

The Benefits and Burdens of Organizational Reputation for Employee Well-Being: A  
Conservation of Resources Approach

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## Abstract

We consider the possibility that a positive organizational reputation brings both benefits and burdens to employees working for those organizations. Drawing from the “Red Queen” notion in competitive strategy and from conservation of resources theory, we argue that although organizational reputation can cause employees to identify more strongly with the organization, it may also pressure employees to commit more of their time to the job. In turn, increased organizational identification and time commitment have contrasting effects on employees’ emotional exhaustion. Following recent theorizing in the reputation literature, we also test the proposal that the effects of organizational reputation—a collective-level representation—are mediated through employees’ individual-level perceptions. Taken together, our theoretical model suggests that organizational reputation, through employees’ perceptions of that reputation, simultaneously serves as a benefit that reduces emotional exhaustion via organizational identification, but also as a burden that increases emotional exhaustion via additional time commitment. In turn, we demonstrate that these dynamics have both positive and negative implications for employees’ counterproductive work behavior. Our arguments are confirmed in a multi-wave, multi-source study of employees from a diverse range of organizations.

### The Benefits and Burdens of Organizational Reputation for Employee Well-Being: A Conservation of Resources Approach

Intuitively, having a positive *organizational reputation*—generalized perceptions of an organization’s favorability and overall appeal (Lange, Lee, & Dai, 2011)—should be an asset to organizations. Confirming this intuition, research has found that a positive reputation leads to increases in organizational performance (Roberts & Dowling, 2002), the ability to charge higher prices (Deephouse, 2000; Rindova, Williamson, Petkova, & Sever, 2005), greater flexibility and strategic choice (Deephouse & Carter, 2005), and the ability to attract

better suppliers and partners (Jensen & Roy, 2008; Saxton & Dollinger, 2004; for a recent review of the outcomes of organizational reputation see Lange et al., 2011).

The benefits of a favorable organizational reputation also extend to the individual level. For example, Turban and Cable (2003; Cable & Turban, 2003) found that high-quality job applicants were more attracted to organizations with a positive reputation, and that applicants were willing to accept lower wages from those organizations. Related research has shown that employees' positive perceptions of an organization's external prestige or image—which, like reputation, reflect the underlying appeal of an organization (Carmeli, 2005; Whetten & Mackey, 2002)—influence a range of behaviors and attitudes, including affective commitment to the organization (Carmeli, Gilat, & Weisberg, 2006), job satisfaction and performance (Carmeli, Gilat, & Waldman, 2007; Herrbach & Mignonac, 2004), citizenship behaviors (Carmeli, 2005; Kang & Bartlett, 2013), turnover intentions (Ciftcioglu, 2010; Herrbach, Mignonac, & Gatignon, 2004; Mishra, 2013), and organizational identification (Smidts, Pruyn, & van Riel, 2001). In sum, the consensus in the literature is that a positive organizational reputation is beneficial for employees.

Although it is intuitive, this consensus on the beneficial individual-level outcomes of organizational reputation has largely missed one of the key developments in the broader reputation literature—that reputation can also lead to burdens (Bundy & Pfarrer, 2015; Lange et al., 2011; Rhee & Haunschild, 2006; Zavyalova, Pfarrer, Reger, & Hubbard, 2016). These burdens stem from the same mechanism as the benefits, namely stakeholders' increased expectations of positive outcomes. Recent work suggests that stakeholders' inflated expectations may cause an organization to experience significant strain and pressure as it attempts to meet these ever-growing expectations (Bundy & Pfarrer, 2015; Mishina, Dykes, Block, & Pollock, 2010; Petkova, Wadhwa, Yao, & Jain, 2014; Sirsly & Lvina, in press). These strains have been linked to increases in strategic risk-taking (Petkova et al., 2014),

negative stakeholder reactions (Zavyalova et al., 2016), and, in the extreme, corporate wrongdoing (Mishina et al., 2010).

The growing evidence for the potential burden of reputation at the organization level suggests that the favorable consensus view of organizational reputation at the individual level may be incomplete and problematic. It remains unclear if employees experience reputation-induced strains similar to those experienced by organizations, and how such strains might impact employees' attitudes and behaviors. We propose that the pressures and strains experienced by organizations as they attempt to live up to their reputation are paralleled at the employee level. More specifically, we contend that the burdening effect of organizational reputation becomes clearer when examined through a "stress lens."

Drawing on conservation of resources theory (Hobfoll, 1989, 2001), we build theory outlining how organizational reputation can lead to both benefits and burdens for employees. Conservation of resources theory argues that stress will decrease when resources are gained and increase when resources are lost or threatened, with *resources* defined as objects, personal characteristics, conditions, or energies that are inherently valued, or are valued because they help acquire other valued resources. We theorize that an organization's reputation will serve as the source of both energizing resource gains—due to organizational identification—and depleting resource losses—due to increased time commitment to the organization. In building our conceptual and empirical models, we draw on recent theorizing to suggest that organizational reputation—which exists as a collective-level representation—will exert these effects through employees' individual-level perceptions of their organization's reputation. We theorize that employees' perceptions of reputation are an idiosyncratic filter for organizational reputation that will act as a more proximal predictor of organizational identification and time commitment. The gains and losses stemming from these variables have crucial downstream implications for *emotional exhaustion*—chronic

feelings of depletion (Maslach, Schaufeli, & Leiter, 2001).

Regarding its role in resource gains, employees' perceptions of a positive organizational reputation may lead them to identify more strongly with the organization (Cialdini, Borden, Thorne, Walker, Freeman, & Sloan, 1976; Smidts et al., 2001). This sense of "oneness" with a reputable organization should be associated with energizing increases in self-esteem (Tajfel, 1982) that decrease emotional exhaustion. Regarding its role in resource losses, employees' perceptions of a positive organizational reputation may cause them to feel pressured to maintain a high level of performance, thereby increasing the amount of time they spend on the job. Despite some performance benefits of increased time commitment, research indicates that increasing time commitment to the job can be a depleting experience that eventually exacts a toll on employees (for reviews, see Bakker & Demerouti, 2007; Hobfoll, 2001; Lee & Ashforth, 1996; Maslach et al., 2001).

Thus, although employees' perceptions of a positive organizational reputation may decrease emotional exhaustion through the energizing effects of organizational identification, such perceptions may also increase emotional exhaustion through the draining effects of increased time commitment. In turn, emotional exhaustion has the potential to negatively impact employees' discretionary behavior, namely counterproductive work behavior and citizenship behavior (see Figure 1 for our conceptual model). Taken together, our theoretical model proposes that although organizational reputation, conveyed through employees' perceptions, has an overall positive effect on employee attitudes and behaviors, previously-unidentified stress dynamics have an adverse impact on this overall effect. The takeaway for scholars and organizations is that the potential burdens must be identified and addressed in order to maximize the positive outcomes associated with organizational reputation.

We make several contributions that could not be extrapolated from existing theory and empirics. Past research has identified the benefits of reputation at multiple levels, such as

greater strategic choice for the organization (Deephouse & Carter, 2005) and decreased turnover intentions among employees (Herrbach et al., 2004). Recently, researchers have identified detriments at the organizational level, such as increased pressure leading to corporate wrongdoing (Mishina et al., 2010). Utilizing conservation of resources theory, our study extends the literature by identifying detriments at the individual level and developing a dual-pathway model linking an organization's reputation with behavior at work. In doing so, we contribute to a literature that has begun to consider the potential trade-offs and downsides associated with organizational reputation. Adding to this nascent literature, we find that organizational reputation is a double-edged sword with respect to emotional exhaustion. In turn, these effects on emotional exhaustion have important implications for employees' discretionary behavior. Thus, we extend arguments on the expectations and strains associated with organizational reputation to the individual level. We also make a contribution by introducing a stress lens—conservation of resources theory—to the reputation literature. Our conceptual approach complements existing approaches to reputation, which have begun to consider its socio-cognitive “microfoundations” (Mishina, Block, & Mannor, 2012). Importantly, a stress lens reveals individual-level dynamics of reputation that are not apparent from prior theoretical approaches.

We make an additional contribution by demonstrating that the effects of organizational reputation are transmitted to employee attitudes and behaviors through employees' unique perceptions of that reputation. Our results provide preliminary evidence for recent conceptual models of the interplay between organizational- and individual-level reputation dynamics (Bitektine, 2011; Lange et al., 2011; Mishina et al., 2012; Rindova & Martins, 2012; Zavyalova et al., 2016). Finally, our study has practical implications for managers. Although we do find burdens associated with reputation, we maintain that the overall effect is beneficial. As such, managers who can minimize the burdens will be better

positioned to capitalize on the benefits. We offer several speculative suggestions in this regard, contributing to both theory and practice by considering the complexities of organizational reputation and its capacity to act as a double-edged sword to members of the organization.

