interaction Effect						
SBLM x Grit	-.26 (.11)	.026 (-.48, -.03)				
Simple Slope						
Low Grit	-.16 (.14)	.237 (-.43, .11)				
Medium Grit	-.41 (.09)	.000 (-.58, -.25)				
High Grit	-.57 (.11)	.000 (-.79, -.35)				

The hypothesis 3 of the study was related to the moderating role of grit on the SBLM—PS relationship. The results of the Process Macro showed the grit had a significant positive

effect on PS (effect size = .34, standard error = .09, P = .000, confidence interval = .15, .53). The results also showed that the interaction term (i.e., SBLM x Grit) has a significant negative impact on PS (effect size = -.26, standard error = .11, P = .026, confidence interval = -.48, -.03), thereby supporting this hypothesis. This relationship was further probed with moderation graph (Figure 2), which also provides evidence of the negative impact of grit on the SBLM—PS relationship.

Consistent with COR theory (Hobfoll, 1989), SBLM's negative impact on voice, IWB and PS exhibit employees' tendency to conserve emotional and cognitive resources in stressful situations. The findings also align with Zhu et al. (2025) who reported that SBLM reduced psychological availability that resulted in reduced creativity, in Chinese context. These results are consistent in the current study in Pakistani context, where psychological safety is used as the underlying mechanism. Moreover, the significant moderating role of grit (Southwick et al., 2019; Lee, 2022) showed that individual factors can act as a buffer and reduce the effect of SBLM on PS. In sum, these findings are consistent with existing theoretical arguments and empirical results.
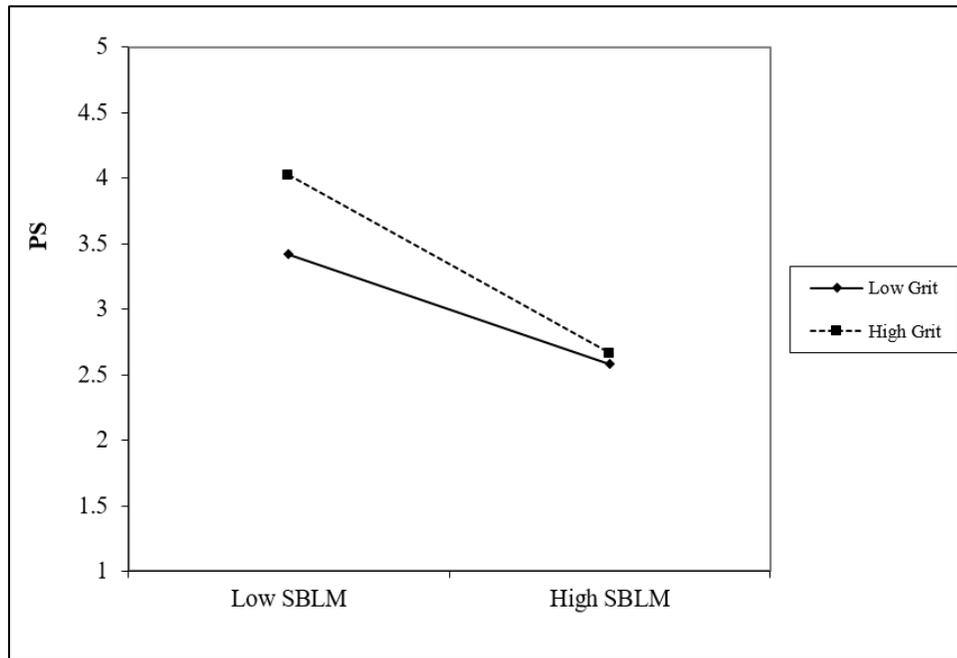

Figure 2: Moderation Graph

5. Discussion

The current study aimed at investigating why, how, and when SBLM leads towards discouraging positive employee behaviors such as voice behavior and IWB, as these behaviors are critical for organizational performance and adaptability. Using the core tenets of COR theory (Hobfoll, 1989; Hobfoll et al., 2018), a mediation model was proposed where psychological safety (Edmondson, 1999; Edmondson & Bransby, 2023) was argued as the underlying psychological mechanism of SBLM and employee positive behaviors relationship. In addition, grit (Duckworth et al., 2007) was proposed as the boundary condition of SBLM—psychological safety relationship.

The results of the study showed that SBLM negatively impacted employees' psychological safety, which in turn reduced employee voice and IWB. The results are in accordance with the theoretical arguments of COR theory (Hobfoll et al., 2018) and existing literature (Greenbaum et al., 2012; Wan et al., 2021). In high-SBLM contexts, employees perceive that mistakes are penalized, concerns are dismissed, and alternative viewpoints are unwelcome, as these activities are perceived to stifle the achievement of the bottom-line results. Since both voice and innovation require emotional effort, cognitive investment, and the perception that speaking or experimenting will not lead to punishment, the erosion of psychological safety becomes a central mechanism by which SBLM undermines these behaviors.

