The Role of Leaders in Managing Envy and its Consequences in their Organizations

Theresa M. Floyd

Charles E. Hoogland

Richard H. Smith

University of Kentucky

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Leaders in organizations face numerous challenges. Among these is helping employees cope with the fact that, over time, some in the organization will succeed and some will fail, leading to potentially disruptive emotions. One of the leader's roles is to understand and manage these emotions to ensure they do not result in negative interpersonal or organizational outcomes. Further, through their words and deeds, leaders can foster a culture in which more positive emotional reactions to others' fortunes are more likely to occur, ultimately benefitting the individuals involved and the organization as a whole. Although there are numerous possible reactions to the positive and negative fortunes of others, this chapter will focus mainly on benign or malicious envy in response to another's success and the implications of these two types of envy for destructive or constructive responses to a successful other. We will give particular attention to one example of the consequences of malicious envy, schadenfreude, pleasure when the more fortunate other suffers a setback. We will examine why malicious envy creates the conditions for schadenfreude and suggest how leaders can prevent it from harming their organizations. We will suggest that leaders, through their influence on employee's perceptions of justice, feelings of control, and organizational culture, can shape their envy so that it is benign rather than malicious in nature -- thus minimizing negative responses and promoting positive responses instead.

Rather than choosing a particular organizational context and exploring the leader's role in managing within that context, we take a different route and describe factors that may be present in any organizational context that can lead to feelings of envy, and then discuss how the leader's role in managing employee emotions like envy often

includes managing the situational context in order to: (1) ensure that differentiated employee outcomes lead to benign envy and its associated positive behavioral outcomes, and (2) prevent any feelings of malicious envy that may arise from being acted upon. In both cases, we argue that leaders have an important role in creating and influencing the situational context, and that, specifically, the way that leaders foster justice, promote employees' feelings of control, and exemplify an ethical organizational culture will greatly impact the context within which feelings of envy arise and unfold. Ultimately, we argue that leaders can manage the manifestation of employee emotions and their resulting behaviors through the impact they have on the organizational context.

**What is Envy and Why Does Envy Exist?**

Envy is the painful awareness that one lacks someone else's superior fortune or personal quality. In an evolutionary sense, it is testimony to the natural, automatic reaction we should have to any situation that is "bad" because it represents the hindering of an important goal (Barrett, 2012; Ellsworth & Smith, 1988; Frijda, Kuipers, & Ter Schure, 1989; Larsen & McGraw, 2014; Russell, 2003). Envy *should* be painful to the degree that the advantaged person signals that a self-relevant goal or aspiration seems blocked (Barrett, 2012; Tesser, 1988; Tesser, Millar, & Moore, 1988). It is probably good that we do experience a painful feeling in such situations; otherwise, we might fail to do anything about our disadvantaged state. Indeed, a "functionalist" perspective on emotion holds that they exist to guide adaptive responses to the environment--and envy, the specific pain felt in reaction to another's advantage, should be no exception (Hill & Buss, 2006).

Although it may seem less primal than more basic emotions such as fear and anger, envy may not be unique to human beings. Even capuchin monkeys have shown what might be considered a form of envy, as they will reject a less tasty treat when they see another monkey receive a more delicious grape (Roma, Silberberg, Ruggiero, & Suomi, 2006). Apparently, receiving less than one's share can be as unpleasant to monkeys as it is to people. Envy, as an unpleasant, negative emotion, should be a particularly powerful motivator of behavior, as "bad is stronger than good" in the sense that negative events tend to have stronger emotional and behavioral consequences than positive ones (cf. Barclay & Kiefer, 2014; Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001). This makes intuitive sense when one considers that, for example, failing to be sufficiently afraid of a predator even once may have grave consequences, just as a failure to learn from one's missteps at work might have grave consequences for one's employment status. In any event, envy should powerfully motivate "adaptive" behaviors aimed at reducing the threat of losing the social status so important to one's fortunes (DelPriore, Hill, & Buss, 2012; Hill & Buss, 2006). Envy should be useful to individuals, and even possibly to the groups to which they belong, because groups succeed best when all group members achieve their full potential. Recognition of this is crucial in an organizational context, where leaders can play a vital role in determining whether people will feel motivated to lift themselves up or to undermine those they envy.

**Which Situations are Likely to Cause Envy?**

We envy people who are similar to us and who enjoy advantages in areas that matter to us (cf. Festinger, 1954; Tesser et al., 1988). Findings by evolutionary

psychologists Sarah Hill and David Buss also suggest that targets of envy are generally those with whom we have the most contact (rather than "the rich and famous"); this makes sense, given that the former should have a greater impact on our personal outcomes than the latter (Hill & Buss, 2006). Competition for resources and mates is largely local, and physical proximity is one of the greatest determinants of interpersonal attraction (Alicke, Zell, & Bloom, 2010; Festinger, Back, & Schachter, 1950). Thus, being outcompeted by nearby rivals should be particularly painful. Generally, then, the Joneses will *feel* more important to keep up with than, say, the Kardashians. Likewise, people within organizations often work together in close quarters and will tend to be similar on self-relevant attributes, such as career aspirations and job skills. Indeed, many may have identical job roles, making them almost unavoidable targets of comparison. Inevitably, these similar others will vary in their performance, and some will enjoy desired promotions or salary increases or may have better relationships with the boss. These characteristics of most organizations set the stage for envy. Further, that envy is more likely to be directed toward coworkers than distant corporate executives, despite the clearly superior status and financial fortunes of the latter. This reality is perhaps unsettling, as an envious person probably cannot do much damage to distant executives but could very much harm the performance of others in his or her smaller workgroup.