### Theory and Hypotheses

Our definition of *organizational reputation* as generalized perceptions of an organization's favorability and overall appeal was formulated by Lange and colleagues (2011) following an extensive review and synthesis of definitional issues within the reputation literature. Their review also encompassed treatments of reputation within the literatures on recruitment and employer image (Cable & Turban, 2003; Highhouse, Broadfoot, Yugo, & Devendorf, 2009; Lievens & Slaughter, 2016; Turban, Forret, & Hendrickson, 1998). This view of reputation emphasizes the general "patterns in the history of a firm's actions" (Rindova & Martins, 2012, p. 22) that aid stakeholders in making an overall evaluation of the firm as "more or less good and attractive" (Lange et al., 2011, p. 159; see also Deephouse, 2000; Fombrun, 1996; Love & Kraatz, 2009). As noted by Lievens and Slaughter (2016, pp. 409–410), this view of reputation captures "how the general public feels about the organization." This perspective is also echoed by Highhouse et al. (2009, p. 783), who emphasized that organizational reputation is a "global, temporally stable, evaluative judgement about a firm that is shared by multiple constituencies" (see also Brooks & Highhouse, 2006; Lievens, 2007; Lievens & Slaughter, 2016). In this way, reputation can be understood as a collective representation that is shared across stakeholders and captures the generalized favorability of an organization.

Scholars have recently begun to theorize that the collective-level representation of reputation exerts its effects on individual-level dynamics through individual-level perceptions of that collective representation (cf. Bitektine, 2011; Bundy & Pfarrer, 2015; Cable &

Turban, 2003; Lange et al., 2011; Lievens & Slaughter, 2016; Mishina et al., 2012; Rindova & Martins, 2012; Zavyalova et al., 2016). For example, Mishina et al. (2012) proposed that although reputation exists as a collective representation, it is filtered through each individual's idiosyncratic experiences, interpretations, and cognitions to shape their perceptions and ultimately influence attitudes and behaviors toward the organization. Likewise, Lievens and Slaughter (2016, p. 416) noted, "a focus only on reputation (the general public's shared perceptions) overlooks individual idiosyncrasies" that are important for understanding individuals' behaviors. Summarizing this consensus in the literature, Bitektine (2011, p. 152) proposed that, "the evaluator assesses the reliability of the collected information and renders the judgment, which then serves as the basis for his or her action with respect to the organization."

These conceptual arguments suggest a process in which the collective elements of organizational reputation become source material for the employee's own unique reputation perceptions. For example, an employee may perceive a positive organizational reputation through favorable news coverage, top rankings in magazines, and positive word-of-mouth. These external perceptions should combine with the employee's own experiences to shape how the employee responds to organizational reputation. That is, employees' unique perceptions of reputation should be a function of the collective-level representation of reputation.

Importantly, this collective representation is unlikely to perfectly align with employees' perceptions of reputation, given the potential for self-serving biases to influence their perceptions (Babcock & Loewenstein, 1997; Kunda, 1990), and their access to internal messages and behavior (Lievens & Slaughter, 2016). For example, employees might be subject to exploitative treatment that is not apparent to the general public, or they might witness acts of corporate social responsibility that are performed without fanfare. Supporting



this notion, Davies, Chun, Vinhas da Silva, and Roper (2004) argued that although employee and customer perceptions of organizational reputation will coincide, employees' access to behind-the-scenes information should result in differences between the two perceptions.

Accordingly, before considering the individual-level consequences of organizational reputation, it is necessary to first recognize that these consequences are proximally driven by how employees perceive their organization's reputation. Providing some preliminary support for this idea, Cable and Turban's (2003) research on recruitment found that job seekers' individual-level perceptions of an organization's reputation were impacted by organizational-level, collective representations of reputation, yet were a distinct construct. In sum, prior research suggests that organizational reputation—as a collective representation—will be a critical driver of employees' perceptions of their organization's reputation, with each employee's idiosyncratic experiences, perceptual biases, and differential access to information about the organization also playing a role in this relationship.

*Hypothesis 1:* Organizational reputation is positively related to employee perceptions of reputation.

### **The Red Queen Effect and Conservation of Resources Theory**

Despite the many demonstrated benefits of organizational reputation, research has increasingly begun to recognize its potential burdens for the organization (Bundy & Pfarrer, 2015; Mishina et al., 2010; Rhee & Haunschild, 2006; Zavyalova et al., 2016). A common thread in this research is the assertion that increases in organizational reputation are accompanied by increases in stakeholders' expectations of positive outcomes. Organizations must continue to meet or exceed these growing expectations to maintain and enhance their reputation. Drawing from Lewis Carroll's *Through the Looking-Glass*, scholars have labeled this process the "Red Queen" effect, noting that organizations need to perform at ever-increasing levels to keep up with stakeholders' growing expectations (Derfus, Maggitti,

Grimm, & Smith, 2008; Mishina et al., 2010; Sirsly & Lvina, in press).<sup>1</sup> Although the Red Queen effect is most frequently studied in the context of competitive exchange (Derfus et al., 2008; Giachetti, Lampel, & Pira, 2017), Sirsly and Lvina (in press) found that maintaining a positive reputation requires a consistent increase in investments over time (see also Bertels & Peloza, 2008).

Building on this line of inquiry, research has begun to consider the decision-making and behavioral implications associated with stakeholders' increased expectations of reputable organizations. For example, Mishina and colleagues (2010) found that high-performing organizations—which are generally also considered high reputation (Brown & Perry, 1994; Roberts & Dowling, 2002)—were more likely to engage in misconduct as they strove to maintain their top positions. Relatedly, Petkova and colleagues (2014) demonstrated that higher-reputation organizations engaged in riskier strategies while attempting to build and maintain their reputation. Such high-risk strategies can be rewarding, but are also fraught with peril, often leading to unstable and negative performance (Bromiley, 1991; Wiseman & Gomez-Mejia, 1998). Finally, several studies have shown that the inflated expectations associated with organizational reputation can increase stakeholders' negative reactions to wrongdoing (Rhee & Haunschild, 2006; Zavyalova et al., 2016). Thus, in addition to the positive outcomes, a growing consensus is that the increased expectations associated with organizational reputation can shape the behaviors of organizations and stakeholders in negative ways.

Despite these advancements, much of the research on the potential burdens of

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<sup>1</sup> The label comes from the “Red Queen’s Race” scene in Chapter 2 of *Through the Looking-Glass*, in which Alice and the Queen run very fast but stay in the same place. The Queen notes, “You see, it takes all the running *you* can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!” (Carroll, 1897, p. 50).

organizational reputation remains confined to the organization-level of analysis. While some research has suggested that managers may feel cognitively and emotionally overwhelmed in response to the Red Queen effect (Greve, Palmer, & Pozner, 2010; Mishina et al., 2010), direct testing at the individual level remains elusive, with the mechanisms residing in a black box. However, the reputation-induced pressures, strains, and expectations that have been theorized at the organizational level hint that the individual-level drawbacks of reputation likely revolve around stress—broadly defined as experiencing pressures and strains that tax or exceed one’s capabilities, thereby endangering well-being (Lazarus & Folkman, 1984). As scholars strive to understand how the organizational environment affects employee attitudes and behaviors, they are consistently finding that stress is a core component of this equation (Bakker & Demerouti, 2007; Hobfoll, 2001; Karasek & Theorell, 1990; Lee & Ashforth, 1996; Maslach et al., 2001). As such, we believe employing a “stress lens” will shed light on the potential trade-offs that organizational reputation presents to employees.

Whereas many theories of stress solely consider the stress-inducing aspects, or burdens, of the workplace, conservation of resources theory (Hobfoll, 1989, 2001) is uniquely suited to also exploring the benefits. Conservation of resources theory proposes that the key to understanding stress—and its behavioral outcomes—is the notion of resource gains and losses. In a series of qualitative and quantitative studies, Hobfoll and colleagues identified a number of resources that are generally valued by most individuals (Hobfoll, 1998; Hobfoll & Lilly, 1993). Examples of these resources are financial assets, seniority at work, the ability to organize tasks, and motivation. According to conservation of resources theory, stress decreases when resources are gained and increases when resources are lost or threatened.

The appropriateness of a conservation of resources “stress lens” for examining the effects of reputation is supported by research from organizational sociology and social psychology, which demonstrates that heightened social expectations place pressures and

strains on individuals (Agnew & White, 1992; Cooke & Rousseau, 1984; Hobfoll, 1989, 2001). These pressures and strains can impact individuals' physical and emotional well-being and leave them feeling "burned out" or emotionally exhausted (Crawford, LePine, & Rich, 2010; Hobfoll, 2001; Lee & Ashforth, 1996). Such feelings may lead to a variety of outcomes, including decreased helping behavior (Halbesleben & Bowler, 2007), increased incivility toward customers (Van Jaarsveld, Walker, & Skarlicki, 2010), and increased voluntary turnover (Wright & Cropanzano, 1998). We propose that using a stress lens to examine the effects of organizational reputation on employees—particularly on emotional exhaustion—will provide unique insights that are not apparent with other conceptual approaches.

### **The Individual Benefits of Organizational Reputation**

A number of studies have previously demonstrated the positive employee outcomes associated with a favorable organizational reputation (or closely-related constructs), ranging from increased affective commitment to higher job performance (Carmeli et al., 2006; Carmeli et al., 2007). Many of these studies showed that a critical mechanism facilitating such positive outcomes is the development of organizational identification, or a sense of oneness with the focal organization (Carmeli et al., 2006; Carmeli et al., 2007; Ciftcioglu, 2010; Mael & Ashforth, 1992; Mishra, 2013). Drawing on this prior research positioning organizational identification as a key outcome of reputation, we consider its role in resource gains.

