Do Birds of a Feather Flock Together? The Joint Effects of Manager and Subordinate Narcissism on Performance Evaluation

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Abstract

This study investigates the interaction of superior and subordinate manager narcissism on subjective performance evaluation. We build on extant research in the psychology literature and propose that superiors evaluate narcissistic subordinates less favorably than non-narcissistic subordinates. However, based on the homophily effect (i.e., the tendency of like to associate with like), we also hypothesize that narcissistic superiors show greater tolerance toward narcissistic subordinates than non-narcissistic superiors do. We conduct two online experiments and find that superiors, both high and low in narcissism, evaluate narcissistic subordinates less favorably than non-narcissistic subordinates. Our results further show that this effect is mediated by the superiors’ weaker feelings of closeness to narcissistic subordinates. Finally, we find that superiors high in narcissism show greater feelings of closeness to narcissistic subordinates and, hence, evaluate them more favorably than non-narcissistic superiors do. Our results provide novel insight into the pivotal role of individual traits in subjective performance evaluation.

Keywords: Subjectivity, Performance evaluation, Narcissism, Feelings of closeness, Homophily

JEL codes: M12, M40, M51
1. Introduction

The use of subjectivity in performance evaluations is ubiquitous in practice because it allows superiors to consider information relevant to the subordinates’ performance that is not incorporated in objective measures of performance (Bol, 2008). These subjective performance dimensions typically cover aspects of the to-be-judged subordinates’ performance, such as their willingness to cooperate, their loyalty, or the ability to instill morale in their employees.¹ Extant research shows how managerial discretion leads to biases in subjective performance evaluations due to the superiors’ limited or biased information processing (e.g., Bol & Smith, 2011; Bol et al., 2015). In this study, we provide novel insight into the role of (perceived) individual traits and, in particular, the role of narcissism in subjective performance evaluations. Specifically, we study how the performance evaluations of (non-)narcissistic subordinates depend upon the superiors’ level of narcissism.

Narcissism is a personality trait with both ‘bright’ and ‘dark’ sides. On the one hand, narcissists are self-confident, outgoing, visionary, and charismatic (Raskin & Terry, 1988; Campbell et al., 2002). On the other hand, narcissists are self-serving, arrogant, lack empathy for others, engage in unethical behavior, and show exploitative behaviors toward people around them (Giampetro-Meyer et al., 1998; Wang, 2017). Narcissism is on the rise, and narcissists typically climb the corporate ladder faster than their non-narcissistic counterparts (Twenge, 2008; Campbell et al., 2011; Westerman et al., 2012). The literature also suggests that the level of narcissism is higher in managers relative to the average population (e.g., Braun, 2017). Hence, understanding how manager narcissism shapes the effectiveness of management control systems

¹ For brevity reasons, we refer to superior managers as ‘superiors’ and to subordinate managers as ‘subordinates’.
is pivotal for accounting research and practice (Young et al., 2016). However, research in that
domain is relatively scarce (e.g., Wang, 2017; Dworkis & Patelli, 2022).

We enrich this research by investigating the joint roles of superior and subordinate
narcissism in performance evaluations. Based on extant research in the psychology literature that
highlights individuals’ negative reactions toward others high in narcissism (e.g., Morf &
Rhodewalt, 2001, Braun et al., 2018), we propose that superiors rate the performance of
narcissistic subordinates lower than the performance of non-narcissistic subordinates. However,
we also hypothesize that narcissistic superiors evaluate narcissistic subordinates more favorably
than non-narcissistic superiors do. We base this hypothesis on homophily theory, which suggests
that individuals tend to associate with others similar to them (McPherson et al., 2001; Kossinets
& Watts, 2009). In the narcissism literature, this idea of narcissists being more accepting of
others high in narcissism is also known as ‘narcissistic tolerance’ (Hart & Adams, 2014).

We further examine the underlying psychological processes that drive this narcissistic
tolerance. We conjecture that superiors’ feelings of closeness to the subordinates partially
mediate the effect of superior narcissism on performance evaluations. Feelings of closeness are
an important concept in the psychology literature that explains spouse and friendship selection,
as well as general liking and support of others (e.g., Lockwood et al., 2004). Research suggests
that these feelings of closeness tend to be greater toward those with whom individuals share
important characteristics (e.g., Bolis et al., 2021). Thus, we finally hypothesize that these
feelings of closeness to narcissistic subordinates are greater for superiors high in narcissism and,
ipso facto, narcissistic superiors are more lenient in their performance evaluations of narcissistic
subordinates than non-narcissistic superiors.
We conduct two online experiments with experienced managers (N = 187 and N = 168), where superior narcissism is measured, and subordinate narcissism is manipulated. We provide the participants with information on the subordinate manager, including the subordinate’s objective performance. The case also highlights how the subordinate behaves in a typical work scenario with his employees. This description allows us to portray the subordinate as either high or low in narcissism. Importantly, we do not simply describe the narcissistic subordinate as a ‘jerk’. The case describes the dark sides (e.g., self-centeredness and exploitative behaviors) and the bright sides of narcissism (e.g., self-confidence and charisma).\(^2\) As the dependent variable, we ask participants to evaluate the subordinate’s performance (similar to e.g., Fehrenbacher et al., 2018). In addition, we measure participants’ willingness to promote the subordinate to a more senior position. We then survey the participants’ feelings of closeness to the subordinate and their level of narcissism with the narcissistic personality inventory (NPI), a rigorously tested instrument to assess one’s narcissism (Raskin & Hall, 1979).

The results of both experiments consistently show that, as expected, participants low and high in narcissism evaluate narcissistic subordinates less favorably than non-narcissistic subordinates. We observe this effect to be smaller for narcissistic participants; participants high in narcissism give narcissistic subordinates a more favorable evaluation than non-narcissistic participants do. We show that the effect of subordinate narcissism on the performance evaluation is indeed partially mediated by participants’ feelings of closeness to the subordinate. Subordinate narcissism reduces the participants’ feelings of closeness to the subordinate, which then reduces performance evaluations. This mediation is, as hypothesized, moderated by superior narcissism.

\(^2\) Our description of the manager’s behavior is based on original work by Braun et al. (2018), which focused on the dark sides of narcissism. We adapted the case and additionally highlighted the positive features of a narcissistic subordinate to provide a more balanced view of the narcissistic personality trait.
Participants high in narcissism show greater feelings of closeness to narcissistic subordinates, which leads to more favorable performance evaluations. In additional analyses, we observe the same interactive effects of superior and subordinate narcissism on promotion choices.

Our contributions to literature and practice are threefold. First, we contribute to prior accounting research on subjectivity in performance evaluation. Our results show one novel caveat of managerial discretion, namely that superiors’ ratings of subordinate performance are systematically skewed toward matching traits. Our results suggest that narcissistic tolerance shapes performance evaluations, and – via the moderated mediation model – we observe which psychological processes drive this behavioral pattern. Thus, our findings also contribute to the attraction-selection-attrition theory, whose central proposition is that organizations tend toward homogeneity of personalities over time (Ployhart et al., 2006). We find that subjectivity in performance evaluation plays an important and unique role in that process.