One organizational situation which may result in feelings of envy among coworkers is differences in the quality of the relationships between a leader and her followers. Leader-member exchange (LMX) theory recognizes that leaders do not have a unitary relationship with their followers as a whole, but instead have one-on-one relationships with each employee (Schriesheim, Castro, & Cogliser, 1999). The quality of

the relationship between the leader and each of his followers can vary greatly, with some

employees enjoying high LMX relationships, characterized by mutual trust and influence

between leader and follower (Graen & Uhl-Bien, 1995), while other employees

experience low LMX relationships, characterized by relations defined by the formal roles

of supervisor and subordinate (Fairhurst & Chandler, 1989). Employees are often aware

of the differences in the quality of the relationship between leaders and their followers

(Omilion-Hodges & Baker, 2013). These differences can result in the formation of in-

and-out groups based upon LMX differences, and envy often arises as a result (Hooper &

Martin, 2008; Kim, O'Neill, & Cho, 2010; Tai, Narayanan, & McAllister, 2012). The

way that envy manifests itself in these situations can vary based upon a number of factors

over which the leader has some control, including perceptions about the justice of the

differences in the relationships (Omilion-Hodges & Baker, 2013). We believe that a

skillful leader is capable of influencing whether any envy that develops is benign or

malicious.


**Malicious and Benign Envy**

Traditional thinking in social psychology and the business and organizational

leadership literatures focuses on a type of envy containing a strong hostile component.

However, there is also evidence that envy need not have negative consequences, aside

from feeling subjectively unpleasant to the envier.[1] The other, less "sinister" form of

envy has been termed "benign envy," which refers not to a value judgment about whether

experiencing it is morally good or bad, but to its consequences for the target of envy (van

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[1] Sterling (2013), however, has found that *chronic* feelings of both malicious and benign envy are associated with lower job satisfaction, which could result in greater turnover intentions.

de Ven, Zeelenberg, & Pieters, 2009). Benign envy is a form of envy in which the focus is not on the other person, but rather on the envy object. The motivational consequences of benign envy are more likely to be that the envier strives to close the invidious gap through self-improvement rather than interpersonal destruction (Belk, 2011; Crusius & Lange, 2014; van de Ven et al., 2009; van de Ven, Zeelenberg, & Pieters, 2011). Most extant envy research in an organizational context has focused on envy as traditionally conceived, namely envy infused with hostility (i.e., malicious envy). This literature reveals a number of possible undesirable outcomes associated with malicious envy, including lower group performance (Duffy & Shaw, 2000), lower job satisfaction (Dogan & Vecchio, 2001; Vecchio, 2005), greater turnover (Duffy & Shaw, 2000), greater absenteeism (Duffy & Shaw, 2000), negative gossip (Michelson, Van Iterson, & Waddington, 2010), social undermining (Duffy, Scott, Shaw, Tepper, & Aquino, 2012), and, perhaps foremost, decreased willingness to help the envied other (Kim et al., 2010). Recalling that envy, whether benign or malicious, ultimately motivates behavior aimed toward reducing the invidious gap between self and other, all these behaviors would seem predictable, as each diminishes the standing of the target of envy. By the same token, however, benign envy can also reduce the gap, and research has revealed that it can lead to increased productivity (Kim et al., 2010; van de Ven et al., 2009).

Recent findings confirm the importance of the distinction between benign and malicious envy. Envy, when it is benign, usually leads to salutary outcomes, such as increased performance, without the negative effects associated with malicious envy (Belk, 2011; van de Ven et al., 2009).[2] Clearly, such findings have great practical implications for leaders.

**Leaders' role in managing envy**

In almost every organization, reactions among employees to the same event will sometimes vary widely, including those where the socially-appropriate response is happiness for another person's good fortune. To say that reactions to upward social comparisons are influenced by a multitude of factors and can entail many different emotions would be an understatement. In this section, we explore factors that have been shown to influence the experience of benign or malicious envy, and describe steps that leaders can take to favor the formation of benign envy over malicious envy.

Our guiding model, shown in Figure 1, illustrates how leaders can impact the situational context within their organizations in order to influence whether differentiated outcomes result in benign or malicious envy, and to avoid any feelings of malicious envy leading to undesired behavior. As noted above, we propose that leaders should focus on three aspects of the situational context: (1) perceptions of justice (fairness), (2) employees' feelings of control over their situations, and (3) organizational culture. Employees' judgments of fairness and sense of control have a significant role in determining whether the success of a similar other is met with feelings of benign or malicious envy. Leaders' skills in managing perceptions of fairness and in fostering in employees a sense of control will influence how envy arises in response to the success of others. In addition, leaders' skills in creating and maintaining the organizational culture will influence whether the success of a similar other is met with feelings of benign or malicious envy, and whether feelings of malicious envy result in undesired behavior,

such as social undermining, withholding of support and/or resources, or other deviant

behaviors.

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Insert Figure 1 about here

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**Judgments of fairness**

Typically, envy initially occurs when a desired, self-relevant attribute is noticed in

a similar other (e.g., Salovey & Rodin, 1984). As the episode of envy unfolds, however,

many thought processes can occur, both conscious and unconscious (Klein, 2013; Stein,

1997). Among these, judgments regarding the fairness or justice of another's advantage

are critical to determining the form that envy and closely related emotions, such as

resentment, are likely to take. Sometimes, an advantage is judged to be objectively unfair,

meaning unfair in a way that almost everyone would agree is unfair. When another's

advantage is appraised in this way, the feeling is more resentment or righteous

indignation than envy (Križan & Smith, 2014; Smith & Kim, 2007). Naturally, judgments

of the fairness or justness of an advantage have a decisive impact on reactions to other's

superior outcomes, and thus leaders' efforts and ability to respond to perceptions of

justice are extremely important, as a long tradition of research shows (e.g., Duffy et al.,

2012; Feather & Sherman, 2002). When employees believe that complaints about

another's advantage are justified, they will be more likely to voice righteous indignation

and perhaps take open actions to alter the situation (Križan & Smith, 2014). If indeed the

employees' assessments are accurate, it usually behooves leaders to try to correct the injustice. Otherwise, resentment may fester, leading to especially destructive consequences (Bies & Tripp, 2005; Duffy et al., 2012).