A primary motivation behind identification with a group is a desire to enhance self-esteem (Abrams & Hogg, 1988; Ashforth & Mael, 1989; Dutton, Dukerich, & Harquail, 1994; Tajfel & Turner, 1986). Identification allows an individual to derive part of his or her sense of self from membership in a group. Not surprisingly, individuals tend to identify more strongly with groups or organizations that are perceived favorably (Ashforth & Mael, 1989;

Carmeli et al., 2007; Chatman, Bell, & Staw, 1986; Mael & Ashforth, 1992; March & Simon, 1958). Thus, a positive reputation provides an attractive incentive for organizational identification. We argue that as employees perceive a positive organizational reputation, they will increasingly identify with the organization (Bitektine, 2011; Cable & Turban, 2003; Mishina et al., 2012).

*Hypothesis 2:* Organizational reputation has a positive indirect effect on organizational identification, through employee perceptions of reputation.

As identification increases, employees should derive a strong sense of positive social identity from the organization's reputation. Identifying with a high-reputation organization allows employees to "bask in the reflected glory" of their employer (Cialdini et al., 1976, p. 366), and should have beneficial implications for several of the resources explicitly identified by Hobfoll and colleagues (Hobfoll, 1998; Hobfoll & Lilly, 1993). For example, identifying with a higher-reputation organization may lead to the perception of stable employment, as well as a sense of personal success, status, and optimism. Conservation of resources theory argues that an increase in these resources should act as a reserve of energy that facilitates daily activities (Hobfoll, 1989, 2001). As such, organizational identification should reduce emotional exhaustion. In support of this proposal, scholars have demonstrated that resources such as optimism and pride have energizing effects that decrease emotional exhaustion (Baer, Dhensa-Kahlon, Colquitt, Rodell, Outlaw, & Long, 2015; Hayes & Weathington, 2007; Riolli & Savicki, 2003). Taken together, our arguments suggest a "serial" indirect effect of organizational reputation on emotional exhaustion.<sup>2</sup>

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<sup>2</sup> A serial indirect effect is a mediation chain in which an independent variable exerts an effect on a dependent variable through two or more mediators linked in series—e.g., independent variable → mediator A → mediator B → dependent variable (Hayes, 2015).

*Hypothesis 3:* Organizational reputation has a negative serial indirect effect on emotional exhaustion, through employee perceptions of reputation and organizational identification.

### **The Individual Burdens of Organizational Reputation**

At the organizational level, reputation is associated with increased expectations and pressures from stakeholders (Lange et al., 2011; Rhee & Haunschild, 2006; Rindova et al., 2005; Zavyalova et al., 2016). As noted by Mishina and colleagues (2012), meeting these expectations requires “a great deal of organizational time and effort” (p. 468; see also Bertels & Pelozo, 2008; Sirsly & Lvina, in press). We propose this scenario is paralleled at the individual level. Whether implicitly or explicitly, employees likely understand that maintaining their membership in a high-reputation organization is dependent on meeting the organization’s high standards of performance. Meeting those expectations requires an investment of time and energy. Addressing this issue, Bakker and Demerouti (2007) proposed that when employees face heightened demands, they raise the amount of time they allocate to their jobs as part of a “performance-protection” strategy. From this perspective, increased time commitment may be an investment designed to protect or obtain valued outcomes such as financial success, seniority, or positive acknowledgements from others. We propose that organizational reputation, as filtered through employees’ perceptions of this reputation (cf. Bitektine, 2011; Cable & Turban, 2003), will translate into increased time commitment.

*Hypothesis 4:* Organizational reputation has a positive indirect effect on time commitment, through employee perceptions of reputation.

Although increased time commitment is not a negative *per se*, it does have the potential to adversely affect employees to the extent that it consumes valued and necessary resources (Hobfoll, 2001). Increased time commitment at work should be associated with the loss of several key resources identified by conservation of resources theory, such as free time,

time for adequate sleep, time with loved ones, stamina, and involvement in community activities (Hobfoll, 1998). Over time, even small—yet consistent—losses of these resources can contribute to a chronic feeling of being “used up” at work (Halbesleben, Neveu, Paustian-Underdahl, & Westman, 2014; Hobfoll, 1989, 2001; Maslach et al., 2001; Westman, Hobfoll, Chen, Davidson, & Laski, 2005). Consequently, increased time commitment stemming from organizational reputation should be a drain on personal resources, ultimately contributing to emotional exhaustion.

*Hypothesis 5:* Organizational reputation has a positive serial indirect effect on emotional exhaustion, through employee perceptions of reputation and time commitment.

### **Behavioral Implications of Emotional Exhaustion**

Scholars’ and managers’ interest in understanding the causes of emotional exhaustion largely stems from proposals that it should have a detrimental effect on employee behaviors (Bakker & Demerouti, 2007; Hobfoll, 2001; Maslach et al., 2001). Yet, empirical research has often failed to find a connection between emotional exhaustion and employees’ core task performance (Halbesleben & Bowler, 2007). When examined through the lens of conservation of resources theory, these results are not entirely surprising. The theory suggests that individuals will invest resources in the areas with the greatest potential return on investment (Halbesleben & Bowler, 2007; Hobfoll, 2001; Hobfoll & Freedy, 1993). In other words, employees strive to strategically manage their emotional exhaustion (Hockey, 1993). They implicitly understand that a decrease in their core task performance may result in punishments or a lack of rewards (Bakker & Demerouti, 2007; Hockey, 1993). Thus, emotional exhaustion often does not result in “overt decrements in primary task performance” (Bakker & Demerouti, 2007, p. 313; see also Halbesleben & Bowler, 2007). Rather, emotional exhaustion may be more likely to exert “compensatory costs” that affect behaviors

which lie outside employees' core task performance, yet are critical to employee and organizational performance (Bakker & Demerouti, 2007, p. 313).

Accordingly, we examined the compensatory costs of emotional exhaustion on employees' discretionary behavior—counterproductive work behavior and citizenship behavior. *Counterproductive work behavior* is voluntary behavior that violates organizational rules and, in so doing, harms the organization (Robinson & Bennett, 1995). This behavior includes wasting time at work, loafing on team assignments, and working on personal matters while on the clock (Bennett & Robinson, 2000; Fox & Spector, 1999; Stewart, Bing, Davison, Woehr, & McIntyre, 2009). *Citizenship behavior* is extra-role behavior that, although not part of an employee's defined role, promotes the effective functioning of the organization (Organ, 1988). This behavior includes offering ideas to improve the organization, defending the organization, and proactively preventing problems (Lee & Allen, 2002; Williams & Anderson, 1991). Together, counterproductive work behavior and a lack of citizenship behavior can have a substantial negative impact on the functioning of an organization (Motowidlo, 2003; Motowidlo, Borman, & Schmit, 1997; Rotundo & Sackett, 2002).

Conservation of resources theory suggests that emotional exhaustion increases as resources are drained. As emotional exhaustion increases, employees' ability to monitor their behavior is diminished. Such depletion may manifest as daydreaming, wasting time, or leaving assignments for colleagues to finish. This behavior may allow employees to protect their remaining resources by distancing themselves from the work (Bolton, Harvey, Grawitch, & Barber, 2012). Similarly, as emotional exhaustion increases, employees should be less inclined to engage in discretionary behavior such as helping colleagues or attending functions that aren't required. Although this change in behavior may serve to protect employees' resources, it is ultimately a reduction in desirable employee behavior.



*Hypothesis 6:* Emotional exhaustion is positively related to counterproductive work behavior.

*Hypothesis 7:* Emotional exhaustion is negatively related to citizenship behavior.

## Method

### Sample

We tested our conceptual model with a sample of 210 employees and their supervisors, all based in eastern India. All employees either had an MBA or were currently enrolled in an executive-MBA program. They were employed by organizations across a broad range of sectors, including information systems, finance, healthcare, manufacturing, retail, and transportation. A total of 123 organizations were represented in our sample. The average age of participants was 33 years ( $SD = 6.4$  years); 61 percent of the participants were male. Our study also utilized 171 subject-matter experts—business school professors, postdoctoral fellows, PhD students, and MBA students—to rate the reputation for the 123 organizations in our sample. The average age of subject-matter experts was 30 years ( $SD = 7.2$  years); 80 percent were male.

### Procedure

Participants were recruited through the alumni office of a private graduate business school located in eastern India. Potential participants were identified by the alumni office and included graduates from the previous 3 years as well as current executive-MBA students.<sup>3</sup> Upon receiving a list of these potential participants, we sent them an email providing the

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<sup>3</sup> Our final sample consisted of 81 alumni and 129 MBA students. To determine if there were differences between the two groups, we created a dummy code for alumni versus current MBA students and tested it as a control variable in the structural equation model for our analyses. As this control did not substantially impact our hypothesized model, it was not retained in our final analyses.

requirements of the study: (1) they had to be employed full-time, (2) they had to be willing to fill out two surveys administered one month apart, and (3) their supervisor had to be willing to complete a survey that would be administered one month after the second participant survey. Alumni who completed the study were thanked with an Amazon.in gift card for 500 rupees (equivalent to approximately \$8 US). Executive MBA students who completed the study were awarded course credit. Supervisors were thanked with a gift card for 250 rupees (approximately \$4 US).