Second, we contribute to accounting research on narcissism. While existing studies have predominantly focused on the influence of CEO narcissism on firm reporting and disclosure (e.g., Ham et al., 2017; Capalbo et al., 2018), the understanding of narcissism within the management accounting and control literature remains limited. Our results reveal that both superior and subordinate narcissism have a significant effect on subjective performance evaluations and thus align with prior research in auditing, which has observed narcissistic tolerance in the auditor-manager dyad (e.g., Johnson et al., 2021). We expand this literature by showing that feelings of closeness are pivotal drivers of this narcissistic tolerance.

Third, our results are informative for research on narcissism in the psychology and organizational behavior literature. This research has found that narcissists impress others and hence, originate as leaders in teams but has focused less on how this impression depends upon
the superiors’ level of narcissism (e.g., Brunell et al., 2008; Nevicka et al., 2011). This study provides novel insight into how ‘similarity breeds connection’ in organizations, not just in terms of demographics but also in terms of stable psychological traits. Firms need to be aware of this pattern when designing management control systems that allow for managerial discretion.

2. Background and hypotheses

2.1. Subjectivity in performance evaluation

The implementation of performance evaluation systems is often described as challenging, and the design of these systems differs vastly across firms (e.g., Gibbs et al. 2009). Generally, subordinates can either be evaluated on objective dimensions, subjective dimensions, or a combination of the two. Objective performance measures are important because they are based on quantitative data like accounting-based measures. However, they do not cover all aspects of the managers’ effectiveness, such as the managers’ leadership skills or their behavior in the team (e.g., Bol & Smith, 2011; Ederhof, 2010). As a result, many firms rely on some sort of subjectivity in performance evaluation. Subjectivity can be understood as information which is not verifiable for contracting purposes (MacLeod, 2003; Bol & Leiby, 2018). Therefore, subjective performance evaluations are commonly based on perceptions, attitudes, and beliefs (Rajan & Reichelstein, 2009; Woods, 2012).

Research on subjectivity in performance assessments has gained momentum. Various forms of subjectivity, such as the subjective weighting of objective measures, have been explored (e.g., Gibbs et al., 2004; Bol et al., 2015; Höppe & Moers, 2011). Research has also emphasized the potential benefits of discretion in performance evaluations, such as compensating for perceived limitations of objective performance measures (Gibbs et al., 2004). However, a growing body of research suggests that subjective performance evaluations can be systematically
biased and lead to favoritism, gaming, or reduced motivation (e.g., MacLeod, 2003; Bol & Smith, 2011; Fehrenbacher et al., 2018). Interestingly, research on the role of psychological traits in this domain is scarce, though, in practice, superiors with diverse values and traits assess the performance of their heterogeneous subordinates. We narrow this gap by studying the interaction of superior and subordinate narcissism in performance evaluation.

2.2. Narcissism in the workplace and its implications for performance evaluation

The term narcissism goes back to the Greek myth of Narcissus, a young man who fell in love with his own image reflected in a pool of water and drowned because of his self-love. Narcissism was originally considered a psychological disorder in clinical psychology and psychiatry, but today it is considered – on a sub-clinical level – a personality trait that is normally distributed in society (O’Boyle et al., 2015). Narcissism is a multifaceted personality construct that entails high levels of self-centeredness, low levels of empathy, and constant need for admiration. It reflects traits related to grandiosity, aggression, and dominance (Miller et al., 2011). Narcissists are generally motivated by their own grandiose self-image and seek constant validation and admiration from others (Morf & Rhodewalt, 2001; Judge et al., 2009).

Though some research highlights the positive facets of manager narcissism such as their confidence, extraversion, charisma, and grand vision (Resick et al., 2009), the prevailing body of literature suggests that manager narcissism has detrimental effects on organizational performance, employee well-being, ethical conduct, and financial outcomes. For example, those working closely with narcissists – especially their subordinates – suffer under narcissists (Braun et al., 2018). Superior narcissism decreases organizational morale, increases subordinate

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3 Research on the bright side of manager narcissism finds, for example, that firms led by narcissistic CEOs exhibit a higher rate of new product introductions and a greater proportion of radical innovations in their product portfolios (Kashmiri et al., 2017). CEO narcissism also increases corporate fundraising success (Gruda et al., 2021).
turnover, and leads to counterproductive work behavior among subordinates (Lubit, 2002; Braun et al., 2018; Maske et al., 2020). Accounting research shows that narcissistic managers engage more heavily in dysfunctional behaviors as accruals earnings management (Capalbo et al., 2018; Buchholz et al., 2020), real earnings management (Olsen et al., 2014), performance misreporting (Ham et al., 2017), and excessive risk-taking (Chatterjee & Hambrick, 2011). There is also evidence that manager narcissism is associated with overinvestment in M&A expenditures (Ham et al., 2017), corporate tax sheltering (Olsen & Stekelberg, 2016), and firm vulnerability to lawsuits (O’Reilly et al., 2018).

We propose that superiors tend to respond adversely to subordinate narcissism, resulting in more negative performance evaluations. Subjectivity is given to superiors to include information about the to-be-judged subordinates, such as their leadership skills, willingness to share knowledge with others, the degree of involving others in decision-making, loyalty, or ability to instill morale in their subordinates. For these performance dimensions, empathy toward others, a cooperative nature, and the willingness to work with others are important, as extant leadership literature suggests (e.g., Kock et al., 2019). These characteristics are more pronounced in individuals with lower levels of narcissism. For instance, less narcissistic managers are better at facilitating open communication and promoting collaboration within the organization (Blair et al., 2008). In contrast, self-centeredness, constant need for validation, lack of empathy, and various exploitative and anti-social behaviors are obstructive to these subjective performance dimensions (e.g., Nevicka et al., 2018). Given that narcissists show less of the former and much more of the latter behaviors, we propose that superiors rate the performance of narcissistic subordinates less favorably compared to the performance of non-narcissistic subordinates. We hypothesize:
Hypothesis 1. *Superiors rate the performance of non-narcissistic subordinates more favorably than the performance of narcissistic subordinates.*

2.3. *The interaction of superior and subordinate narcissism in performance evaluation*

Next, we study how the negative reaction toward narcissistic subordinates in performance assessments is influenced by the level of narcissism exhibited by the superiors. Psychology research suggests that in general narcissistic individuals are more tolerant and accepting of others who display high levels of narcissism compared to their non-narcissistic counterparts (Hart & Adams, 2014; Burton et al., 2017). This phenomenon can be attributed to the homophily effect, which suggests that individuals tend to surround themselves and associate with those who are similar to them (McPherson et al., 2001). Individuals who describe themselves as having typical narcissistic traits, such as being bossy, selfish, arrogant, or rude, rated others high in narcissism as more likable and easier to get along with relative to those who describe themselves as more submissive, gentle, modest, or sensitive (Hart & Adams, 2014). In an accounting setting, Johnson et al. (2021) find that narcissistic auditors show greater tolerance (lower risk assessments) when the client CFO shows high levels of narcissism than do non-narcissistic auditors.