Even in cases where objective fairness exists, employees may still view the envied person's advantage as unfair (Heider, 1958; Smith, Parrott, Ozer, & Moniz, 1994; van de Ven et al., 2009). This judgment will be subjective (Smith & Kim, 2007); however, the fact that the person views that the advantage is unfair will mean that they also resent this advantage and will likely find ways to undermine the advantage (Feather & Sherman, 2002). Furthermore, the sense of unfairness will be a main reason why the envy will have a hostile, malicious nature (Smith & Kim, 2007; van de Ven et al., 2009).

Whereas malicious envy will follow from judgments of subjective unfairness, benign envy is more likely to follow when the other's advantage is seen as fair. Self-improvement motivations will likely result, which are considered definitional to benign envy (van de Ven et al., 2009). Furthermore, the judgment of whether an advantage deemed objectively fair by social consensus is *subjectively* unfair or undeserved[2] is critical to determining whether envy will ultimately lead to beneficial or destructive outcomes (Smith & Kim, 2007). When one decides that another's advantage is fair and just, the focus shifts to the self and how one might obtain the object of envy.

Judgments of subjective fairness need not be based on rational considerations, such as whether the person was responsible for his or her advantage (e.g., Van Dijk,

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[2] An objectively unfair advantage is, *ipso facto*, also subjectively unfair. Thus, it may not be surprising that resentment and malicious envy, which arises in reaction to subjectively unfair advantages, are often experienced simultaneously (Feather & Sherman, 2002; Feather & Naim, 2005). These emotions and judgments are linked closely enough that "invidious resentment" is frequently considered a component of malicious envy (e.g., Smith & Kim, 2007).

Goslinga, & Ouwerkerk, 2008; Van Dijk, Ouwerkerk, Goslinga, & Nieweg, 2005).

Rather, these judgments can be colored by a number of factors in the workplace, such as

a competitive environment or zero-sum reward structure (Loden, 1985; Maier, 1999;

Walton, 1999). Once the enviable person's advantage is viewed as unfair (e.g., because

the enviable person won a competition despite lesser apparent effort than other

competitors), the envied person becomes the center of attention, rather than the object of

envy. Hostile feelings ensue, and often-insidious attempts will be made to undercut the

other person. An especially common way of doing so in the workplace is to withhold

assistance, perhaps because this is easier to conceal than outright aggressive acts and

voluntary assistance is not a requirement of most jobs (Hareli & Weiner, 2002; Kim et

al., 2010). Envy may not dissipate until the other suffers a downfall, thereby restoring a

sense of balance to the situation (bad, rather than good, things should happen to "bad"

people; Heider, 1958), leading to rewarding feelings of schadenfreude (Cikara, Botvinick,

& Fiske, 2011; Takahashi et al., 2009). To the extent that leaders can create a culture of

less toxic competition and foster team cohesion and interpersonal liking, then, malicious

envy might be prevented.

Leaders, using their awareness of their employees and the situation, can

effectively manage their employees' perceptions of justice by remaining attentive to

employee reactions and making adjustments to communication where needed. Justice

perceptions revolve around three main facets: (1) distributive justice, (2) procedural

justice, and (3) interactional justice (Colquitt, 2001). Employees' beliefs about

distributive justice are based upon their perceptions of their own and comparative others'

inputs and outputs. Because employees cannot accurately "see" others' inputs, their

cognitions about distributive justice are inherently subjective and error-prone (Adams, 1965). Leaders can help to make them more objective by clearly stating the inputs that earned the comparative other the desired outcome and encouraging the employee to strive for the same level of performance.

Procedural justice, rather than focusing on the distribution of responsibilities and rewards, focuses on the process by which decisions are made. Research suggests that six main criteria help employees to determine if procedures are fair: (1) whether decisions are applied consistently across all employees at all times, (2) whether decisions are free from bias, (3) whether decision-makers collect accurate and complete information before making the decision, (4) whether there is a mechanism whereby mistakes can be corrected, (5) whether the decision conforms to agreed-upon ethical standards, and (6) whether the opinions of employees or groups affected by the decision are taken into account (Leventhal, Karuza, & Fry, 1980). Again, the initial transparency of the decision process is important. Leaders who recognize the potential for perceptions of procedural injustice among employees can hold informal conversations with disgruntled employees to ensure they understand the process that was followed for each decision and give them an opportunity to express their concerns. Leaders should be careful to clearly explain the process so that employees can see that the criteria for procedural justice have been met, especially because envy can motivate a search for reasons to have less socially-condemned reactions to another's disadvantage, such as seemingly justified moral outrage over its unfairness.

Interactional justice focuses on the way employees feel about the quality of interpersonal treatment. Decisions will be considered fair if employees feel they are

treated with dignity and respect and are given reasonable explanations for decision

processes and outcomes (Bies & Moag, 1986). Leaders who recognize the importance of

interactional justice are careful to treat all employees with respect and provide timely,

accurate and complete information. To do otherwise invites pain at other's advantages to

take a maliciously envious turn for the worse. Given that both positive and negative

emotions play central roles in justice perceptions (Barclay & Kiefer, 2014), failing to

recognize an employee may be suffering envious feelings might make perceptions of

injustice, and consequent destructive behaviors, even more likely.