We collected individual-level data across three time periods to limit the potential for common method variance to impact our results (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).<sup>4</sup> At Time 1, we distributed surveys via email to 340 participants. 330 participants completed the Time 1 survey, for a response rate of 97%. At Time 2 we sent a second survey to the participants who completed the Time 1 survey. 272 participants completed the Time 2 survey, for a response rate of 82%. Four weeks after the Time 2 data collection, we distributed surveys to the supervisors of the 272 participants who responded to the Time 2 survey. 229 supervisors responded to the survey, for a response rate of 84%. After listwise deletion of dyads with incomplete responses to the surveys across the three time periods, our final sample was 210 employee–supervisor dyads. There was no overlap between these dyads; each supervisor rated a single employee.

The Time 1 survey included measures of employees' perceptions of reputation, the

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<sup>4</sup> The time and source separation in our design are two of the most effective remedies for common method variance (Doty & Glick, 1998; Podsakoff et al., 2003). However, since several of our measures were self-reported by employees, we conducted a further analysis to assess whether our results were influenced by common method variance. Specifically, we followed Podsakoff et al.'s (2003) recommended procedures, and specified a latent common methods variance factor in our structural model. All employee-rated items loaded on their respective theoretical constructs and the methods-effects factor. This analysis showed that our results were the same both with and without the methods-effects factor. Along with our time- and source-separated design, this analysis provides additional evidence that common method variance did not bias the results of our study.

employees' Type-A behavior pattern (a control variable described in the measures section), demographics, and the name of their organization. By capturing the name of each employee's organization, we were able to create an organizational-level measure of reputation for each organization in our sample.<sup>5</sup> The Time 2 survey included measures of organizational identification, time commitment, and emotional exhaustion. The Time 3 survey—completed by the employees' supervisors—included measures of the employees' counterproductive work behavior and citizenship behavior. Asking supervisors to assess employee behavior provides a source separation that reduces concerns about common method variance, thereby enhancing the validity of our results (Doty & Glick, 1998; Podsakoff et al., 2003).

### Measures

All measures were assessed on a six-point Likert scale ranging from 1 = *Strongly disagree* to 6 = *Strongly agree*.

**Organizational reputation.** To obtain collective-level reputation ratings for the 123 different organizations in our sample, we followed the procedure outlined by Highhouse et al. (2009; see also Lievens & Highhouse, 2003). Highhouse and colleagues (2009) proposed that organizational reputation should be assessed using aggregated ratings from subject-matter experts—individuals “who possess expertise related to organizational functioning” (p. 788). They argued that anyone with a business-related educational background is suitable as a subject-matter expert. Additionally, they found that stable and reliable estimates of an organization's reputation could be obtained with as few as 5 raters per organization.

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<sup>5</sup> As organizational reputation is an enduring, stable construct (Lievens & Slaughter, 2016), creating this measure subsequent to the Time 1 data collection is unlikely to affect our results. To provide evidence of this proposal, we tested an alternative model utilizing reputation ratings from industry-based publications which were published prior to the collection of our Time 1 data (see footnote 6 for more details). Results were substantively identical.

Following this approach, we recruited a sample, within India, of 171 subject-matter experts—34 business school professors (20%), 61 business school PhD students and postdoctoral fellows (36%), and 76 MBA students (44%)—to provide ratings for the 123 companies in our sample. Each subject-matter expert was randomly assigned to rate 8 out of the 123 organizations. Consistent with Highhouse et al.’s (2009) recommendations, each organization had at least 5 ratings, with an average of 7.5 ratings per organization. Subject-matter experts rated each organization’s reputation using an adapted 5-item measure from Cable & Turban (2003; see also Highhouse et al., 2009; Turban et al., 1998). Sample items from this measure included “[Organization Name] has a good reputation” and “[Organization Name] has a positive image” ( $\alpha = .97$ ). The name of each organization was inserted into the items using the survey software. Our validation efforts for this measure are provided in Table 1 and in our description of the measure for employee perceptions of organizational reputation, which utilized the same items. To provide evidence of rater agreement and the appropriateness of aggregation, we calculated the ratings’  $r_{WG(j)}$ —a measure of inter-rater reliability in which values above .70 indicate acceptable agreement (LeBreton & Senter, 2008). The  $r_{WG(j)}$  was .83. Additionally, the ICC(2) was .83 and the ICC(1) was .39. These values all indicate that subject-matter experts had a high level of agreement on the organizations’ reputation.<sup>6</sup>

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<sup>6</sup> We also tested a model that operationalized organizational reputation by utilizing the published reputation ratings from *Fortune India* and *Businessworld* (e.g., Cable & Graham, 2000; Cable & Turban, 2003; Haleblan, Pfarrer, & Kiley, 2017; Turban & Cable, 2003; Zavyalova et al., 2016). Following Turban and Cable’s (2003) procedure, we combined the ratings from *Fortune India* and *Businessworld* into a count variable—appearing on one published list of high-reputation organizations was coded as ‘1,’ appearing on both lists was coded as ‘2,’ and not appearing on either was coded as ‘0.’ The path coefficient from organizational reputation (utilizing these industry publication ratings) to employees’ perceptions of reputation was positive and significant ( $b = .33, p < .05$ ). All of our results were substantively identical to our primary approach. Complete results of this supplemental analysis are available from the first author upon request.

**Employee perceptions of reputation.** We assessed employees' perceptions of organizational reputation using the same 5-item measure, adapted from Cable and Turban (2003; see also Highhouse et al., 2009; Turban et al., 1998) that was used to capture subject-matter experts' ratings. We used this adapted measure for two reasons. First, we felt it was important to capture all aspects of the construct as defined by Lange et al. (2011), and the original measure was created prior to this definitional specification. Second, Cable and Turban (2003) noted that their 4-item measure included two items that assessed *job-seekers'* perceptions rather than general perceptions—e.g., “This firm has an excellent reputation on campus.” Cutting the two items focused on job-seekers resulted in a 2-item measure. Scholars have noted that 2-item measures exhibit poor reliability and lead to non-converging structural equation models (Kline, 2011). Thus, we added three items from Lange et al.'s (2011) conceptual treatment of reputation in order to create a reliable measure that captures the full conceptual domain of the construct (MacKenzie, Podsakoff, & Podsakoff, 2011).

Although our 5-item scale was not a new measure per se, we conducted validation studies with 4 separate samples to provide additional evidence of its content validity and factor structure (see Table 1 for a list of all items and validation results).<sup>7</sup> We first conducted two content validation studies—one in the United States and one in India—following a procedure outlined by Hinkin and Tracey (1999). We presented both sets of participants with the conceptual definition of reputation—general perceptions of an organization's favorability and overall appeal (Lange et al., 2011). Participants were then asked to rate how well each of

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<sup>7</sup> Demographics for these four samples are as follows:

Sample 1: average age = 35 years ( $SD = 10.2$ ); average work experience = 14 years ( $SD = 9.8$ ); 58% male.  
Sample 2: average age = 30 years ( $SD = 6.1$ ); average work experience = 9 years ( $SD = 6.9$ ); 80% male.  
Sample 3: average age = 33 years ( $SD = 8.9$ ); average work experience = 13 years ( $SD = 8.9$ ); 70% male.  
Sample 4: average age = 32 years ( $SD = 6.5$ ); average work experience = 9 years ( $SD = 7.6$ ); 68% male.

our 5 items represented this conceptual definition on a seven-point scale ranging from “1 = *Item is an extremely bad match to the definition of organizational reputation*” to “7 = *Item is an extremely good match to the definition of organizational reputation.*” The mean definitional correspondence for our 5-item measure was 6.38 out of 7 in the United States sample and 6.01 out of 7 in the India sample. These results compare favorably to previous scales validated with this procedure (e.g., Colquitt, Baer, Long, & Halvorsen-Ganepola, 2014; Gardner, 2005; Hinkin & Tracey, 1999; Rodell, 2013). After establishing the content validity of our 5-item measure, we then proceeded to verify the factor structure of our measure using confirmatory factor analyses (CFAs) with two separate samples (MacKenzie et al., 2011)—one in the United States and one in India. As depicted in Table 1, factor loadings averaged .87 across the two studies and were all greater than .80, thereby providing additional support for our measure’s validity (Kline, 2011). CFAs also demonstrated that our measure provided a good fit to the data in both the United States sample— $\chi^2(5) = 27.41, p < .05$ ; CFI = .97; TLI = .94; SRMR = .02—and the India sample— $\chi^2(5) = 3.93, p > .05$ ; CFI = 1.00; TLI = 1.00; SRMR = .01. Taken together, these results provide validity evidence for our measure of employee perceptions of organizational reputation.

**Organizational identification.** We assessed organizational identification using Mael and Ashforth’s (1992) six-item measure. Sample items include “When someone criticizes my organization, it feels like a personal insult,” “My organization’s successes are my successes,” and “When someone praises my organization, it feels like a personal compliment” ( $\alpha = .85$ ).

**Time commitment.** We assessed time commitment using Brown and Leigh’s (1996) five-item measure, adapted for our context. Sample items include “I work longer hours than most people in my industry,” “I arrive in the office earlier and leave later than most people in my industry,” and “I devote more time to my work than most people in my industry” ( $\alpha = .96$ ).