However, it is important to note that there is also research indicating that in specific situations, narcissistic individuals may react more negatively towards others with high narcissism compared to their non-narcissistic counterparts. This is because narcissists perceive other narcissists as threats to their grandiose self-image, fearing that these individuals may ‘steal their thunder’ or outperform them (Bushman & Baumeister, 1998).
We suggest that subjective performance evaluations provide a context where narcissistic tolerance is likely to occur. First, subordinates are no immediate ego threat to superiors, and these ego threats are *sine qua non* for narcissists to react negatively to others high in narcissism (Bushman & Baumeister, 1998). In situations where clear hierarchies are established, such as in superior-subordinate relationships, superiors do not perceive subordinates as direct threats to their inflated self-image. Moreover, previous studies highlight the significance of homophily, particularly in terms of demographic similarities, in the superior-subordinate relationship. For example, Somech (2003) finds that similar subordinates are positively associated with the superiors’ inclusion of subordinates in participative decision-making. McCain et al. (1983) and Wagner et al. (1984) find that subordinates with demographically dissimilar superiors are more likely to quit their jobs and Castilla (2008) shows that women and minorities receive lower merit pay increases from their white male superiors than subordinates demographically similar to their superiors. We expect that this reasoning applies to similarities in stable individual traits, such as narcissism.

This expectation also stems from the fact that managerial discretion in performance evaluation enables superiors to influence the composition of their team, thereby shaping the work environment and climate surrounding them. Previous research indicates that narcissistic CEOs tend to appoint more narcissistic directors to their boards due to their concern that new directors may not appreciate their own narcissistic tendencies, while perceiving narcissistic new directors as more supportive of their own narcissistic leadership (Zhu & Chen, 2015).

Most importantly, we know from extant psychology literature that narcissists – in contrast to individuals low in narcissism – perceive others high in narcissism as more likable (Hart & Adams, 2014). When recognizing their similarity to others high in narcissism, narcissists
tend to selectively interpret others’ narcissistic traits in a more positive light (Burton et al., 2017). Therefore, narcissists tend to provide better treatment and exhibit fewer aggressive responses toward those they perceive as more similar to themselves, compared to individuals low in narcissism who respond with harshness and aggression toward those high in narcissism (Konrath et al., 2006). This typically goes along with narcissists’ greater feelings of closeness for others high in narcissism (a mediating factor we examine in more detail below). We know from prior literature that positive feelings such as likability are important elements in performance evaluations, which can lead to favoritism (Woods, 2012). Consequently, we argue that if narcissistic superiors indeed exhibit greater feelings of closeness, acceptance, and likability towards subordinates high in narcissism compared to their non-narcissistic counterparts, then narcissistic superiors are more likely to rate narcissistic subordinates more favorably. We state:

Hypothesis 2. Narcissistic superiors rate the performance of narcissistic subordinates more favorably than non-narcissistic superiors do.

2.5. The mediating role of feelings of closeness in the superior and subordinate relationship

Finally, we examine the process through which superior narcissism affects the performance evaluations of subordinates. Here we focus on psychological closeness as a mediating factor. Psychological closeness is an important concept in the social psychology literature, as feelings of closeness are pivotal in the success of long-term friendships and romantic relationships (Lockwood et al., 2004). Individuals generally show greater support for those they feel closer to (Craemer, 2008). Prior studies find that feelings of closeness are also a key feature of peer friendship and for tolerating the behavior of peers (Parker & Asher, 1993; Bagci et al., 2014).
Notably, individuals are more likely to overlook ethical misconduct committed by others if they feel psychologically close to them (Paramita et al., 2020). Conversely, feelings of psychological distance are linked to an increase in negative behaviors towards others (Wan et al., 2021). The consequences of varying degrees of psychological closeness can also be observed in the classroom setting. For example, Newberry and Davis (2008) find that students are more privileged (marginalized) by their teachers when teachers feel psychologically close (distant) to them, which ultimately manifests in better (worse) grades.

We propose that these feelings of closeness are important in the superior-subordinate dyad. Based on the large body of research that suggests that narcissists lack empathy for others, are egocentric, ruthless, and exploit people around them, we propose that superiors generally feel psychologically more distant toward subordinates high in narcissism. Based on the literature described above, which suggests that feelings of closeness materialize in positive behaviors toward others, such as favoritism, we also expect that feelings of closeness to the subordinates positively affect performance evaluations. Accordingly, we formulate the following mediation hypothesis:

\textbf{Hypothesis 3.} \textit{Superiors’ feelings of closeness to the subordinates partially mediate the effect of subordinate narcissism on the performance evaluation.}

We expect this mediation to be moderated by superior narcissism. Specifically, we propose that narcissistic superiors feel closer to narcissistic subordinates than non-narcissistic superiors do, which leads to more favorable performance appraisals of narcissistic subordinates by more narcissistic superiors. Research in the psychology literature indeed finds that sharing
similarities with others – even absolute strangers – increases one’s feelings of closeness to others. For example, individuals who perceive that they share similarities with other users on social media (e.g., Twitter) report greater feelings of closeness to these social media users (Lin et al., 2016). Research suggests that higher interpersonal trait similarities are generally associated with higher measures of closeness, acceptance, and help toward others (Bolis et al., 2021).

The important role of trait similarities in the emergence of positive feelings toward others can also be observed in individuals who share similar levels of narcissism. There is great consensus in the literature today that similarity in narcissism predicts higher relationship quality, whereas non-matching levels of narcissism make fruitful long-term relationships or friendships less likely (Maaß et al., 2016; Kardum et al., 2018). These friendships and relationships are – at least to some degree – based on feelings of closeness to each other (Parker & Asher, 1993; Craemer, 2008). Based on this literature, we hypothesize that narcissistic superiors feel psychologically closer to narcissistic subordinates than non-narcissistic superiors do. These higher levels of closeness then materialize in more favorable performance evaluations of narcissistic subordinates by more narcissistic superiors (Figure 1 illustrates our theoretical model). We propose the following moderated mediation hypothesis:

**Hypothesis 4.** *Narcissistic superiors feel closer to narcissistic subordinates than non-narcissistic superiors do, which leads to more favorable performance evaluations of narcissistic subordinates by more narcissistic superiors.*

-Insert Figure 1 here-
3. Experiment 1

3.1 Design and tasks

The general setup of the first online experiment is that we manipulate subordinate narcissism through a description of the subordinate’s typical behavior in a work setting, measure the participants’ level of narcissism and ask the participants to subjectively evaluate the subordinate’s performance. We manipulate the description of the subordinate as either narcissistic or non-narcissistic between participants. This description of the subordinate’s behavior is based on original work by Braun et al. (2018). In the high-narcissism condition, the subordinate is described as someone who believes he is superior to others, authoritarian, exploitative toward his team, likes to be the center of attention, wants to be the only one deserving credit for joint work, and does not like to delegate. We make some minor adjustments to the original case to also highlight the bright sides of narcissists. Specifically, the subordinate is also described as charming and self-confident. In contrast, the subordinate in the low-narcissism condition is described as a person who is willing to cooperate with others, does not exploit others, recognizes the strengths of others, and shows low levels of entitlement. Again, we make some adjustments to also highlight the negative sides of non-narcissistic individuals. Specifically, the subordinate is also described as a quiet and ordinary person (see the online appendix for the exact wording). We label this variable ‘subordinate narcissism’ (0 = non-narcissistic subordinate and 1 = narcissistic subordinate).