**Control**

        Related to judgments of subjective unfairness (and resulting malicious envy) is

that people who make such appraisals also tend to believe they have little control over

their disadvantaged status. Low control, to a degree, suggests that one should not be

blamed for the disadvantage, which, in turn, aggravates the sense of unfairness.

Generally, malicious envy is associated with perceptions of low control (van de Ven et

al., 2009), and this perception, together with subjective unfairness, seems to explain why

malicious envy has it hostile character. Indeed, from a psychoanalytic perspective,

unpleasant feelings of dependence (and thus a lack of control over one's own fortunes)

are "at the very core of envy" (Stein, 1997, p. 454) and such feelings may trigger

mutually destructive attacks against those people one counts on most (Klein, 2013; Stein,

1997).[3]

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[3] A leader's dependence on her subordinates, and the invidious perception that they have fewer
responsibilities and stressors, might cause that leader a degree of envy as well, which may discourage her
from helping her coworkers to develop their skills, a crucial aspect of effective leadership (Stein, 1997).

Employees' sense of control over the situation not only affects whether malicious envy will form, but also whether benign envy, and its attendant inspiration to improve one's own performance, can form. Star performers - people of superior talent and outcomes - are often held up as role models, but these role models do not always engender inspiration in others. Classic research by Lockwood and Kunda (1997) examined when and why social comparisons with others will increase or undermine one's self-evaluations (i.e., self-esteem), and also whether or not these comparisons lead to feelings of inspiration. Feeling that one has a realistic chance of addressing an achievement gap greatly influences not only envy, but also the highly motivating and positive emotion of inspiration. In one study, participants all read about an enviable fourth year student who was athletically, socially, and academically successful. Some participants were in their first year of college, while others were in their fourth year. Compared to a control group who did not read about another student, the first year students had *higher* self-evaluations, but the fourth year students trended toward suffering somewhat *lower* self-evaluations. The stratospheric heights of the star student seemed more attainable to the first year students than to the fourth year students, whose opportunity to successfully emulate the target had long since passed. That is, the fourth year students felt little control over their relative disadvantage. They were painfully aware of this and defended their self-worth by psychologically distancing themselves from the star student, as evidenced by their rating the fellow fourth year student as less similar to them than did the *first year* students! The other's achievements were clearly

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Leaders would therefore do well to remain vigilant to whether they may be feeling invidious resentment of those working under them.

unattainable, as reflected by the fact that 6% of fourth year students felt inspired by the

star student, while 86% of first years did (Lockwood & Kunda, 1997).

Leaders can effectively and profoundly impact employees' judgments when they

might otherwise feel threatened by organizational role models. In their third and final

study, Lockwood and Kunda (1997) directly manipulated the perceived attainability of a

star student's achievements by leading participating students to believe that their

intelligence was either "fixed" and unchangeable, or that it was "malleable" and could be

increased through hard work and concentrated effort. This manipulation was not effected

through simply telling people "improvement is/is not possible," but rather by presenting

them with seemingly objective evidence on *why* intelligence is fixed or malleable.

Paralleling earlier results, those led to accept as true that there was little they could do to

improve their intelligence saw a non-significant dip in their self-evaluations relative to a

control group, while those who thought they could become smarter and be like the star

felt inspired and enjoyed improved self-views. More recently, van de Ven and colleagues

(2009) found that priming malleable as opposed to fixed views of intelligence decreased

happiness over a superior performer's misfortune, as the envy they felt was less malicious

and more benign in character than that of those led to believe that they had no personal

control over their performance.

Leaders who regularly provide their employees with constructive feedback

effectively prime their employees to believe that they have control over whether their

performance improves, while also providing practical suggestions about how this

improvement can be accomplished. Focusing the feedback on tasks that must be

accomplished, in addition to coaching employees to have faith in their ability to learn the

new tasks, is the method most likely to lead to improvements in employee performance

(Kluger & DeNisi, 1996). An employee's improvement in performance is likely to lead to

fewer feelings of malicious envy in the future, since the employee will have a memory of

successfully improving her performance in reaction to a feeling of envy in the past.

Another way that leaders can foster feelings of control in their employees is by

encouraging top performers, who may be envied by their peers, to mentor other

employees (Dogan & Vecchio, 2001). This can show the top performer's peers that it is

possible to narrow or close the gap between them and the top performer, thus

encouraging felt envy to be benign envy and increasing productivity. It is also helpful to

have individual conversations with employees to quantify the skills relevant to a desired

promotion, rather than passively allowing them to make the demotivating conclusion that

they just are not good enough and never will be, or perhaps worse still, that their

coworkers do not deserve well-earned advantages (Molden & Dweck, 2006; van de Ven

et al., 2009). Self-defeating thoughts like those can propagate malicious envy, rather than

benign envy, as the only way to reduce the painful gap between the self and the more

fortunate other may seem to be cutting the other down to size.


**Culture**

We argue that the organizational culture has a significant impact on how feelings

of envy will unfold, and especially on whether feelings of malicious envy will lead to

undesirable behaviors. Leaders play a critical role in establishing the culture and norms of

the organizations in which they work. The most influential ways that they communicate

their expectations to others within the organization are defined as the "primary

embedding mechanisms." According to Schein (2010), leaders get their messages across about what's important in their work units through (1) what they pay attention to, measure, and control on a regular basis, (2) how they react to critical incidents and organizational crises, (3) how they allocate the organization's limited resources, (4) the ways in which they deliberately role model, teach, and coach coworkers, (5) how they allocate rewards and status, both informally and formally, and (6) how they recruit, select, promote, and excommunicate from groups within the organization and from the organization overall. These primary embedding mechanisms are all part of the day-to-day activities of leaders, and these myriad daily activities, aggregated over time, communicate to the leader's employees what the leader considers to be important. Employees will naturally take to heart what their leaders value, and their behavior will be influenced accordingly. The fortunes of companies depend in no small part on the effectiveness of leadership in fostering the conditions most conducive to harmony, efficiency, and, ultimately, the bottom line.

