ISCTE IUL
REPOSITÓRIO
INSTITUTO UNIVERSITÁRIO DE LISBOA

Repositório ISCTE-IUL

Deposited in *Repositório ISCTE-IUL*:
2026-09-23

Deposited version:
Accepted Version

Peer-review status of attached file:
Peer-reviewed

Citation for published item:
Costa, S., Coyle-Shapiro, J., Corlett, S. & Aguiar, T. R. (2025). The impact of perceived exploitation on health-related outcomes. In Sonia Taneja (Ed.), Academy of Management Annual Meeting Proceedings. Academy of Management. https://doi.org/10.5465/AMPROC.2025.45bp

Further information on publisher's website:
10.5465/AMPROC.2025.45bp

Publisher's copyright statement:
This is the peer reviewed version of the following article: Costa, S., Coyle-Shapiro, J., Corlett, S. & Aguiar, T. R. (2025). The impact of perceived exploitation on health-related outcomes. In Sonia Taneja (Ed.), Academy of Management Annual Meeting Proceedings. Academy of Management. https://doi.org/10.5465/AMPROC.2025.45bp, which has been published in final form at https://dx.doi.org/10.5465/AMPROC.2025.45bp. This article may be used for non-commercial purposes in accordance with the Publisher's Terms and Conditions for self-archiving.

Use policy

Creative Commons CC BY 4.0
The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a link is made to the metadata record in the Repository
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Serviços de Informação e Documentação, Instituto Universitário de Lisboa (ISCTE-IUL)
Av. das Forças Armadas, Edifício II, 1649-026 Lisboa Portugal
Phone: +(351) 217 903 024 | e-mail: administrador.repositorio@iscte-iul.pt
https://repositorio.iscte-iul.pt

THE IMPACT OF PERCEIVED EXPLOITATION ON HEALTH-RELATED OUTCOMES

SANDRA COSTA
ISCTE-Instituto Universitário de Lisboa, Business Research Unit (BRU-IUL)
Avenida das Forças Armadas, 40, 1649-026, Lisboa, Portugal

JACQUELINE A-M. COYLE-SHAPIRO
Jack H. Brown College of Business and Public Administration, California State University San Bernardino, San Bernardino, CA, USA
London School of Economics and Political Science, London, United Kingdom

SARA CORLETT
ISCTE-Instituto Universitário de Lisboa, Business Research Unit (BRU-IUL), Portugal

TIAGO AGUIAR
ISCTE-Instituto Universitário de Lisboa, Business Research Unit (BRU-IUL), Portugal

ABSTRACT

Recent research argues that exploitative working relationships can be present in any context and experienced by any employee, but its prevalence is unknown. We expand the theory of the effects of employees' perceptions of exploitation by proposing key processes and outcomes. Specifically, we suggest that negative emotions, effort-reward imbalance and thwarted psychological needs are intertwined mechanisms linking perceived exploitation to health-related outcomes. In two experiments and a field study, we find that perceived exploitation has spillover effects on employees' health via cognitive and motivational pathways.

INTRODUCTION

International Labour Organization's (ILO) data show that unemployment rates have reached an all-time low since 2000, yet decent work deficits prevail. Moreover, there is an alarming deterioration of fundamental labour rights (ILO, 2024). While labour exploitation and modern slavery comprise forced labour, human-trafficking, slavery, and servitude (ILO, 2022; Cooper et al., 2017), employees may still experience work as exploitative to some degree, even though they do not fall into the aforementioned category. Indicators of exploitation may be present even though an employee is not considered a forced labourer. In fact, Lewis et al. (2015) argued that work exploitation exists in a continuum – from normalised low pay and precarious work conditions and practices to severe exploitation of migrant workers.

Exploitative working relationship is defined as employees' perceptions that the organization is taking advantage of them to the benefit of the organization itself (Livne-Offer et al., 2019). By adopting this definition, we change the analytical lens from a macro-level (focused on structural properties of groups) to micro-level (focused on individual experiences of workers), and we suggest that work exploitation is more prevalent than one may think.

Our paper makes two main contributions. First, we expand the theory of the effects of employees' perceptions of exploitation (Livne-Ofer et al., 2019) by proposing different processes and outcomes. Second, we advance the conceptual basis for understanding why employee

perceptions of exploitation leads to health-related outcomes (job-related emotional exhaustion and somatic complaints) by suggesting that emotions, cognition and motivation are the intervening processes.

An Expansion of the Theory of the Effects of Perceived Organizational Exploitation

The theory of the effects of perceived organizational exploitation posits that these perceptions trigger emotional reactions that then lead to emotional, attitudinal and behavioral consequences. The authors demonstrate that these attitudes and behaviors depend on whether the emotions are outward (i.e., anger and hostility) or inward-focused (i.e., shame and guilt) (Livne-Offer et al., 2019). Drawing from this, we argue that perceived organizational exploitation not only triggers negative emotions but also affects cognition and constrains the fulfillment of individual needs. Indeed, the intertwined nature of emotions, cognition, and motivation, suggests that separating them may not be useful for understanding behavior (Lazarus, 1991; Novacek & Lazarus, 1990). Moreover, a recent integrative review on toxic work climates reinforces the idea that a toxic work climate may affect emotions, cognition, motivation and behavior (Priesemuth & Schminke, 2024), leading to negative outcomes for the individual.