The current study also identified and hypothesized grit as a boundary condition of the SBLM—psychological safety relationship. The results reveal that individuals high in grit—those who display sustained passion and perseverance toward long-term goals (Duckworth et al., 2007)—are more likely to maintain a sense of psychological safety even in challenging environments. This finding aligns with prior work showing that grit enhances resilience and adaptive functioning under pressure (Southwick et al., 2019; Lee, 2022). Employees with high grit appear more capable of reframing the demands of bottom-line-driven leadership as challenges rather than threats, thereby preserving their interpersonal confidence and sense of control.

However, the study also highlights that grit does not eliminate the negative effects of SBLM; rather, it attenuates them. Employees low in grit experienced significantly sharper declines in psychological safety under high SBLM, suggesting that personal resources like grit are critical in navigating difficult leadership climates but cannot fully compensate for the lack of supportive structures. These results provide a comprehensive understanding of why, how, and when SBLM translates into reduced positive employee behaviors.

5.1 Theoretical Contributions

The current study has made multiple important theoretical contributions to the literature on bottom-line mentality and employee behavior. First, while existing studies have identified the role of SBLM in encouraging negative or unethical behaviors (Greenbaum et al., 2020; Hameed et al., 2025; Mitchell et al., 2023), the current study highlighted that SBLM also

suppresses positive employee behavior, such as voice and IWB. Second, the study enhances the growing literature on psychological safety (Edmondson, 1999; Edmondson & Bransby, 2023) by situating it as an underlying mechanism of dysfunctional leadership style (i.e., SBLM) and positive employee behaviors (i.e., employee voice and IWB). While Edmondson (1999) established psychological safety as a team-level construct that facilitates learning and performance, this study affirms its individual-level function and sensitivity to relational cues in the workplace. In doing so, it builds on recent work emphasizing the micro-foundations of safety, including how it can be diminished in target-driven cultures (Wan et al., 2021).

Third, by integrating grit into the leadership-behavior framework, the study contributes to a more nuanced understanding of how individual differences shape employee responses to adverse leadership conditions. Grit is often studied in isolation as a predictor of persistence or academic success (Duckworth et al., 2007), whereas it is shown here to function as a boundary condition. In the current study, high-pressure environments created by SBLM will have less impact in reducing psychological safety when employees are gritty, allowing them to remain psychologically stable where others may falter. Finally, by examining how SBLM and grit interact to influence discretionary employee outcomes through psychological safety, the research provides a holistic framework for understanding why, how, and when SBLM impacts employee positive behaviors.

5.2 Managerial Implications

The findings of this study also have multiple implications for managers and practitioners. First, the results suggest that an overemphasis on bottom-line results can backfire by undermining the essential employee behaviors that are key to innovation and performance. Leaders and executives must recognize that psychological safety is not a secondary concern but a foundational condition for sustainable organizational effectiveness. Training programs should emphasize interpersonal skills, humility, and support for failure as essential competencies in leadership development. Second, organizations should monitor and manage the broader climate that arises from SBLM. While setting performance goals is important, the way those goals are communicated and pursued must balance accountability with emotional support. Creating safe spaces for feedback, encouraging upward communication, and rewarding learning behavior can help counteract the rigidity associated with bottom-line thinking. As research shows, psychologically safe climates are more conducive to high-quality decision-making, problem-solving, and innovation (Edmondson & Bransby, 2023; Edmondson & Lei, 2014).

Third, the moderating role of grit points to the importance of identifying and supporting resilient employees, particularly in roles or departments subject to high demands. While grit should not be used as an excuse to tolerate poor leadership, recognizing its value can help organizations build more robust teams. This may involve incorporating grit assessments into selection or development processes, as suggested by Lee (2022), or

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providing mentorship and coaching programs that nurture perseverance and long-term goal orientation. Ultimately, while SBLM may be difficult to eliminate entirely in competitive environments, its adverse effects can be mitigated by fostering psychological safety and equipping employees with personal resources such as grit.

5.3 Limitations and Future Research Directions

The current study has some limitations that can be overcome by future research. First, the study used a cross-sectional design, which is not a suitable design for testing the causality and is also prone to single-source bias (Podsakoff et al., 2003). It is recommended that future research should use multisource, multilevel, or longitudinal designs to overcome this limitation. Second, the data for the study were collected from a single industry. Hence, the results may not be generalizable to other industries, therefore, in the future, the data evidence from other industries be included in the analysis. Third, it is also recommended that future studies should identify other individual and contextual factors that can help cope with the detrimental effects of SBLM, e.g., trust in leadership, perceived organizational support, etc. Fourth, this study used psychological safety as the underlying process of SBLM—employee behaviors relationship; future studies could look for alternative explanations such as emotional exhaustion (Wan et al., 2021), psychological availability (Zhu et al., 2025), moral disengagement (Greenbaum et al., 2023), etc. Finally, the model in the current study is grounded in COR theory (Hobfoll et al., 2018), future research can integrate other theoretical lenses, such as social exchange theory or self-determination theory, for identifying motivation or autonomy-related effects.

Research Funding

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