In their review of unethical and ethical behavior in organizations, Treviño and colleagues (2014) identified a number of ways that leaders can influence the culture within their organizations in order to foster ethical behavior and discourage unethical behavior. First, enforcement of punishment for unethical behavior has been shown to reduce instances of unethical behavior (Kish-Gephart, Harrison, & Treviño, 2010). Second, fostering an ethical climate or culture is associated with fewer instances of unethical choices (Kish-Gephart et al., 2010; Victor & Cullen, 1988). Leaders have been shown to influence the ethical character of their organizational cultures through their own ethical leadership behaviors (Schaubroeck et al., 2012). Brown and colleagues (2005)

argue that leaders who demonstrate ethical behavior in their personal actions and

interpersonal relationships show that it is a norm of the organization that should be

emulated. Transformational leaders (Bass & Avolio, 1993) and authentic leaders (Avolio

& Gardner, 2005) have been found to have a positive effect on ethical employee

behavior. In contrast, abusive supervision (e.g., verbal putdowns or the silent treatment)

is associated with increases in unethical behavior and fewer instances of reporting of

unethical conduct (Hannah et al., 2013). It is clear that leaders have a big impact on the

ethics of their employees' behavior.

In addition to outlining the value of previously studied forms of leadership on

organizational culture and employee emotions and behavior, we would like to propose

and explore how a new conception of leadership – facilitative leadership – is related to

the management of employee emotions and resulting behaviors.


**Facilitative Leadership**

We propose that leaders can best promote a culture that effectively manages the

potentially disruptive emotions of envy (and associated emotions such as schadenfreude)

by practicing a kind of *facilitative leadership*, in which the leader, like a good facilitator

in a meeting, sets the stage for successful outcomes, then steps back and allows

employees to exercise their skills, making suggestions and adjustments along the way as

needed. We propose that facilitative leadership is about the day-to-day actions in which

leaders engage that cumulatively communicate to their employees the leader's vision, the

fairness of policies and procedures, and the organization's culture. Facilitative leaders

realize that their every action is under review by their employees, and every action is

interpreted in the context of past actions to slowly build the organization's culture. Rather than announcing overtly, "We have a culture of..." facilitative leaders demonstrate the culture in their day-to-day activities.

We have discussed how judgments of unfairness, feelings of helplessness about changing one's fortunes, and zero-sum, competitive reward structures can lead to malicious envy and undesirable behavioral outcomes. Leaders, through their everyday actions, can foster a culture where distributions of rewards and responsibilities, the procedures used to decide upon these distributions, and the way that these distributions and procedures are explained to employees are perceived as fair and equitable. Leaders, through the behavior that they reward, can emphasize teamwork and support rather than cutthroat competitiveness. They can bolster their employees' confidence in their own abilities through regular performance reviews and impromptu coaching, and they can make it clear that tearing others down is not the way to get ahead in the organization. A natural consequence of this leadership style should be that less advantaged employees will be more likely to perceive their less desirable outcomes as fair but changeable, and thus more likely to use the pain of envy as an impetus for positive personal change, rather than a motivator toward destructive workplace behaviors.

Although they share an emphasis on creating a coherent guiding vision for an organization, facilitative leadership differs from charismatic leadership, in which the leader effectively communicates an inspiring vision that employees want to follow (Conger & Kanungo, 1987), in that the facilitative leader allows employees to help in the crafting of the organization's vision, trusting that the combined talents and intelligence of all employees are likely to create a better vision than one person alone could do. This

does not mean that the facilitative leader lacks a personal vision of what the organization should be like. Rather, it means that the facilitative leader recognizes that there is "more than one way to skin a cat," and is willing to be flexible about exactly how the vision will be achieved, and is also willing to support changes to his or her original vision if employees suggest better ideas. Allowing others to help shape organizational goals increases perceptions of control over one's personal outcomes, thereby reducing malicious envy and boosting benign envy. Indeed, Sparrowe, Soetjipto, and Kraimer (2006) found that consulting with employees about how and what should be done is a primary way for leaders to foster more interpersonal helping behaviors in their organizations among employees with low quality relationships with them, although this consultation has little effect on the leader's "inner circle," who may take such requests as more of a given.

Facilitative leadership shares some similarities with transformational leadership. Like transformational leaders, facilitative leaders challenge their employees intellectually, are responsive to the needs of their followers, and are most effective if they develop their emotional intelligence (Ashkanasy & Tse, 2000; Lowe, Kroeck, & Sivasubramaniam, 1996). Where facilitative leadership differs is in its acknowledgement that the small, everyday actions of the leader can have big cumulative effects on organizational culture and employee behavior, and in its recognition that effective leaders often achieve results through these everyday actions, such as having the right conversation with the right person at the right time to forestall potential issues, facilitate desired behavior, or encourage beneficial relationships. These actions will greatly influence how and the extent to which envy will unfold in the workplace, and its impact.