**Emotional exhaustion.** We assessed emotional exhaustion using Maslach and Jackson's (1993) five-item measure from the MBI-General Survey ( $\alpha = .94$ ).

**Counterproductive work behavior.** Supervisors assessed employees' counterproductive work behavior using Stewart et al.'s (2009) seven-item measure. The employee's name was inserted into the instructions for the measure using the online survey software. Items were prefaced by the phrase "[Employee Name]..." Sample items include "Leaves their work for someone else to finish," "Works on personal matters instead of work for the company," and "Spends too much time daydreaming instead of working" ( $\alpha = .93$ ).

**Citizenship behavior.** Supervisors assessed employees' citizenship behavior using Lee and Allen's (2002) eight-item measure of citizenship behavior toward the organization. The employee's name was inserted into the instructions for the measure. Items were prefaced by the phrase "[Employee Name]..." Sample items include "Offers ideas to improve the functioning of the organization," "Attends functions that are not required, but that help the organizational image," and "Takes action to protect the organization from potential problems" ( $\alpha = .91$ ).

### **Control Variables**

To alleviate concerns about alternative explanations for the hypothesized relationships in our model, we controlled for four theoretically-relevant variables: (1) whether the company had foreign or Indian headquarters, (2) whether the company was privately or publicly held, (3) whether the company provided primarily consumer-based products and/or services, and (4) the Type-A behavior pattern of each employee. First, as all employees were Indian nationals, they might be more likely to identify with Indian organizations. As such, we included a dummy code for whether companies were headquartered in foreign countries or India. Second, an organization's reputation is related to its prominence and visibility to the public (Rindova et al., 2005). Private firms—which tend to be less visible because they do

not have the same reporting and transparency requirements as public firms—may be disadvantaged in terms of building an organizational reputation. Similarly, whether an organization is consumer- versus non-consumer-based may also affect its visibility and influence employees' sensitivity to reputation (Deephouse, 2000; Shamsie, 2003), particularly when considering reputation as a widely-shared collective representation. Finally, Type-A behavior pattern is an individual-level construct that reflects a person's tendency to aggressively attempt to achieve more in less time, to the exclusion of competing priorities (Friedman & Rosenman, 1974). Given our focus on motivational and stress-related constructs such as time commitment and emotional exhaustion, Type-A behavior pattern had the potential to influence our findings (Alarcon, Eschleman, & Bowling, 2009). We assessed employees' Type-A behavior pattern using the 4-item measure from Haynes, Levine, Scotch, Feinleib, and Kannel (1978;  $\alpha = .95$ ). We note that our hypotheses are equally supported in models both with and without these four controls. Given their theoretical relevance, however, we have retained them in our analyses.

### **Confirmatory Factor Analysis**

To verify the structure of our measurement model, we conducted a CFA using Mplus 7.3 (Muthén & Muthén, 2014). Following suggested best practices, all scale measures—employee perceptions of reputation, organizational identification, time commitment, emotional exhaustion, counterproductive work behavior, citizenship behavior, and Type-A behavior pattern—were included in the CFA and modeled with item-level indicators (Kline, 2011). Our measurement model provided a good fit to the data:  $\chi^2(719) = 1266.55, p < .05$ ; CFI = .92; TLI = .92; RMSEA = .06; SRMR = .05. To provide additional support for our hypothesized factor structure, we followed suggested practices by testing several alternative models that constrained the relationships between our latent factors to unity (1). If the latent variables are capturing the same underlying construct, the constrained models will have either



a better fit or fit will not worsen (Kline, 2011). These alternative models were tested using a Wald chi-square test, which compares the chi-square values between the alternative model and the hypothesized model and indicates whether the difference is significant (Engle, 1984; Kline, 2011; Yuan & Bentler, 2006). A significant chi-square value indicates that the hypothesized model is a better fit. As shown in Table 2, all alternative models had significantly worse fit than our hypothesized model, providing evidence that our latent constructs were appropriately modeled. Therefore, we retained our hypothesized factor model.

## Results

### Descriptive Statistics

Table 3 shows the descriptive statistics and zero-order correlations of our variables. The reliabilities of our measures are shown in parentheses on the diagonal.

### Hypotheses Testing

We used structural equation modeling in Mplus 7.3 to test our theoretical model. We specified a model with organizational reputation as a manifest scale score aggregated from the subject-matter experts. All other substantive constructs were modeled with items as indicators of latent factors (Kline, 2011). Turning to the controls, Type-A behavior pattern was modeled as a latent factor with item indicators, whereas the other controls were modeled as manifest variables, given that they were operationalized as binary variables (i.e., dummy codes). Some organizations were represented by multiple employees in our sample. When there is potential for non-independence, the standard errors may be downwardly biased, resulting in an elevated Type I error rate (Bliese, 2000; Huber, 1967; White, 1982; see also Cameron & Miller, 2015; Snijders & Bosker, 2012). Therefore, a more conservative approach is to calculate a robust variance–covariance matrix by inputting a “corrected” matrix based on observed raw residuals (Huber, 1967; Maas & Hox, 2004; White, 1982). This robust

variance–covariance matrix provides more consistent estimation of the standard errors, thereby reducing the Type I error rate (Maas & Hox, 2004). Accordingly, we clustered employees by organization using a sandwich estimator to create clustered standard errors that correct for any potential non-independence (Bliese, 2000; Huber, 1967; White, 1982). Our hypothesized model showed good fit to the data:  $\chi^2(862) = 1386.99, p < .05$ ; CFI = .92; TLI = .91; RMSEA = .05; SRMR = .05. Unstandardized coefficients from the Mplus output are depicted in Figure 2.

Hypothesis 1 predicted that organizational reputation would be positively related to employees' perceptions of their organization's reputation. As shown in Figure 2, the path coefficient from external ratings of organizational reputation to employee perceptions of reputation was positive and significant ( $b = .36, p < .05$ ), providing support for Hypothesis 1.

Hypotheses 2 and 4 predicted that organizational reputation would have indirect effects on organizational identification and time commitment (respectively), through employee perceptions of reputation. We tested these two predictions using the product of coefficients approach (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). This method tests the significance of an indirect effect by assessing the significance of the product term of its constituent path coefficients: e.g., independent variable  $\rightarrow$  mediator path \* mediator  $\rightarrow$  dependent variable path. As product terms are rarely normally distributed, scholars have advised that the statistical significance of indirect effects should be assessed using methods that correct for non-normality (Hayes & Scharkow, 2013; MacKinnon, Lockwood, & Williams, 2004; Preacher & Hayes, 2004; Tofighi & MacKinnon, 2011). Accordingly, we tested the significance of the indirect effects using the Monte Carlo method in R software with the Rmediation package (Tofighi & MacKinnon, 2011). This approach provides more accurate Type I error rates and more power than traditional approaches (e.g. the Sobel test) for testing indirect effects (Hayes & Scharkow, 2013; MacKinnon et al., 2002,

2004). In support of Hypothesis 2, organizational reputation had a positive indirect effect on organizational identification through employee perceptions of reputation (indirect effect = .13,  $p < .05$ ). Hypothesis 4 was also supported, as organizational reputation had a positive indirect effect on time commitment through employee perceptions of reputation (indirect effect = .12,  $p < .05$ ).

Hypotheses 3 and 5 predicted serial indirect effects of organizational reputation on emotional exhaustion (Hypothesis 3: organizational reputation → employee perceptions of reputation → organizational identification → emotional exhaustion; Hypothesis 5: organizational reputation → employee perceptions of reputation → time commitment → emotional exhaustion). In support of Hypothesis 3, organizational reputation had a significant negative indirect effect on emotional exhaustion through employee perceptions of reputation and organizational identification (indirect effect =  $-.05$ ,  $p < .05$ ). This indirect effect can be reproduced mathematically by multiplying the path coefficients in the serial mediation chain:  $.36 * .36 * -.40 = -.05$ . In support of Hypothesis 5, organizational reputation had a significant positive indirect effect on emotional exhaustion through employee perceptions of reputation and time commitment (indirect effect =  $.03$ ,  $p < .05$ ). Again, this indirect effect can be reproduced by multiplying the path coefficients in the serial mediation chain:  $.36 * .33 * .22 = .03$ . Taken together, these results show that organizational reputation serves as both a benefit that reduces emotional exhaustion and as a burden that increases emotional exhaustion. Although our findings indicate that reputation has an overall positive effect, we also show that previously-unidentified negative effects—conveyed via time commitment—detract from the overall benefits.