Our second independent variable is the participant’s level of narcissism, which we measure with the NPI (e.g., Raskin & Hall, 1979), which is the predominant method to assess someone’s level of narcissism (e.g., Schütz et al., 2004). The NPI includes self-assessments in various areas where the participant chooses between two statements. For each pair, the
participants select the one that, according to their feelings, best reflects their personality. For example, participants can choose ‘I am a born leader’ or ‘Leadership is a quality that takes a long time to develop’. Another pair of statements is ‘I just want to be reasonably happy’ and ‘I want to amount to something in the eyes of the world’. We use a 15-item short version of Raskin and Hall (1979). The NPI sums up the narcissistic choices into a score. Therefore, our independent variable ‘superior narcissism’ is a continuous variable that can have a value between 0 and 15.

The dependent variable is the subjective assessment of the subordinate’s performance. The participants are informed that their subordinate’s performance is evaluated on two dimensions: an objective dimension (the degree of target achievement is determined based on objective, financial measures by the controlling department) and a subjective dimension. Both performance dimensions are rated on a scale from zero to ten (0 = low and 10 = high). The case informs participants that the two performance dimensions are completely independent of each other, as they cover different job requirements. The information about this subordinate’s objective performance is kept constant across conditions. Specifically, we explain that the subordinate’s objective performance is very good, and he had successfully reached the objective goals. Accordingly, the controlling department evaluated the objective performance as very good and awarded a nine out of ten. For the subjective component, the participant is asked to assess the subordinate’s performance (similar to Bol & Smith, 2011 and Fehrenbacher et al., 2018). Here, we provide examples of what these subjective dimensions should cover to give the participants some orientation concerning what constitutes a subjective performance evaluation. Specifically, we refer to the subordinate’s behavior as a manager and his behavior in the team.

3.2 Procedure
The case informs the participants that they are responsible for five subordinates and have to evaluate the performance of one of these subordinates. The case description explains that the to-be-judged subordinate has worked on a special project with his ten employees in recent months. Specifically, we describe that the work on the project has been intense for the subordinate and his employees. The subordinate and his team want to do a great job and convince the superior (the participant) and the management board of their ideas and work. In addition, participants receive a description of the subordinate’s behavior during the final presentation of the project, as described above. After the description of the typical behavior of the subordinate, we include a manipulation check questionnaire consisting of nine adjectives that participants rated in relation to the to-be-judged subordinate. We include the manipulation check directly after the manipulation because we do not want the impression of the subordinate’s behavior to fade. Participants use seven-point Likert scales to indicate how accurately each adjective describes the subordinate presented in the description (Cronbach’s $\alpha = 0.928$). The items are derived from the NPI and validated by Resick et al. (2009). The adjectives are used to assess an individual’s perception of others’ narcissism based on the other’s behavior (Braun et al., 2018; O’Reilly et al., 2014). Six of these items cover the dark side of narcissism (arrogant, boastful, conceited, egotistical, show-off, and self-centered; Cronbach’s $\alpha = 0.986$). Three items relate more to the bright side of narcissism (assertive, confident, and spirited; Cronbach’s $\alpha = 0.581$).

We then ask the participants to provide the performance evaluation on a scale from zero to ten. Further, we ask participants to rate the extent to which they would promote the subordinate to a more senior position. Specifically, on a scale from zero to ten, participants assess how well they can image the subordinate as their understudy manager (and ‘right hand’).
The case explains that this promotion would mean they would work more intensively with this person.\(^4\)

In a post-experimental questionnaire, we ask about participants’ own narcissistic tendencies with the NPI. We also measure participants’ feelings of closeness to the subordinate using eight items to which the participants responded using a seven-point Likert scale. The items are derived from Schmitt et al. (2000). For example, participants were confronted with the statements ‘This person is someone I would like to be closer to’, ‘I would like to meet and interact with this person’, or ‘I feel like I am personally similar to this person’. In addition, we ask seven questions on a seven-point Likert scale about participants’ trust in the subordinate derived from Reichert and Sohn (2022) as well as three questions concerning participants’ perceived morality derived from Maske et al. (2021). Participants should state the degree to which they ascribe different characteristics (e.g., trustworthy, compassionate) to the subordinate. Finally, we ask questions concerning participants’ professional respect toward the subordinate derived from Liden and Maslyn (1998). Here, participants were asked to use a seven-point Likert scale to rate the extent of agreement with statements such as ‘I admire this person’s professional skills’.

3.3. Participants

For the data collection, we used Respondi, an online data collection service. Respondi offers a pool of employees representing the working population of employees in German-speaking countries. We received data from 187 managers working in various industries in German-speaking countries. Our participants, of whom 63 (33.7 \%) were female, were 45.9 years old on average (SD = 12.4). Their average work experience was 23.3 years (SD = 12.9). The

\(^4\) The subjective performance evaluation and promotion choices highly correlate (r = .819).
participants received €1.50 for participating. On average, it took participants 11 minutes to complete the task.  

3.4. Results for Experiment 1

3.4.1. Manipulation and randomization check

To test whether participants perceive differences in the subordinate’s level of narcissism, we conduct a t-test with participants’ perception of subordinate narcissism (nine-item manipulation check questionnaire) as the dependent variable and the narcissism manipulation (high versus low narcissism) as the independent variable. The results show that participants in the high subordinate narcissism condition indeed perceive the subordinate as more narcissistic (mean = 5.83) than participants in the low subordinate narcissism condition (mean = 2.81), t (185) = 21.40; p < 0.001.  

We also find that the perception of subordinate narcissism correlates negatively with participants’ perception of subordinate morality, professional respect, and participants’ trust toward the subordinate (Table 2 Panel A). These results corroborate that our narcissism manipulation is indeed successful.

In addition, we test whether the randomization of participants across cells is successful. We run multiple one-way ANOVAs with participants’ gender, age, and work experience as dependent variables. We observe no significant differences between cells (gender: F(3, 183) = 0.254, p = 0.858; age: F(3, 183) = 0.377, p = 0.770; work experience: F(3, 182) = 1.069, p =

5 The remuneration of the participants is in line with standard practice in the literature relying on similar samples e.g., MTurk or Qualtrics (e.g., Hunt & Scheetz, 2019, Owens & Hawkins, 2019).

6 We report two-tailed p-values for all analyses.

7 This difference also holds when we split the nine adjectives into those capturing the perception of the subordinate’s more dark and bright aspects of narcissism. In the high-narcissism condition, participants attribute greater dark aspects of narcissism to the subordinate (mean = 6.07) than in the low-narcissism condition (mean = 1.86) (t (185) = 22.07; p < 0.001, not tabulated). In addition, in the high-narcissism condition, participants attribute greater positive aspects of narcissism to the subordinate (mean = 5.35) than in the low-narcissism condition (mean = 4.70) (t (185) = 4.361; p < 0.001, not tabulated).
0.364). We also run a chi-square test on gender to test for randomization, which is also not systematically different across the experimental groups, $X^2(\text{df} = 3, \text{N} = 186) = 0.828, p = 0.843.$

### 3.4.2. Narcissism and subjective performance evaluation

Our first hypothesis states that, on average, superiors rate the performance of narcissistic subordinates less favorably compared to non-narcissistic subordinates. Table 1 Panel A shows descriptive statistics for Experiment 1, and Table 2 Panel A shows correlations among the main variables of interest. Table 1 Panel A shows that, as expected, the average performance score for the subordinate high in narcissism is lower than that of the subordinate low in narcissism. The correlation table further highlights that subordinate narcissism correlates significantly negatively with participants’ performance evaluation.\(^8\) Participants’ perceptions of subordinate morality, professional respect, and trust correlate positively with the performance evaluation and negatively with subordinate narcissism.