We propose three necessary facets of facilitative leadership: (1) awareness, (2) attentiveness, and (3) adjustments. First, facilitative leaders must have a strong *awareness* of their employees' individual strengths, weaknesses, and personalities, as well as their relationships with each other and with their leader. This awareness allows facilitative leaders to pay attention to areas with the potential to result in positive or negative outcomes for the organization or its employees. In the case of envy, knowing where there is a potential for envy allows the leader to take active steps to manage it. *Attentiveness* means that the facilitative leader is aware of potential problems or opportunities before they occur, and this attentiveness provides the leader with the opportunity to make adjustments where needed to achieve desired outcomes. With respect to envy, facilitative leadership therefore entails predicting and taking the steps necessary to manage the emotion *before* it occurs. *Adjustments* might include the leader changing his or her approach with a particular employee or group, having a conversation with an employee who is feeling a bit disgruntled, or choosing two people with complementary talents to work on a project together. These "course corrections" can lessen malicious envy, and obviate its potentially negative interpersonal and organizational consequences. In short, facilitative leaders foresee potential areas of contention and forestall potential negative outcomes through honest, respectful communication with employees at the individual level. In so doing, they foster a productive organizational culture and improve individual and organizational outcomes.

If leaders play a role in creating and influencing organizational culture (Schein, 2010), facilitative leaders, through awareness, attentiveness and adjustments, can manage emotions of employees not only through active exchanges with them, but also indirectly

through helping to create an atmosphere in which malicious envy is less likely to wreak intra-organizational havoc. Below, we explore ways in which leaders can harness and shape envy to take more productive and less destructive forms through their influence on the organizational culture.

**Creating a Culture of Respect and Empathy**

Facilitative leaders can adjust their style and their individual interactions to foster a culture that achieves desired reactions to the successes and failures of others at work. Malicious envy is not a foregone conclusion, even in situations where interpersonal competition can make others seem threatening. We do not argue that complete lack of competition is the only way to avoid negative reactions to others' outcomes. We instead suggest managing competition so that it is "healthy" competition, through ensuring fairness, encouraging collaboration, and fostering a supportive environment in which employees feel they have personal control over their outcomes (cf. Buunk, Zurriaga, Peíró, Nauta, & Gosalvez, 2005). Taken together, these steps should reduce the potential for malicious envy and schadenfreude without encouraging social loafing and jeopardizing the organization's bottom line. Some ways to foster a culture of healthy competition include combining individual rewards and recognition with team-based goals and rewards, making sure to formally recognize the efforts and contributions of individuals as well as teams, and using objective performance metrics that are transparent to everyone within the organization.

Leaders should bear in mind the difficulty of "objectively" rating intangibles such as "team spirit." Critcher, Helzer, and Dunning (2011) review evidence that people define

important social concepts like intelligence in self-serving ways to protect and enhance

their self-esteem. For example, being a good "team player" is often one of the most

valued traits in a worker. Thus, when defining teamwork, one might overemphasize how

important it is to speak one's mind at meetings, a personal strength, if one is also known

for being the first to leave work whenever a big deadline for the workgroup is looming.

This highlights even more the role of fairness in emotion management, as people can

convince themselves with idiosyncratic definitions of fuzzy concepts that they should

have gotten a reward that went to someone else. The clear lesson is that objective

measures of productivity, teamwork, and so forth should be in place to prevent people

from positive self-illusions that can ultimately set them up for toxic malicious envy and

resentment.

**Envy's Role in Responses to Another's Misfortune**

Leaders must manage team members' reactions not only to coworker successes,

but also to their failures. Sympathy or empathy toward the unfortunate person is usually

the appropriate response, but a failure can also lead to schadenfreude, or joy over the

misfortune.[4] This section will detail the various ways in which malicious envy, but not

benign envy, can lead to schadenfreude, both directly and indirectly through its influence

on other emotions. Additionally, it will explain why schadenfreude frequently is not a

harmless reaction that safely can be ignored by organizational leaders. It will also show

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[4] Schadenfreude can be distinguished from pure joy by noting that it is an emotion that occurs only in social
contexts, or those involving real or imagined people. By definition, the antecedent to schadenfreude is
always another's misfortune or disadvantage of one sort or another. Hence, envy and schadenfreude are
closely linked emotions, despite the pain of one and the pleasure of the other.

that a leader's success at shaping the kind of envy likely to emerge in response to positive events also plays a major role in responses to misfortunes.

**How envy causes schadenfreude**

Studies finding evidence for envy as a cause of schadenfreude have usually included hostility as a component of envy, suggesting that malicious envy, but not benign envy, causes schadenfreude (Feather & Sherman, 2002; Hareli & Weiner, 2002; van de Ven et al., 2014; Van Dijk, Ouwerkerk, Goslinga, Nieweg, & Gallucci, 2006). Many of the "ingredients" of malicious envy, including inferiority feelings, perceived undeservedness of the envied person's advantage, and disliking of the envied person have themselves been identified as causes of schadenfreude in studies involving a rich variety of contexts. These contexts include sports (international soccer: (Leach, Spears, Branscombe, & Doosje, 2003); college basketball: (Hoogland et al., 2014)), a college quiz bowl competition (Leach & Spears, 2008), university life (e.g., Feather & McKee, 2014), and even the politics of war and peace (Combs, Powell, Schurtz, & Smith, 2009). Given that malicious envy and schadenfreude share many antecedents, leaders can prevent schadenfreude not only by influencing reactions to a coworker's misfortune itself, but also through ensuring that preexisting perceptions of the coworker are more benign (e.g., by clearly explaining why the coworker deserves her advantages).