Hypothesis 6 predicted that emotional exhaustion would be positively related to counterproductive work behavior, whereas Hypothesis 7 predicted that emotional exhaustion would be negatively related to citizenship behavior. Hypothesis 6 was supported, as

emotional exhaustion had a positive effect on counterproductive work behavior ( $b = .14, p < .05$ ). Hypothesis 7 was not supported, however, as the path from emotional exhaustion to citizenship behavior was not significant ( $b = -.07, n.s.$ ).<sup>8</sup>

### Discussion

It is intuitive, for a number of reasons, that scholars and organizations would see the organization's reputation as a benefit for employees. First, being associated with a favorable organization should instill employees with an increased sense of pride and self-esteem. Second, given that higher-reputation organizations are more likely to be successful (Fombrun, 1996), employees should be more committed to such an organization. Empirical research supports this notion, indicating that reputation is positively associated with affective commitment to the organization (Carmeli et al., 2006) and job satisfaction (Herrbach & Mignonac, 2004), and negatively associated with turnover intentions (Ciftcioglu, 2010; Herrbach et al., 2004). Furthermore, working for a more reputable organization may provide employees with increased opportunities if they reenter the labor market. In sum, reputation can be beneficial for employees and, by extension, their organizations.

When examined through a stress lens, however, the potential drawbacks of organizational reputation for employees come into sharper focus. At higher-reputation organizations, employees may feel pressured—both implicitly and explicitly—to maintain that reputation. Employees may feel that just as entry to the organization may depend on high performance (Cable & Turban, 2003; Turban & Cable, 2003), so too may continued

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<sup>8</sup> To provide additional support for our model, we tested the serial indirect effects of organizational reputation on counterproductive behavior. These two serial indirect effects each consisted of the product of four path coefficients. The first was comprised of organizational reputation → employee perceptions of reputation → organizational identification → emotional exhaustion → counterproductive behavior. The second was comprised of organizational reputation → employee perceptions of reputation → time commitment → emotional exhaustion → counterproductive behavior. Both of these serial indirect effects were significant ( $p < .05$ ).

employment. Our research indicates employees' increased time commitment in response to reputation can be draining, ultimately leading to emotional exhaustion and counterproductive work behavior.

Although we found that an organization's reputation is the cause of both resource gains and resource losses, a positive organizational reputation is ultimately beneficial. That is, despite the resource-depleting effects of organizational reputation through time commitment, the benefits outweigh the drawbacks. As noted above, research has shown that employees' positive perceptions of an organization's external social evaluations have a favorable impact on employees' affective commitment (Carmeli et al., 2006), job satisfaction (Herrbach & Mignonac, 2004), and turnover intentions (Herrbach et al., 2004). Prior research has also established a beneficial link between positive external social evaluations and job performance (Carmeli et al., 2007). Our findings should be interpreted against the backdrop of this prior research, recognizing that the drawbacks we demonstrated are confined to stress-related perceptions and discretionary behaviors. Critically, our study indicates that organizations which ignore the potential strain of reputation on employees are not maximizing the potential benefits of this intangible asset. In other words, the benefits of an organizational reputation are reduced when the burdens are left unchecked. All told, our individual-level research contributes to a growing body of organizational-level research that recognizes both the benefits and potential burdens associated with organizational reputation (Bundy & Pfarrer, 2015; Rhee & Haunschild, 2006; Zavyalova et al., 2016).

Beyond uncovering both positive and negative effects of organizational reputation at the employee-level, we also contribute to research on employee stress and conservation of resources theory. The extent to which employees are able to gain or prevent the loss of resources is a key determinant of the amount of stress they experience at work (Hobfoll, 1989, 2001). Yet, conservation of resources theory does not explicitly account for the

possibility that a single characteristic of the organizational context may provide *and* deplete employee resources. By simultaneously identifying “resource-gain” (i.e., organizational identification) and “resource-loss” (i.e., time commitment) mechanisms that link organizational reputation to employees’ emotional exhaustion, we shed light on the double-edged nature of organizational-level characteristics. Thus, our research contributes to a nascent perspective which suggests that utilizing a conservation of resources lens to explore the effects of the workplace context on employees reveals rich dynamics that may be obscured with other theoretical perspectives.

Our theoretical perspective also lends new insights into the drivers of employees’ discretionary behavior. The literature has generally taken the approach that the receipt of positive treatment from an organization leads to beneficial discretionary behavior, whereas the receipt of negative treatment leads to detrimental discretionary behavior. For example, scholars have proposed that citizenship and counterproductive work behaviors are behavioral manifestations of employees’ emotional reactions to workplace situations (Fox, Spector, & Miles, 2001; Spector & Fox, 2002). When employees are exposed to negative events at work, such as organizational injustice, they experience negative emotions. Consequently, they lash out by engaging in counterproductive behaviors. In contrast, positive work conditions, such as organizational justice, induce positive emotions that increase employees’ willingness to engage in citizenship behavior (Spector & Fox, 2002). Taking a more cognitive approach to these dynamics, Organ (1990) proposed that employees use discretionary behavior to hold up their end of social exchange relationships. For example, organizational justice might be repaid with an increase in citizenship behavior, whereas organizational injustice might be repaid with an increase in counterproductive behavior (Colquitt, Long, Rodell, & Halvorsen-Ganepola, 2015).

Our study goes beyond this research to suggest the counterintuitive idea that

workplace conditions which are generally considered positive can also lead to detrimental discretionary behavior. Drawing on conservation of resources theory, we proposed that discretionary behavior will result from organizational reputation both providing and depleting employees' resources. We found that an organization's reputation—generally considered a benefit within the literature—had some depleting effects which increased counterproductive behavior. This finding would be difficult to extrapolate from the literature, given that research has focused on the notion that positive conditions lead to beneficial discretionary behavior and negative conditions lead to detrimental discretionary behavior.

Relatedly, our research provides insight into how employees manage their emotional exhaustion. Although we found that emotional exhaustion led to an increase in counterproductive work behavior, citizenship behavior was not significantly affected. Scholars have noted that employees attempt to strategically manage their emotional exhaustion by limiting the extent to which it affects their performance (Bakker & Demerouti, 2007; Hockey, 1993). Our research provides some indication that employees' efforts to strategically manage their depletion extends to maintaining levels of citizenship behavior. In sum, our results provide some insights into the drivers of counterproductive work behavior and citizenship behavior that help form a more complete picture of how stress dynamics influence discretionary behavior. Future research is needed to determine whether emotional exhaustion exhibits this same pattern of effects on discretionary behavior across a range of conditions.

Finally, our work also provides some insight into the literature's methodological approach to organizational reputation. Scholars in the macro space have increasingly argued that reputation can, and perhaps should, be measured by assessing reputation at the individual level (cf. Bitektine, 2011; Bundy & Pfarrer, 2015; Lange et al., 2011; Mishina et al., 2012; Rindova & Martins, 2012; Zavyalova et al., 2016). For example, Mishina et al. (2012)

proposed that although reputation exists as a collective representation, it is filtered through each individual's idiosyncratic perceptions to influence their attitudes and behaviors. Our results provide initial support for that proposal, suggesting that employee perceptions of reputation are the proximal drivers of reputation-induced attitudes and behaviors.

Notwithstanding, the literature would benefit from additional studies that capture both collective ratings of organizational reputation and employee perceptions within a single study. Given that only a portion of employee perceptions of reputation stem from collective and/or external sources, it is essential for future research to determine the boundary conditions for when reputation can be operationalized with employee perceptions. We note, however, that when investigating organizational-level phenomenon, reputation should likely continue to be measured by subject-matter experts (Highhouse et al., 2009) or with industry publication rankings (Love & Kraatz, 2009).

On this topic, the extent to which different measures of organizational reputation capture the underlying construct has been a topic of debate. In our analyses, subject-matter experts' ratings correlated at .69 with published reputation ratings. Some scholars have questioned the validity of ratings from industry publications (e.g., *Fortune*), as they may be biased by company characteristics such as firm performance or size (Dowling & Gardberg, 2012; Highhouse et al., 2009; Lange et al., 2011). The strong relationship we found between published ratings of organizational reputation and ratings from subject-matter experts provides some support for the validity of ratings from industry-based publications. Although these two operationalizations were relatively interchangeable in our study, questions about the appropriate measurement of organizational reputation remain. Thus, the reputation literature would benefit from more research utilizing multiple operationalizations of organizational reputation with a range of antecedents and outcomes.



## Practical Implications

Given that organizational reputation carries a burden that reduces its positive impact, our attention now turns to how managers might maximize the benefits of organizational reputation while minimizing the burdens. At the outset, we note that our study did not directly test the steps that organizations and managers might take to manage the effects of organizational reputation on employees. Accordingly, the following implications and recommendations are largely speculative. First, it may be beneficial for managers to explicitly convey to employees that they understand working for higher-reputation organizations entails additional pressures. This acknowledgment might help employees understand that others within the organization are dealing with similar issues. Organizations might also find it effective to offer employees support in addressing these pressures. Indeed, research indicates that a sense of social support from one's group can decrease or buffer the impact of work strains (for reviews see Cohen & Wills, 1985; Maslach et al., 2001). To illustrate, consider an organization which celebrates its reputation but also introduces programs to monitor employees' time commitment and protect against emotional exhaustion. Such programs could channel the positive aspects of reputation into energizing resources for employees. As these employees reduce their emotional exhaustion, the likelihood that the organization maintains and enhances its reputation may increase. In contrast, employees left to experience these burdens alone may decrease the organization's ability to maintain its favorability, suggesting that reputation may be fleeting unless it is consciously managed.