-Insert Table 1 here-

-Insert Table 2 here-

We next conduct regression analyses to test whether these effects hold when controlling for other factors. Table 3 Panel A summarizes the results of our regression models, the performance evaluation being the dependent variable. We control for demographic variables in the first four regressions. Column (1) shows the effects of the demographic variables alone; they

\(^8\) We checked for the variables’ discriminant validity, using the confirmatory composite analysis (CCA) recommended by Hair et al. (2020). First, we conducted a comparison of the crossloadings of the items to determine the construct (either mediator or dependent variable) to which each item demonstrated the highest loading. Across all eight items related to feelings of closeness, the highest crossloadings were observed in relation to the mediator rather than the dependent variable. Second, we calculated the average variance extracted (AVE) which yielded a value of 0.905, surpassing the critical threshold of 0.5. Additionally, we examined the heterotrait-monotrait ratio of correlations (HTMT) to assess discriminant validity. All ratios were found to be smaller than 0.85. More details concerning the CCA can be found in Footnote 13. This analysis shows that although participants’ performance evaluation (dependent variable) and feelings of closeness (mediator) are highly correlated, these variables are sufficiently distinct.
explain little variance in the dependent variable. In Column (2), we enter subordinate narcissism into the regression model and find that subordinate narcissism strongly negatively affects performance evaluations. This supports Hypothesis 1. This effect also holds when superior narcissism is included in the model in Column (3). Superior narcissism itself positively affects performance evaluations because narcissistic superiors give narcissistic subordinates a more favorable evaluation than non-narcissistic superiors do and comparable evaluations for non-narcissistic subordinates.

The main interaction of interest enters in Column (4) to test for the joint effect of superior and subordinate narcissism on the performance evaluations. The interaction is positive and significant. This interaction means that the negative effect of subordinate narcissism on the performance evaluations is less pronounced for participants high in narcissism and provides support for Hypothesis 2. Finally, Column (5) highlights that all results of interest hold in the absence of control variables.\(^9\) Taken together, these regression results strongly suggest that performance evaluations are indeed a function of the superiors’ narcissism and their perception of subordinate narcissism, as hypothesized.\(^10\) Figure 2 Panel A displays the results.\(^11\)

3.4.3. The mediating role of superior feelings of closeness to the subordinate

We expect superior feelings of closeness to the subordinate to play an important role in the subordinate narcissism and performance evaluation relationship. Specifically, Hypothesis 3 holds

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\(^9\) Additional analyses show that all effects hold when controlling for participants’ perception of subordinate morality, professional respect, and trust toward the subordinate. Perceived morality itself has a positive effect on performance evaluations above and beyond the other trait perceptions (see the online appendix for details).

\(^10\) In analyses available upon request, we find that all results continue to hold when including interactions between gender and superior narcissism as well as gender and subordinate narcissism to the regression.

\(^11\) To visualize the results, we classify participants as high and low in narcissism based on a median split (median = 5.0; mean = 5.3; SD = 3.2).
that superior feelings of closeness to the subordinate partially mediate the effect of subordinate narcissism on performance evaluations. Figure 3 Panel A plots the feelings of closeness to the subordinate for high and low superior and subordinate narcissism.\textsuperscript{12} The figure shows that participants high in narcissism feel closer to subordinates low in narcissism than subordinates high in narcissism. Participants low in narcissism also feel closer to subordinates low in narcissism than participants high in narcissism. Importantly, narcissistic participants feel psychologically closer to subordinates high in narcissism than non-narcissistic participants do.

-Insert Figure 3 here-

We conduct a moderated mediation analysis with PLS path modeling (SMART PLS 3.3.9) to test the mediating role of feelings of closeness in the superior narcissism and subordinate narcissism relation (Hair et al., 2017; Nitzl et al., 2016). We first confirm the validity and reliability of our construct measurements, the quality of the inner path model, and the overall model’s goodness-of-fit with different PLS model fit statistics.\textsuperscript{13} Figure 4 depicts the paths and the respective coefficients and p-values.

The process model strongly supports our proposed mediation of feelings of closeness in the relationship between subordinate narcissism and the performance evaluations. The negative path coefficient between subordinate narcissism and closeness (path coefficient [path 1] = -0.737; p < 0.001) shows that when subordinate narcissism is high, the feelings of closeness to the subordinate are lower. In addition, the path coefficient between closeness and performance

\textsuperscript{12} Analogous to Figure 2, we again rely on a median split of participants’ narcissistic choices to display the results.

\textsuperscript{13} Following the recommendation of Hair et al. (2020) for PLS, we evaluate and confirm our model’s quality using a composite confirmatory analysis (CCA). Based on the CCA, the model quality (in terms of its reliability and validity) of the reflective measurement model (construct closeness) is well above the thresholds (Cronbach’s α = 0.985; composite reliability = 0.987; AVE = 0.905). All HTMT values are smaller than 0.85. To assess the inner path models, we run a two-tailed bias-correcting bootstrapping test on a significance level of 0.05 (e.g., Hair et al. 2020). The model, its paths, the respective coefficients, and the p-values are shown in Figure 4. Further goodness-of-fit measures show that the proposed model is a very good fit to the data (SRMR = 0.019; \(Q^2\): closeness = 0.567; subjective evaluation = 0.614).
evaluations (path coefficient [path 2] = 0.576; p < 0.001) indicates that the higher the feelings of closeness, the more favorable the performance evaluations. As the direct effect between subordinate narcissism and the performance evaluations remains significant (path coefficient [path 3] = -0.261; p < 0.001), feelings of closeness partially mediate the subordinate narcissism-performance evaluation link. This finding provides support for Hypothesis 3.\textsuperscript{14} The positive moderating effect of superior narcissism on the subordinate narcissism and feelings of closeness relationship (path coefficient [path 4] = 0.229; p < 0.001) means that the narcissistic participants indeed feel closer to narcissistic subordinates. Ultimately, this greater closeness materializes in more favorable performance evaluations for more narcissistic subordinates. Simple slope analyses with PLS show that in a situation with high superior narcissism (+ 1 SD), the effect of subordinate narcissism on feelings of closeness is -0.508. With low superior narcissism (-1 SD), the effect is -0.966. Through additional PROCESS analyses (Hayes 2022), we test the significance of the conditional effects of the focal predictor (subordinate narcissism) at values of the moderator (superior narcissism). We find that the moderator interaction is also significant for each of these measures (+1 SD, mean, -1SD) (see the online appendix for details). Collectively, the moderated mediation analysis strongly supports H4 and validates the regression results we observe above.\textsuperscript{15}

-Insert Figure 4 here-

\textbf{4. Experiment 2}

\textsuperscript{14} We also calculated a model in which superior narcissism moderates the subordinate narcissism and performance evaluation link and find support for a moderating effect of superior narcissism as in the regression analysis (path coefficient = 0.134; p < 0.002).