Perceptions of exploitation (as a negative assessment of the employment relationship) are likely to trigger different processes, including the generation of negative emotions (Livne-Ofer et al., 2019) but also assessments of "failed reciprocity" that capture situations where rewards are either refused or fail to achieve the mutually established standard of equivalence (Siegrist, 2017), and unfulfilment of basic needs because employees in exploitative working relationships may experience limited control over their tasks, the structure and pace of their work (e.g., working hours), or the outcomes of their efforts (e.g., their salary and benefits) (Livne-Ofer et al., 2019).

Perceptions of exploitation are likely to have a stronger impact on individuals compared to other events that are positive or neutral (Baumeister et al., 2001), and have the potential to have a deleterious effect on workers' health. Indeed, individual negative outcomes arising from exploitative labor relationships encompass detrimental impacts on well-being. From the perspective of job demands resources (JD-R) theory, organizations that exploit their workers may chronically demand more resources from employees than the resources provided, thus compromising employee's health (Bakker et al., 2023). Exploitation can place significant emotional and cognitive demands on employees while failing to provide compensatory resources such as social support or recognition and therefore undermine employees' physical and mental health.

STUDIES OVERVIEW

In Study 1, we used experimental vignette methodology (EVM). We designed two scenario experiments in which we manipulate the variable of interest (i.e., perceived exploitation) via carefully constructed and realistic scenarios (Aguinis & Bradley, 2014). Specifically, in Study 1A (n = 98), we manipulated two levels of exploitation (low vs high exploitation) and, in Study 1B (n = 150), we developed scenarios capturing low, medium, and high levels of exploitation. In Study 2, we address these limitations by employing a time-lagged field study to examine and conceptually expand our model by assessing the spillover effects of perceived exploitation on health-related outcomes. This design enhances ecological validity by capturing the relationships over time and reducing concerns about common method bias (Podsakoff et al., 2012). Together, the two studies provide a balance between internal and external validity, strengthen the robustness of our findings and allow us to be confident in our conclusions (Aguinis & Edwards, 2014).

STUDY 1

Study 1A and 1B were between-subjects scenario experiments. Participants were recruited through Prolific Ltd and were randomly assigned to one of the manipulated conditions. A total of 109 participants responded to Study 1A and 150 to Study 1B.

In Study 1A, the manipulation was successful with participants reporting significantly higher levels of perceived exploitation in the high exploitation condition ($M = 6.31$, $SD = 0.80$) than in the low exploitation condition ($M = 1.74$, $SD = 0.99$) ($M_{diff} = 4.57$, $p < .001$). We conducted path analyses using MPlus 7.4 (Muthén & Muthén, 2012). Our results show that higher perceived exploitation predicted negative emotions ($b = 0.84$, $p < .001$), increased perceptions of effort-reward imbalance ($b = 0.77$, $p < .001$) and thwarted psychological needs ($b = 0.80$, $p < .001$) after controlling for gender effects.

In Study 1B, the manipulation was successful with participants reporting low ($M = 1.56$, $SD = 0.79$), medium ($M = 5.71$, $SD = 0.76$) and high levels ($M = 6.27$, $SD = 0.97$) of perceived exploitation. The differences between low-medium ($M_{diff} = 4.15$, $p < .001$), low-high ($M_{diff} = 4.72$, $p < .001$), and medium-high ($M_{diff} = .57$, $p < .05$) levels of perceived exploitation were significant, suggesting that the developed scenarios were able to discriminate between levels of perceived exploitation. Our results showed similar results as those found in Study 1A. Specifically, we found that that higher perceived exploitation predicted high levels of negative emotions ($b = 0.74$, $p < .001$), increased perceptions of effort-reward imbalance ($b = 0.67$, $p < .001$) and thwarted psychological needs ($b = 0.74$, $p < .001$) after controlling for gender effects.

The results of Study 1A and 1B demonstrated that perceptions of exploitation have consequences not only for individuals' emotions, but for their cognitions and motivation. In particular, the results showed that higher perceived exploitation triggers negative emotions, generates perceptions of effort-reward imbalance and thwart basic psychological needs. Our results, however, must be interpreted within the limitations of experimental studies, namely, their lack of ecological validity or their inability to show effects over time. To address these limitations and examine the spillover effects of perceptions of exploitation on employees' health (our full hypothesized model), we conducted Study 2.