There may also be a downside to managers over-emphasizing the organization's reputation, both internally and externally. For example, blanket statements that emphasize "being the best," or constant communication about maintaining and enhancing reputation may work to increase the negative consequences associated with time commitment and emotional exhaustion. The same may be true in terms of "advertising" the organization's

reputation. Although customers and financial audiences may react positively to news about reputation (Rindova et al., 2005; Roberts & Dowling, 2002), employees may interpret such news as an implicit signal that they need to increase their efforts to meet ever-increasing expectations. Even though sharing such good news is likely spurred by positive intentions, there may be unintended consequences. We do not deny or challenge the positive aspects of reputation. Indeed, we show these effects in our own study. Rather, we suggest that a balance is needed between the positive elements of reputation and the potential strain it may place on employees. One potential solution for managers could be to communicate positive reputation-related news in combination with statements that reinforce a commitment to employee well-being. Future research is needed to determine whether our speculative proposals are effective.

#### **Future Directions and Limitations**

We add to a small but growing body of research considering the individual-level effects of organizational reputation and related constructs (Carmeli, 2005; Smidts et al., 2001; Turban & Cable, 2003; Whetten & Mackey, 2002). Here we provide several ways in which our results might serve as a starting point for research that sheds further light on these dynamics. First, although increased stress from reputation may be due to pressure from the organization, it might also come from anxiety related to letting down oneself and others. It would be productive for future research to explore affective mechanisms—particularly anxiety—as alternative pathways through which organizational reputation impacts emotional exhaustion. We also encourage future research to explore the dynamics underlying the reputation-induced stress that results from time commitment. Conservation of resources theory suggests that activities which restrict access to other valued resources lead to stress. As employees spend more time on the job, they likely have less access to energizing resources, such as time with loved ones, time for adequate sleep, and free time. Future research could examine whether a decrease in these resources is the direct mechanism

through which reputation-induced time commitment increases emotional exhaustion.

Another potential direction for future research is the role of personality in these dynamics. Employees' emotional stability could be a fruitful starting point for investigations in this vein. A recent meta-analysis found that several facets of the Big Five were related to emotional exhaustion, with emotional stability being the most strongly related (Swider & Zimmerman, 2010). It is likely that emotionally-stable employees are less affected by the strains that accompany organizational reputation, although research is needed to test that assumption. Employees' regulatory focus may also play a part in these dynamics (Higgins, 1997). Employees with a promotion focus might be more inclined to perceive working for a higher-reputation organization as a challenging opportunity, whereas employees with a prevention focus might perceive it as a potential hindrance to be overcome. Research indicates that stressors seen as challenges can be beneficial, whereas those seen as hindrances are detrimental (Crawford et al., 2010). It follows that employees with a promotion focus, in comparison to those with a prevention focus, may be better suited to working at organizations with a high reputation.

A number of additional implications remain to be explored. For example, several recent studies have considered the effects of organizational reputation in the context of negative events and wrongdoing (Bundy & Pfarrer, 2015; Rhee & Haunschild, 2006; Zavyalova et al., 2016). These studies suggest that organizational reputation can reduce the harm resulting from negative events, but that there is a limit beyond which reputation becomes a burden. This limit may be a function of the magnitude of harm (Rhee & Haunschild, 2006), stakeholder identification (Zavyalova et al., 2016), or other factors. Thus far, these studies have largely been confined to audiences outside the focal organization, such as the media (Rhee & Haunschild, 2006; Zavyalova, Pfarrer, Reger, & Shapiro, 2012) and alumni of the organization (Zavyalova et al., 2016). As such, relatively little is known about

how employees react to wrongdoing at high- versus low-reputation organizations. Given that employees' dependence on their organizations is greater than that of outsiders, such as the media and alumni, it is possible that the dynamics are significantly different.

Our project also raises questions about the multi-level dynamics of organizational reputation within organizations. We found that employees feel pressure and strain in response to organizational reputation. It is possible that this pressure and strain increase as employees ascend the corporate ladder. Prior research suggests this possibility, noting that the pressures and aspirations of managers at high-performing organizations may contribute to increased fraud (Mishina et al., 2010). Although shareholders celebrate a positive reputation, it is likely they would punish the loss of reputation, therefore placing pressure on top managers. If top managers feel the burden more saliently, it is possible they pass that burden down the chain of command. To explore these dynamics, future research should assess whether organizational members' position in the organization's hierarchy affects the dynamics in our theoretical model.

There is also the question of what might happen when the unique pressures associated with organizational reputation are combined with other factors that encourage time commitment and burnout, such as high-pressure work cultures and environments. Such a scenario was exhibited in the *New York Times*'s account of Amazon's work culture, which detailed oppressively-high work hours (Kantor & Streitfeld, 2015). High-pressure work environments can spur positive consequences, including innovation and productivity (Zillman, 2015). Indeed, some employees at Amazon reported that they thrived in the culture and were positively pushed to their limits. However, others reported crying at their desks, working for days straight, witnessing high turnover, and developing stress ulcers. Organizational reputation might influence the dynamics of such environments. A high organizational reputation may help employees justify these grueling demands, recognizing

the collective praise as a reward for their efforts. In this way, the positive effect of reputation on organizational identification, and other resource-enhancing factors, would make such work environments more tolerable, perhaps even serving as a catalyst of innovation and productivity. Alternatively, high organizational reputation may reinforce the appropriateness of such cultures, as employees and managers may believe that time commitment was integral to attaining that reputation and is essential to maintaining it. This could create a self-reinforcing cycle of increased demands on employees' time. In this way, reputation becomes both a cause and a consequence of such environments, and, at worst, an excuse for pushing employees to their limits.

Our double-edged stress lens is also applicable to other streams of literature that utilize conservation of resources theory. For example, scholars have identified social support as an important resource that decreases employees' stress at work (e.g., Halbesleben et al., 2014; Lee & Ashforth, 1996). However, support received from supervisors, peers, or even the organization may create obligations that the employee feels compelled to fulfill (Beehr, Bowling, & Bennett, 2010). In turn, these obligations could serve to deplete employee resources and increase stress. This dual-pathway approach might also inform future research on the potential "dark side" of organizational identification (Conroy, Henle, Shore, & Stelman, 2017). For example, research indicates that organizational identification is associated with work-family conflict (Li, Fan, & Zhao, 2015). It is possible that organizational identification has a negative indirect effect on emotional exhaustion through work-family conflict while exerting a positive indirect effect through constructs such as pride and self-esteem. Future research could explore these countervailing indirect effects of organizational identification on stress outcomes, as well as boundary conditions that might make identification more stressful.

Finally, we recognize that our study is not without limitations. Our design included

variables that were measured across three individual-level waves of data collection and three sources. We also captured third-party ratings of our independent variable, which constitutes a fourth wave of data collection. However, the relationship between emotional exhaustion and both organizational identification and time commitment could have been inflated. Thus, five waves of data collection would have been a more ideal design. Tempering this concern to some extent, all our hypotheses crossed sources, times, or both.

Another potential limitation is that our sample was geographically constrained to India. Research on organizational reputation has largely been conducted within Western nations, and much of the theory has been developed by scholars within Western philosophical traditions. This is not to say that the dynamics of reputation do not generalize across national contexts, but rather that the extent of such generalization is unknown (Gardberg & Fombrun, 2002). In developing our predictions from a Western mind-set and confirming them in a non-Western setting, our results suggest that reputation theory does generalize across geographic boundaries. However, we encourage additional research considering the cultural differences associated with reputation.

On this note, our sample may provide some insight into the lack of support for Hypothesis 7. We argued that emotional exhaustion diminishes employees' discretionary actions, such as citizenship behavior. Whether employees perceive citizenship behavior as "discretionary" may be influenced by cultural values. India is traditionally characterized by high levels of collectivism, which is defined as the extent to which groups expect, encourage, and reward behaviors that contribute to collective outcomes and well-being (House, Hanges, Javidan, Dorfman, & Gupta, 2004). When employees perceive citizenship behavior as expected behavior, they may be less likely to decrease such behavior due to resource depletion. Future reputation research should examine these cross-cultural differences. Additionally, it is possible that we would have found a significant decrease in citizenship

behavior had that variable been rated by employees' coworkers rather than their supervisors. Employees attempt to strategically manage their burnout (Hockey, 1993), which suggests they may strive to engage in the citizenship behaviors that can be observed by a supervisor while diminishing subtle interpersonal citizenship behaviors toward coworkers. Future research could explore this possibility.

### Conclusion

It is natural that organizational reputation is considered a benefit to employees. Yet, those benefits have strings attached. Whether implicitly or explicitly, higher-reputation organizations require an elevated level of time commitment from their employees, leaving those employees feeling emotionally drained. This feeling of emotional exhaustion has performance implications that ultimately harm the organization. As managers strive to obtain and maintain a positive organizational reputation, they should be aware of these drawbacks for employees. Hopefully, a clearer understanding of the stress-laden dynamics of organizational reputation can lead to actions that take advantage of the benefits while minimizing the burdens.

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Table 1. Employee Perceptions of Reputation Measure

Items	Content Validity Ratings (7-point scale)		Factor Loadings	
	Sample 1 (US)	Sample 2 (India)	Sample 3 (US)	Sample 4 (India)
This organization has a good reputation.	6.55	6.09	.93	.80
This organization has a positive image.	6.48	6.01	.91	.86
This organization is viewed favorably.	6.36	5.88	.87	.80
This organization is admired.	6.31	6.09	.90	.86
This organization is held in high esteem.	6.22	6.00	.94	.84
<b>Average</b>	6.38	6.01	.91	.83

*Note.* Sample 1,  $n = 103$ ; Sample 2,  $n = 109$ ; Sample 3,  $n = 127$ ; Sample 4,  $n = 128$ .