\textsuperscript{15} Further, we calculated a model in which we added an additional direct link between superior narcissism (the moderator) and subjective evaluation (the dependent variable) to the model as displayed in Figure 4 and observe that all results concerning the moderated mediation continue to hold. The direct effect between superior narcissism and the subjective evaluation is positive (path = 0.096) and marginally significant (p = 0.058).
The general setup of the second experiment is similar to the first experiment. However, we make several subtle but important changes to the design to more cleanly isolate the effect of subordinate narcissism on performance evaluations and to speak to more performance evaluation settings in practice.

4.1. Design and task

As in Experiment 1, we again manipulate subordinate narcissism, measure superior narcissism, and ask the superior to evaluate the subordinate performance. To manipulate subordinate narcissism via a case describing the subordinate’s typical behavior in a work setting, we rely on the original case by Braun et al. (2018) but make greater adaptations to the case than in Experiment 1. Specifically, in Experiment 1, the subordinate low in narcissism is described as being ‘[…]able to counter the doubts of board members’. The fact that members of the executive board have doubts is only present in the low-narcissism condition. Accordingly, in Experiment 2, we do not describe board members as having doubts. Further, the case in Experiment 1 describes the subordinate delegating and passing board members’ questions on to his most competent employees in the non-narcissistic subordinate condition. Sharing responsibility for important tasks is something narcissists typically do not do. However, we realized ex-post that this delegation element is only present in the low-narcissism case description. In the second experiment, we exclude the delegation element and describe the low-narcissism subordinate answering questions with his employees (see the online appendix for details). As our second independent variable, we again assess the participants’ level of narcissism with the NPI, relying on a 15-item short version by Raskin and Hall (1979).

Concerning our dependent variable in Experiment 2, we rely on the same description and items for the performance evaluation decision as in the first experiment. Participants are
informed that the performance of their subordinate is assessed based on two dimensions: an objective dimension and a subjective dimension. It is explicitly stated that the subordinate's objective performance is highly commendable, receiving a score of nine out of ten points on the objective performance dimension. Participants are then instructed to provide their own performance evaluation score on a scale ranging from zero to ten, reflecting their personal assessment of the subordinate's performance. It is important to note that, unlike in Experiment 1, specific examples or guidelines regarding the constituents of these performance elements are not provided in Experiment 2.

4.2. Procedure

The overall procedure in Experiment 2 closely mirrors that of Experiment 1. However, in Experiment 2, the subjective evaluation of the subordinate's performance takes place immediately after the case description, as opposed to the manipulation check questionnaire. This modification aims to prevent any potential influence from the manipulation check on participants' performance evaluation judgments. After providing the subjective performance score, we measure participants’ willingness to promote the subordinate to a higher position. This is followed by the manipulation check, where we rely on the instrument by Resick et al. (2009) (Cronbach’s α = 0.920) covering the dark side of narcissism (Cronbach’s α = 0.976) and the bright side of narcissism (Cronbach’s α = 0.583). Finally, we assess the participants’ level of narcissism with the NPI and measure feelings of closeness, trust, and professional respect as in Experiment 1.

4.3. Participants

We again used the Respondi panel for data collection. Panelists who had participated in Experiment 1 were not allowed to participate in Experiment 2. We conducted the experiment
with a manager sample from German-speaking countries (N = 168). Our participants, of whom 58 (34.5%) were female, were 46.3 years old on average (SD = 12.8), and their average work experience was 22.8 years (SD = 12.9). It took participants 10.6 minutes to complete the experiment. The participants earned €1.50 for participation.

4.4. Results for Experiment 2

4.4.1. Manipulation and randomization check

The narcissism manipulation in Experiment 2 is successful. Participants in the high subordinate narcissism condition perceive the subordinate as more narcissistic (mean = 5.66) than participants in the low subordinate narcissism condition (mean = 2.98) (t (166) = 18.11; p < 0.001). We also find that the perception of subordinate narcissism correlates negatively with participants’ perception of subordinate morality, professional respect, and participants’ trust toward the subordinate (Table 2 Panel B).

We test whether the randomization of participants across cells is successful, running multiple one-way ANOVAs with participants’ gender, age, and work experience as dependent variables. We observe no significant differences between cells (gender: F(3, 164) = 0.993, p = 0.398; age: F(3, 164) = 0.606, p = 0.612; work experience: F(3, 164) = 0.611, p = 0.609). As with Experiment 1, we run a chi-square test on gender to test for randomization, which is not systematically different across the experimental groups, X²(df = 3, N = 165) = 1.991, p = 0.574.

4.4.2. Narcissism and subjective performance evaluation

Table 1 Panel B represents the descriptive statistics in the second experiment, and Table 2 Panel B contains correlations among the main variables of interest. The results in both tables mirror those of Experiment 1. Accordingly, we again run regression analyses and observe a negative and significant main effect for subordinate narcissism and a significant and positive interaction
between superior and subordinate narcissism on performance evaluation (see Table 3 Panel B). These results hold in the presence as well as the absence of demographic control variables, supporting both Hypothesis 1 and Hypothesis 2. Figure 3 Panel B displays the results.

4.4.3. The mediating role of superior feelings of closeness to the subordinate

We further replicate the moderated mediation analysis with PLS path modeling and confirm the validity and reliability of our construct measurements, the quality of the inner path model, and the overall model’s goodness-of-fit with PLS model fit statistics. Figure 5 depicts the paths and the respective coefficients and p-values. The results show that when subordinate narcissism is high, the feelings of closeness to the subordinate are lower (path coefficient [path 1] = -0.769; p < 0.001). The positive path coefficient between closeness and performance evaluation (path coefficient [path 2] = 0.567; p < 0.001) suggests that the higher the feelings of closeness, the more favorable the performance evaluations. The direct effect of subordinate narcissism on performance evaluations remains significant (path coefficient [path 3] = -0.273; p < 0.001). Finally, we again observe a moderated mediation as hypothesized. Superiors high in narcissism feel closer to subordinates high in narcissism than non-narcissistic superiors do (path coefficient [path 4] = 0.178; p < 0.001), which manifests in more favorable performance evaluations.

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16 Again, we find that all effects hold when controlling for participants’ perception of subordinate morality, professional respect, and trust toward the subordinate. Professional respect and feelings of closeness have a positive effect on performance evaluations above and beyond the other trait perceptions (see the online appendix for details).

17 We find that all results continue to hold when including interactions between gender and superior narcissism as well as gender and subordinate narcissism to the regression.

18 Following the recommendation of Hair et al. (2020) for PLS, we evaluate and confirm our model’s quality using a composite confirmatory analysis (CCA). Based on the CCA, the model quality (in terms of its reliability and validity) of the reflective measurement model (construct closeness) is well above the thresholds (Cronbach’s α = 0.984; composite reliability = 0.986; AVE = 0.898). All heterotrait-monotrait ratio of correlations (HTMT) values are smaller than 0.85. To assess the inner path models, we run a two-tailed bias-correcting bootstrapping test on a significance level of 0.05 (e.g., Hair et al. 2020). The model, its paths, the respective coefficients, and the p-values are shown in Figure 5. Further goodness-of-fit measures show that the proposed model is a very good fit to the data (SRMR = 0.023; Q²: closeness = 0.565; subjective evaluation = 0.622).