### Inferiority and self-esteem threat.

*Intergroup inferiority*. There are number of leadership lessons can be distilled from the research findings on schadenfreude. Feelings of inferiority can pave the way for schadenfreude in both intergroup and interpersonal contexts. For example, Leach and

Spears (Leach & Spears, 2008) found "a vengefulness of the impotent" when students whose university quiz bowl team had previously been defeated felt joy over an "innocent" third-party team's defeat. This joy was considered to betray a form of displaced anger and hostility in reaction to painful inferiority feelings labeled "*ressentiment*" by Friedrich Nietzsche (Leach & Spears, 2008). Thus, to the extent that inferiority defines envy, it is clear that envy can lead people to rejoice in the suffering of bystanders, perhaps because this protects or enhances the threatened self (van Dijk, Ouwerkerk, Wesseling, & van Koningsbruggen, 2011). The implication is that such feelings and resulting actions can impact not only the envier and the envied within an organization, but also other coworkers who had nothing to do with the envier's self-threatening disadvantage.

The self can be thought of both in terms of one's group membership and one's self as a unique individual, or in terms of being part of a team versus an independent actor. Encouraging people to reframe what might seem to be highly aversive situations can be a very powerful tool indeed, and leaders should keep this tool at their disposal. Leaders can utilize this knowledge, by, for example, making it clear that a team member's win is also one's own win, although implementing and reminding envious employees of team-performance-based bonuses will likely have a stronger effect than words alone. Another lesson, however, is that carving out small, tight-knit groups of competing teams within an organization could have unintended consequences (e.g., *ressentiment*) if leaders do not stress that people are part of a larger, more inclusive workplace identity, making it less likely people will see the success of other groups as undesirable or threatening (cf. Gaertner & Dovidio, 2014).

*Acute self-esteem threat*. In addition to self-esteem at the intergroup or collective level, individual-level inferiority feelings or self-esteem threat have also been identified as a cause of schadenfreude at the misfortune of envied others. This threat is often present in the common context of having recently suffered the personal failure of poor performance on an important test, although personal failures suffered in the workplace should have similar effects (van Dijk, van Koningsbruggen, Ouwerkerk, & Wesseling, 2011; Wills, 1981). The happiness over another's downfall is experienced as a result of an attempt to repair damaged or threatened self-conceptions through downward social comparisons (i.e., comparisons with someone worse off). The domain of the envied other's downfall can be in the domain of superiority, but it can also be in an unrelated domain (van Dijk, van Koningsbruggen, et al., 2011). Although envy is often diminished by another's loss of the object of envy, it is a very social status-sensitive emotion, hence the preceding findings that envy enhances schadenfreude following both threat-related and threat-unrelated misfortunes. In that respect, schadenfreude is a highly "opportunistic" emotion. Fortunately, leaders can take action to prevent both acute and more chronic threats to their coworkers' self-esteem from leading to malicious envy and schadenfreude, as described in the subsection below.

*Chronic self-esteem threat and self-affirmations*. Acute self-esteem threat can cause nearly anyone to be more prone to schadenfreude toward those they maliciously envy, but chronically low self-esteem is associated with heightened schadenfreude as well (van Dijk, van Koningsbruggen, et al., 2011). Critically, this low self-esteem need not lead inevitably to happiness over others' woes. In a study of self-esteem and self-affirmation effects on schadenfreude, participant affirmations of self-worth prevented

personal failure from heightening schadenfreude toward an enviable other, strongly

attenuating the link between low self-esteem and schadenfreude (van Dijk, van

Koningsbruggen, et al., 2011). Affirmations usually come in the form of reflections on

something important in one's life or one's values, and have a tendency to reduce

defensiveness among people low in self-esteem who are otherwise prone to self-

enhancement or self-protection through schadenfreude at the misfortune of a high-flying

peer (Steele, 1988; van Dijk, van Koningsbruggen, et al., 2011). The reason for this,

moreover, is that self-affirmation reduces the self-threat posed by the superior fortunes of

others. Leaders can leverage self-affirmations by asking their employees to focus on

valued aspects of their work or their life to prevent envy from leading to schadenfreude,

and even to lessen defensiveness and self-threat resulting from negative feedback from

occurring in the first place (van Dijk, van Koningsbruggen, et al., 2011). Encouraging

self-affirmations among employees with low self-esteem might prevent them from

feeling as threatened by other's successes; resultantly, this could also make them less

prone to avoiding interactions with high performers from whom they could learn valuable

skills.

**Does schadenfreude provide harmless pain relief for envy?**

   In an organizational context, joyous reactions to justice seemingly being served

for wrongdoers might be more permissible than most other cases of schadenfreude.

Fostering a culture in which any counter-empathic schadenfreude is encouraged,

however, might ultimately lead to callousness in the face of suffering and an

unwillingness to help—and justice perceptions are most certainly in the (potentially

envious) eye of the beholder. In the context of sports, it is often considered perfectly fine

to be happy over a rival team's loss. Empirical work, however, has indicated that more

highly-identified fans are happy not only over rival losses, but also upon reading about

injuries to players on opposing teams (Hoogland et al., 2014). The underlying dynamics

here or in other situations very easily could be driven by malicious envy, which often

goes hand in hand with disliking and resentment. There is little reason to believe that

malicious envy cannot underlie plainly inappropriate reactions to very serious

misfortunes befalling the envied, and schadenfreude in these situations may be a strong

warning sign that, given the opportunity, an employee might be willing to engage in

deviant behavior against the envied (Duffy & Shaw, 2000). Leaders cannot, therefore,

assume that only a small subgroup of organizations might be prone to such undesirable

dynamics, and thus, as suggested earlier, care must be taken when placing groups of

employees in competition against one another.