All factor loadings were significant at  $p < .01$ , two-tailed.

Table 2. Alternative Models for Confirmatory Factor Analysis

<b>Latent factors constrained to unity (1)</b>	<b>Wald <math>\chi^2</math> Test (<math>\Delta</math> in <math>\chi^2</math>)</b>
Employee perceptions of reputation & organizational identification	325.67, $p < .001$
Employee perceptions of reputation & time commitment	204.37, $p < .001$
Employee perceptions of reputation & emotional exhaustion	511.18, $p < .001$
Employee perceptions of reputation & counterproductive work behavior	843.92, $p < .001$
Employee perceptions of reputation & citizenship behavior	538.64, $p < .001$
Employee perceptions of reputation & Type-A behavior pattern	214.12, $p < .001$
Time commitment & emotional exhaustion	98.74, $p < .001$
Counterproductive work behavior & citizenship behavior	678.83, $p < .001$
Type-A behavior pattern & time commitment	108.58, $p < .001$
Type-A behavior pattern & emotional exhaustion	130.16, $p < .001$

*Note.* The second column depicts the  $\chi^2$  difference, with one degree of freedom, between each alternative CFA model and our proposed CFA model.

Table 3. Descriptive Statistics and Correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Organizational reputation	4.17	0.83	(.97)										
2. Employee perceptions of reputation	5.09	0.72	.40*	(.92)									
3. Organizational identification	4.84	0.74	.01	.24*	(.85)								
4. Time commitment	3.67	1.19	.01	.18*	.16*	(.96)							
5. Emotional exhaustion	2.85	1.11	-.04	-.14*	-.25*	.22*	(.94)						
6. Counterproductive work behavior	1.75	0.75	-.12	-.12	-.09	.02	.18*	(.93)					
7. Citizenship behavior	4.77	0.69	.08	.06	.08	.07	-.03	-.48*	(.91)				
8. Foreign headquarters	0.31	0.46	-.00	.06	-.05	-.03	-.05	-.02	-.00	-			
9. Public company	0.34	0.48	.38*	.14*	-.06	-.03	.06	-.12	.08	.01	-		
10. Consumer-based organization	0.21	0.41	.03	-.04	.06	-.04	-.10	.01	-.06	.03	.09	-	
11. Type-A behavior pattern	4.33	1.29	.06	.15*	.08	.04	.12	.02	.03	.04	.04	.09	(.95)

Note.  $n = 210$  for all employee- and supervisor-rated variables. With respect to organizational reputation, the 123 organizations in our sample were rated by 171 subject-matter experts. Coefficient alphas are on the diagonal in parentheses. Foreign headquarters (0 = Indian headquarters, 1 =

headquarters are in a foreign country); Public company (0 = private, 1 = public); Consumer-based company (0 = non-consumer-based organization, 1 = consumer-based organization). Given that the 210 employees were distributed across 123 organizations, there was the potential for non-independence. Thus, the significance levels for the correlations between organizational reputation and the other variables in our model should be interpreted with caution. \*  $p < .05$ , two-tailed.

Figure 1. Conceptual Model

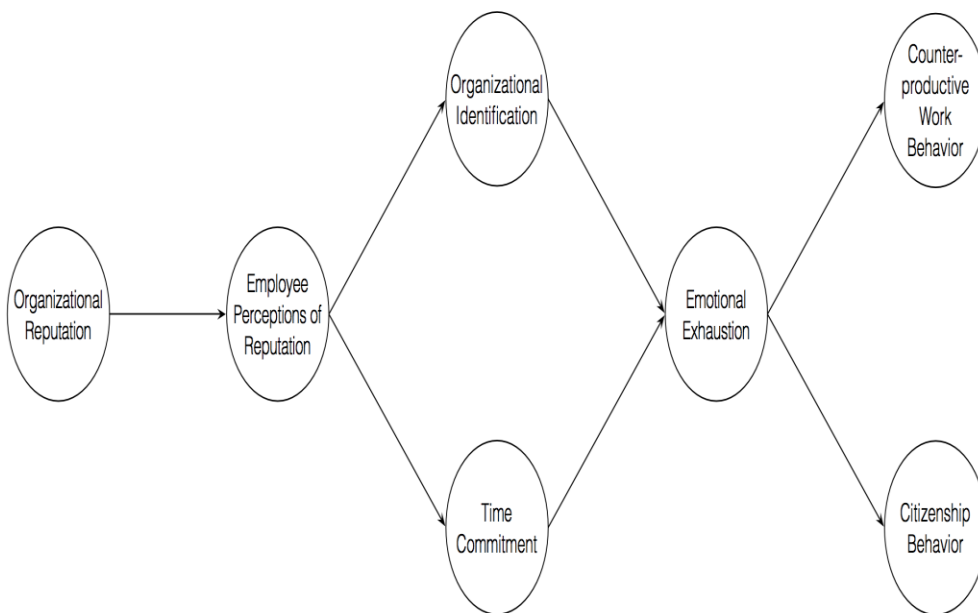
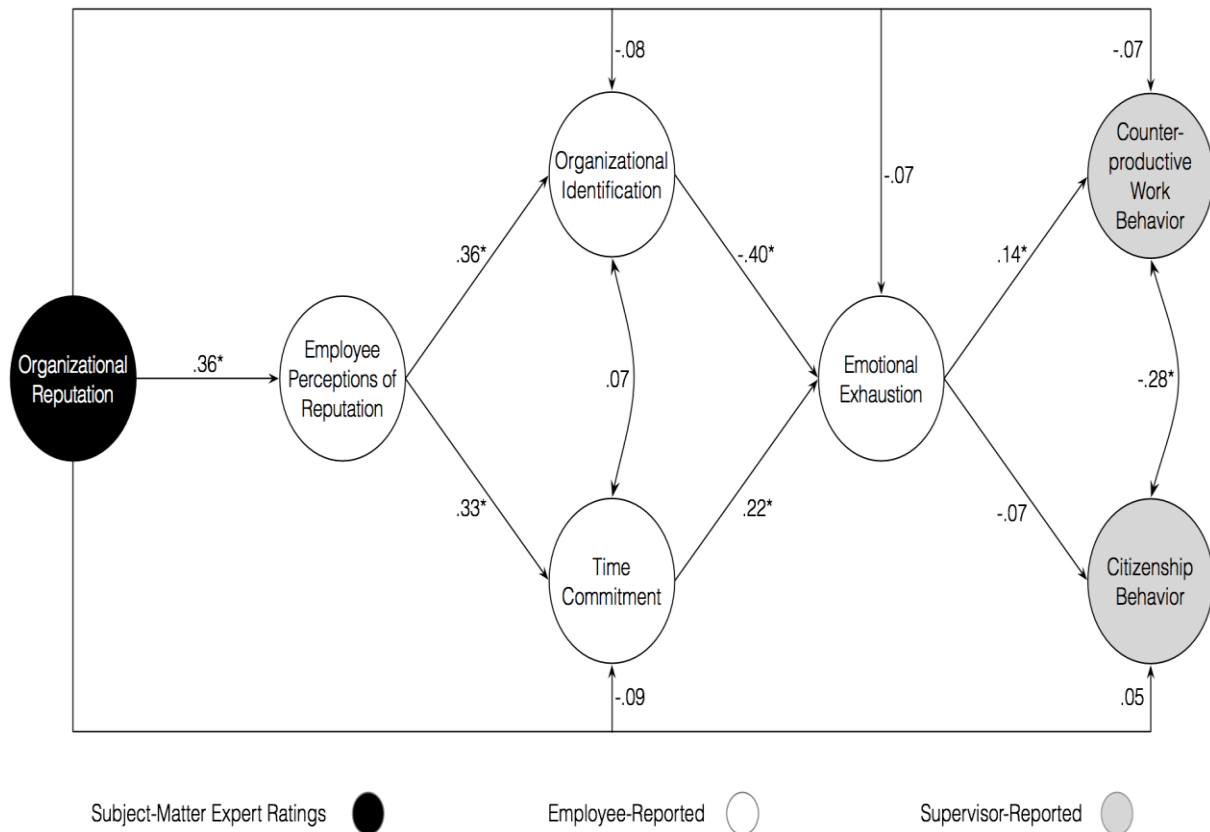




Figure 2. Structural Equation Modeling Results



*Note.*  $n = 210$  for all employee- and supervisor-rated variables. With respect to organizational reputation, the 123 organizations in our sample were rated by 171 subject-matter experts. Path coefficients are unstandardized. Although not shown in the figure, our analyses included paths from four control variables—organization headquartered in foreign country versus India, organization public versus private, organization consumer- versus non-consumer-based, and employee's Type-A behavior pattern—to all substantive endogenous variables in the model. All path coefficients from control variables to substantive endogenous variables were non-significant except for the path from Type-A behavior pattern to emotional exhaustion ( $b = .12, p < .05$ )

\*  $p < .05$ , two-tailed.