19 We again calculated a model in which we added an additional direct link between superior narcissism (the moderator) and subjective evaluation (the dependent variable) to the model and find that all results continue to hold.
Simple slope analyses show that in a situation with high superior narcissism (+1 SD), the effect of subordinate narcissism on feelings of closeness is -0.591. With low superior narcissism (-1 SD), the effect is -0.947. Additional analyses using the PROCESS macro reveal that the moderator interaction is significant for each of these measures (details are in the online appendix).

-Insert Figure 5 here-

The fact that the results in Experiment 2 are practically identical to those in Experiment 1 underpins the robustness of our theoretical model. Given that we use a different sample of managers, these additional findings also provide greater reliability and external validity to our results.20

5. Conclusion

Subjectively assessing the performance of subordinates is common in business practice. Through two online experiments, we demonstrate that narcissistic superiors express greater feelings of closeness to narcissistic subordinates and assess their performance more positively than non-narcissistic superiors do. We make several contributions to research and practice. Our results show one largely unobserved caveat of managerial discretion in performance evaluation, namely that superiors’ ratings of subordinate performance are systematically skewed based on shared psychological traits. This enriches an ever-increasing body of research on the effectiveness of

The direct effect (path = 0.038) between superior narcissism and the subjective evaluation is not significant (p = 0.312).

20 In both experiments, we assess participants’ willingness to promote the subordinate to a higher position. We conduct the regression analyses for both experiments with the promotion decision as the dependent variable and find that these results are comparable to those with the performance evaluation as the dependent variable. Further, PLS analyses with the promotion judgment as the dependent variable mirror the results for the performance evaluation in both experiments (the respective analyses can be found in the online appendix).
subjectivity in performance appraisals. It also contributes to prior accounting research on narcissism, which has mostly focused on how narcissism affects reporting quality. We show that narcissism is an important trait that alters the effectiveness of management control systems. Finally, our results on the interaction effect of superior and subordinate narcissism on feelings of closeness in performance evaluations are important, as these feelings of closeness affect performance appraisals. Feelings of closeness can also originate from sources other than trait similarities (e.g., shared experiences or demographic similarities). Ultimately, firms need to be aware that – though they come with various positive aspects – subjective performance evaluations are systematically skewed based on the level of exhibited by superiors and to-be-judged subordinates.

As with any experimental research, our study comes with limitations. First, the participants do not directly interact with the subordinate in our setting. Hence, participants must deduce the subordinate’s level of narcissism based on his behavior. Though prior research suggests that individuals can effectively identify narcissism in others, it is probably easiest to assess others’ narcissism in more direct interactions (e.g., Buffardi & Campbell, 2008; Friedman et al., 2007). Future research could examine the interactive role of narcissism in performance evaluations in face-to-face settings. Second, narcissistic subordinates typically engage in impression management strategies, especially toward a high-status other, making them appear more likeable and more competent (e.g., Hart et al., 2016; Hart et al., 2019). Of course, such impression management can affect performance evaluations, at least in the short run. For long-term professional relationships, however, it is very likely that the negative qualities of narcissists, such as their arrogance, exploitativeness, and self-centeredness, become visible and affect the reactions of others toward the narcissist (Backet et al., 2010). Future research could examine the
role of narcissists’ impression management toward (non-)narcissistic superiors in performance evaluation settings. Third, we focus on narcissism; however, other ‘dark’ personality traits might play additional roles, especially psychopathy and Machiavellianism. Future research could investigate how these two traits affect the effectiveness of subjectivity in performance evaluations. Further, narcissism is a multifaceted personality trait; hence, the narcissism manipulation is inevitably a compound variable. It is unclear which elements of narcissism drive the narcissistic tolerance we observe. Future research could investigate which facets need to match to materialize in more positive performance evaluations.

We further kept the objective performance constant across conditions to tease out the influence of narcissism on the subjective dimensions of performance. The overall evaluation of a subordinate depends upon objective and quantifiable and subjective dimensions of performance. Hence, the magnitude of the effects we observe depends upon the weight firms put on subjective performance dimensions in practice. Next, we ask participants to not only give a performance evaluation but also to indicate their likelihood of promoting the subordinates to a more senior position. Obviously, the promotion judgment does not capture the complexity of promotion judgments in practice (such as promoting someone away). Finally, we observe that superiors’ feelings of closeness to their subordinates partially mediate the effect of subordinate narcissism on performance evaluations. Obviously, there are other channels through which this main effect might occur. We encourage future research to examine whether subordinate narcissism evokes other feelings, such as aggression toward the subordinates, which additionally explain why superiors assess narcissistic subordinates’ performance less favorably.
Acknowledgment: The paper greatly benefitted from workshop comments at the 2022 AOM conference, ACMAR 2023, and the University of Hamburg. We would like to thank Christian Nitzl, the editor (Victor Maas), and two anonymous reviewers for their comments and guidance.
7. References


Electronic copy available at: https://ssrn.com/abstract=4046897


Castilla, E. J. (2008). Gender, race, and meritocracy in organizational careers. *American Journal of Sociology, 113*(6), 1479-1526. [https://doi.org/10.1086/588738](https://doi.org/10.1086/588738)


Supplemental data and research material are available in an online Supplement at the journal’s Taylor and Francis website.

Table A1. Indirect effects (mean centered); test of significance for moderated mediation
Table A2. Conditional indirect effects (mean centered) of subordinate narcissism on performance evaluations via closeness at different values for the moderator superior narcissism
Table A3. Simple slopes conditional effects (mean centered) of subordinate narcissism at values for the moderator superior narcissism (path 1)
Table A4. Performance evaluations and superior and subordinate narcissism controlling for additional variables for both experiments
Table A5. Promotion judgments and superior and subordinate narcissism in Experiment 1
Table A6. Promotion judgments and superior and subordinate narcissism in Experiment 2
Figure A1. Moderated mediation analyses of promotion decisions in Experiment 1
Figure A2. Moderated mediation analyses of promotion decisions in Experiment 2

Electronic copy available at: https://ssrn.com/abstract=4046897
Figure 1 Theoretical model
Figure 2 Superior evaluation of subordinate performance

Panel A: Experiment 1

Panel B: Experiment 2

Note: Dependent variable: performance evaluation. Independent variables: subordinate narcissism and superior narcissism.
Figure 3 Superior feelings of closeness to the subordinate

Panel A: Experiment 1

Panel B: Experiment 2

Note: Dependent variable: feelings of closeness. Independent variables: subordinate narcissism and superior narcissism.
Figure 4 Moderated mediation of performance evaluations in Experiment 1

Dependent variable: performance evaluation, $R^2=0.624$; independent variable: subordinate narcissism (0 = low, 1 = high). Mediator: closeness (reflective measurement model with eight items; measured on Likert scales from 1–7, 1 = strongly disagree, 7 = strongly agree). Moderator: superior narcissism (continuous variable which sums up the participants’ narcissistic choices in the NPI-15).