      Neural evidence also drives home the point that schadenfreude can betray an

unsettling degree of counter-empathic feelings toward the less fortunate, having serious

consequences later on. Cikara and colleagues (2011) conducted an innovative fMRI brain

scan study in which intensely-identified New York Yankees and Boston Red Sox

baseball fans, who also espoused hatred for the rival team, lay inside the scanner and

watched simulated good and bad plays by the Yankees, the Red Sox, or the non-rival

Toronto Blue Jays while they self-reported their emotional reactions. Results showed that

the degree of schadenfreude (as indicated by neural activation) over the rival team's bad

play correlated with self-reported willingness to *physically assault* fans of the rival team,

as measured weeks later by a confidential survey. Chillingly, the association between

*self-reports* of happiness over bad plays and willingness to harm fans of the opposing team was weaker and only marginally statistically reliable at best. People may well underreport or be unaware of just how rewarding they find others' misfortunes to be, as well as the malevolent motivations that joy may indicate.[5] Although few workplaces include "clans" in such intense opposition to one another, it is clear from this and other research (e.g., Combs et al., 2009) that schadenfreude may be an outward expression of potentially serious dysfunction within the workplace that leaders can and should take corrective actions, such as those described in this chapter, to address.

**An Application of Leadership Lessons to Help an Employee Experiencing Envy**

This chapter has covered a fair amount of theory and research on reactions to others' superior fortunes and schadenfreude at work and other compelling contexts. In conclusion, we offer a more integrative scenario to exemplify how perceptive leaders can successfully manage potentially-damaging envy by turning this threat into an opportunity for the employee and indeed the organization. In keeping with our discussion of facilitative leadership, we focus on a leader's everyday action of having a private conversation "at the right place and the right time with the right person" that nonetheless could have big consequences for the organization longer term.

Imagine that a highly coveted promotion goes to an employee who clearly enjoys an excellent relationship with the team leader of a work unit, namely, you. Many

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[5] Psychoanalytic thinking suggests that envy is so unacceptable that it is often at least partially forced into the unconscious, making it a much more intractable emotion to manage, in spite of that repression's lessening consciously-experienced pain (Stein, 1997). Unconscious envy is a rich topic of investigation from psychoanalytic and psychodynamic perspectives, but little organizational behavioral and social psychological research has been conducted to date on this fascinating and important phenomenon, perhaps due to difficulties inherent to investigating discrete emotions with existing measures of implicit affect, which often measure basic "good/bad" judgments of emotion stimuli.

employees celebrate their coworker's good fortune, but a subset seems quite a bit more subdued. As the leader of this group, you have experience with the negative consequences of envy, such as employees spending time spreading negative gossip and complaining, curtailing their productivity. To combat envy, you instituted an open-door policy a year ago to allow employees to explain their grievances before they become serious problems. Until now, your work unit has hummed along with very few apparent conflicts.

To your surprise, at the end of the day, one of the less-than-thrilled coworkers has entered your open door and asked to speak with you, and seems rather unhappy. He then begins telling you why he thinks that the coworker's promotion was unfair. First, you listen respectfully to the employee's concerns. Then, you continue the discussion by simply asking him if he wanted the promotion, which may help him realize that more may be at play than just righteous indignation or resentment toward an undeserving coworker.

After acknowledging and addressing his concerns to the extent possible, you explain the procedures that led to the promotion, including the criteria for promotion, who made the decision (e.g., both supervisors and coworkers), why the promotion was in line with the company code of ethics, and so forth (Leventhal, 1980). Next, you move into the specific reasons that his coworker got the promotion while making reference to how those actions fit in line with the guidelines for promotions, thereby encouraging the promotion to be viewed as objectively, and hopefully subjectively, deserved (Feather & Sherman, 2002; Smith & Kim, 2007). Having explained how the decision was actually made, you then ask him if he has any ideas about what he could do to earn the next

promotion, coaching him with suggestions that emphasize his current strengths and build

upon them. Given the self-threat he is likely to be feeling (van Dijk, Ouwerkerk, et al.,

2011) and the possibility that he may feel that the quality of your relationship with him

was not that great because he was passed over for the promotion, this step could be

especially important (cf. Sparrowe et al., 2006). You encourage him to think of ways that

he can merit a promotion or raise next time the opportunity arises in his work unit,

thereby empowering him and making him feel personally in control of his outcomes and

perhaps inspired by the possibility of performing as well as his enviable colleague

(Lockwood & Kunda, 1997; van de Ven et al., 2011). You also ask him for suggestions

about how other employees, who may also have suffered disappointments in their level of

advancement, might also maximize their potential, thus providing an opportunity for him

to experience empathy rather than schadenfreude.

In sum, your leadership has made difference. As we argue in this chapter, envy is

a natural human emotion than has the potential to generate both positive and negative

consequences for organizations. But, because you understand the complex, dynamic role

of perceptions of fairness, feelings of control, and ethical organizational culture in

preventing envy or producing its more positive benign form, the employee is relieved by

the time your exchange has run its course, and he sincerely thanks you for your time and

your advice. By discussing the matter candidly and without condescension, you have

helped a coworker to reframe disappointment and possible envy over another's advantage

as a challenge to be met with redoubled efforts rather than a reason to try to undermine

one of your top performers. We would not want to claim that this outcome is easily

achieved. Envy is a powerful emotion. However, we believe that a leader who takes care

in managing the organizational context can avoid many of the potentially negative results of envy. Three aspects of the organizational context are especially influential on the development of envy: perceptions of fairness, employees' feelings of control over their situation, and organizational culture impact whether felt envy will be benign or malicious. In addition, the right organizational culture can prevent any feelings of malicious envy from leading to undesirable behaviors. Leaders who skillfully manage these aspects of the organizational context will be in good position to shape an employee's envy in a positive direction.

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**Figures**

Figure 1: Guiding Model