Figure 5 Moderated mediation of performance evaluations in Experiment 2

Dependent variable: performance evaluation, $R^2=0.636$; independent variable: subordinate narcissism (0 = low, 1 = high). Mediator: closeness (reflective measurement model with eight items; measured on Likert scales from 1–7, 1 = strongly disagree, 7 = strongly agree). Moderator: superior narcissism (continuous variable which sums up the participants’ narcissistic choices in the NPI-15; scale from 0 to 15).
Table 1
Descriptive statistics

Panel A: Experiment 1

<table>
<thead>
<tr>
<th>N</th>
<th>Gender</th>
<th>Age</th>
<th>Work Experience</th>
<th>SuperiorNarc</th>
<th>Performance Evaluation</th>
<th>Feelings of Closeness</th>
<th>Professional Respect</th>
<th>Perceived Morality</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sample size</td>
<td>f/m/d in %</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
</tr>
<tr>
<td>Low subordinate narcissism</td>
<td>88</td>
<td>31.8/68.2</td>
<td>45.66</td>
<td>23.99</td>
<td>5.48 (3.16)</td>
<td>8.60 (1.30)</td>
<td>5.28 (1.11)</td>
<td>5.89 (0.90)</td>
<td>5.62 (1.03)</td>
</tr>
<tr>
<td>High subordinate narcissism</td>
<td>99</td>
<td>35.4/63.6/ 1.0</td>
<td>46.15</td>
<td>22.76</td>
<td>5.06 (3.25)</td>
<td>4.31 (2.85)</td>
<td>2.25 (1.54)</td>
<td>4.12 (1.42)</td>
<td>2.82 (1.50)</td>
</tr>
<tr>
<td>Overall</td>
<td>187</td>
<td>33.7/65.8/ 0.5</td>
<td>45.92</td>
<td>23.34</td>
<td>5.26 (3.20)</td>
<td>6.33 (3.11)</td>
<td>3.68 (2.03)</td>
<td>4.96 (1.49)</td>
<td>4.14 (1.91)</td>
</tr>
</tbody>
</table>

Panel B: Experiment 2

<table>
<thead>
<tr>
<th>N</th>
<th>Gender</th>
<th>Age</th>
<th>Work Experience</th>
<th>SuperiorNarc</th>
<th>Performance Evaluation</th>
<th>Feelings of Closeness</th>
<th>Professional Respect</th>
<th>Perceived Morality</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sample size</td>
<td>f/m/d in %</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
<td>Mean (sd)</td>
</tr>
<tr>
<td>Low subordinate narcissism</td>
<td>70</td>
<td>34.3/61.4/ 2.9</td>
<td>47.42</td>
<td>23.36</td>
<td>5.67 (2.92)</td>
<td>8.83 (1.13)</td>
<td>5.09 (1.14)</td>
<td>5.77 (1.05)</td>
<td>5.51 (1.00)</td>
</tr>
<tr>
<td>High subordinate narcissism</td>
<td>98</td>
<td>34.7/65.3</td>
<td>45.51</td>
<td>22.47</td>
<td>5.35 (2.90)</td>
<td>4.53 (2.58)</td>
<td>2.07 (1.29)</td>
<td>4.11 (1.43)</td>
<td>2.70 (1.33)</td>
</tr>
<tr>
<td>Overall</td>
<td>168</td>
<td>34.5/63.7/ 1.2</td>
<td>46.31</td>
<td>22.84</td>
<td>5.48 (2.91)</td>
<td>6.32 (2.99)</td>
<td>3.33 (1.93)</td>
<td>4.80 (1.52)</td>
<td>3.87 (1.84)</td>
</tr>
</tbody>
</table>

The table presents descriptive statistics among all variables of interest for Experiment 1 and Experiment 2. Performance evaluation (measured on a scale from 0 to 10); gender = distribution in percentage female, male, diverse; age (in years); work experience (in years); feelings of closeness (mean of eight questions measured on a seven-item Likert scale); superior narcissism (SuperiorNarc: continuous variable which sums up the participants' narcissistic choices in the NPI-15); professional respect (mean of three questions measured on a seven-item Likert scale); perceived morality (mean of three questions measured on a seven-item Likert scale); trust (mean of seven questions measured on a seven-item Likert scale).
Table 2
Correlations among the main variables of interest

Panel A: Experiment 1

<table>
<thead>
<tr>
<th>Performance Evaluation</th>
<th>Gender</th>
<th>Age</th>
<th>Work Experience</th>
<th>Feelings of Closeness</th>
<th>Superior Narc</th>
<th>Sub Narc</th>
<th>Professional Respect</th>
<th>Perceived Morality</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Evaluation</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>0.107*</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-0.043</td>
<td>0.268***</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Experience</td>
<td>0.013</td>
<td>0.253***</td>
<td>0.887***</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Feelings of Closeness</td>
<td>0.771***</td>
<td>0.087</td>
<td>-0.090</td>
<td>-0.045</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superior Narc</td>
<td>0.226***</td>
<td>0.051</td>
<td>-0.066</td>
<td>-0.092</td>
<td>0.204***</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub Narc</td>
<td>-0.693***</td>
<td>-0.061</td>
<td>0.028</td>
<td>-0.048</td>
<td>-</td>
<td>-0.070</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Respect</td>
<td>0.637***</td>
<td>0.070</td>
<td>-0.051</td>
<td>-0.016</td>
<td>0.747***</td>
<td>0.113*</td>
<td>-0.596***</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Perceived Morality</td>
<td>0.797***</td>
<td>0.090</td>
<td>-0.118*</td>
<td>-0.061</td>
<td>0.914***</td>
<td>0.218***</td>
<td>-0.736***</td>
<td>0.769***</td>
<td>1.000</td>
</tr>
<tr>
<td>Trust</td>
<td>0.793***</td>
<td>0.106*</td>
<td>-0.070</td>
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Electronic copy available at: https://ssrn.com/abstract=4046897
Panel B: Experiment 2

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The table presents Pearson correlations among all variables of interest for Experiment 1 and Experiment 2. Performance evaluation (measured on a scale from 0 to 10); gender = 0 (female), 1 (male); age (in years); work experience (in years); feelings of closeness (mean of eight questions measured on a seven-item Likert scale); superior narcissism (SuperiorNarc: continuous variable which sums up the participants’ narcissistic choices in the NPI-15); subordinate narcissism (SubNarc: 0 = low, 1 = high); professional respect (mean of three questions measured on a seven-item Likert scale); perceived morality (mean of three questions measured on a seven-item Likert scale); trust (mean of seven questions measured on a seven-item Likert scale). P-values (one-tailed). *** 1% significance; ** 5% significance, * 10% significance.
Table 3
Performance evaluations and superior and subordinate narcissism

Panel A: Experiment 1

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Panel B: Experiment 2

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The table presents results from stepwise multiple regression (coefficient $\beta$, standardized) for Experiment 1 and Experiment 2. The dependent variable is the performance evaluation (measured on a scale from 0 to 10). Independent
variables are subordinate narcissism (SubNarc: 0 = low, 1 = high), superior narcissism (SuperiorNarc: continuous variable which sums up the participants' narcissistic choices in the NPI-15), gender (0 = female, 1 = male), age (in years), and work experience (in years). P-values are reported in parentheses. *** 1% significance; ** 5% significance. * 10% significance.