STUDY 2

Study 2 was a time-lagged field study in three waves with one-week intervals. Data were collected through Prolific Ltd, and the inclusion criteria was to be employed. A total of 402 responses were received at Time 1, of which 394 passed the attention checks (i.e., we asked participants to select "strongly disagree" or "strongly agree"). To ensure data quality, we only invited those who had passed the attention checks to participate at Time 2, and we received a total of 321 responses (81.47% response rate). Of these, $n = 4$ were eliminated for inattentiveness. At Time 3, 296 individuals responded to our survey, representing a 93.34% response rate. After eliminating participants who failed their attention checks at Time 3, our final sample consisted of $N = 294$ participants who responded to all three waves. Participants in this study were male, ($n = 115$, 39.1%) female ($n = 176$, 59.9%) and other gender ($n = 3$, 1%) adults who were mostly white (81.6%) and had an average age of 35.13 years old ($SD = 10.65$). Participants were currently employed full-time (65.3%), followed by part-time (23.5%), self-employed (7.1%) and other employment situations (4.1%). Participants held various positions within their organizations, with the majority in entry-level (27.9%) and associate roles (27.9%). Other positions included first-line

supervisors (15.3%), managers (11.2%), senior managers (5.8%), owners (4.8%), interns (3.7%), directors (3.1%), and senior vice presidents (0.3%). Their mean job tenure was 5.40 years, and they typically worked an average of 34 hours per week.

The results of the CFA conducted in MPlus for the hypothesized model showed acceptable model fit indices [χ^2 (413) = 938.71; CFI = .92; TLI = .91; RMSEA = .07; SRMR = .06] and better fit indices than less constrained nested models. The six-factor model merged the efforts and rewards components of the effort-reward imbalance scale into a single factor. The five-factor model combined the two outcomes: job-related emotional exhaustion and somatic complaints. The four-factor model integrated two mediators, effort-reward imbalance and thwarted psychological needs, into one factor. The three-factor model combined items of all three mediators. The two-factor model combined mediators and outcomes into a single factor, while the one-factor model included all the items of the model in one factor.

We then conducted path analysis using MPlus version 7.4 (Muthén & Muthén, 2012) to test the mediating role of negative emotions, effort-reward imbalance and thwarted psychological needs in the relationship between perceived exploitation and health-related outcomes. We controlled the effects of dehumanization and gender, and indirect effects were estimated using 1000 bootstrapped samples. The results of the simple regressions show that perceived exploitation was positively related to negative emotions (b = .19, p <.01), effort-reward imbalance (b = .33, p <.01) and thwarted psychological needs (b = .18, p <.01).

For job-related emotional exhaustion, our results show significant partial mediation effects through effort-reward imbalance (b = .06, p <.05) and thwarted psychological needs (b = .03, p <.05), with a significant direct effect of perceived exploitation on job-related emotional exhaustion (b = .11, p <.05). However, we found no significant mediation effects through negative emotions (b = .03, p = .06). In other words, we find support for a cognitive and motivational path but not an emotional path to explain the effects of perceived exploitation on job-related emotional exhaustion.

For somatic complaints, results show significant full mediation effects through thwarted psychological needs (b = .04, p <.05; direct effect: b = -.05, p = .51), but not through negative emotions (b = .02, p = .16) nor effort-reward imbalance (b = .01, p = .81). We therefore find support for a motivational path in the case of somatic complaints, but not for an emotional or cognitive path.

Study 2 replicated and extended the findings of Study 1. As in Study 1, the direct relationships between perceived exploitation and negative emotions, effort-reward imbalance and thwarted psychological needs were confirmed. The fact that these relationships are found using a different research design provides confidence to our conclusions. This study extended Study 1 by uncovering the mechanisms through which perceived exploitation impacts employees' health. Study 2 showed that cognition and motivation mechanisms are more relevant predictors of health-related outcomes. Specifically, for job-related emotional exhaustion, both cognition and motivation mechanisms and, for somatic complaints, it is the motivational mechanism.

DISCUSSION

Our study explores the impact of perceived exploitation on health-related outcomes via three complementary mechanisms – cognitive, motivational and emotional. Across the three studies, results suggest that thwarted psychological needs is the stronger predictor of health-related outcomes. However, contrary to previous findings by Livne-Ofer et al. (2019), which empirically demonstrate the relevant role of negative emotions, we found no support for the effects of emotions

on outcomes (i.e., job-related emotional exhaustion nor somatic complaints). Rather, effort-reward imbalance and thwarted psychological needs were found to be the significant predictors.

Our study's findings expand the theory of the effects of employees' perceptions of exploitation (Livne-Ofer et al., 2019). In doing so, we not only reinforce the theoretical relevance of organizational exploitation from an individual's perspective, complementing the sociological and industrial relations approach; but we use insights from the toxic climate framework (Priesemuth & Schminke, 2024), the social exchange theory and self-enhancement processes (Eisenberger et al., 2020) to suggest that the impact of perceived exploitation goes beyond negative emotions (Livne-Ofer et al., 2019). We also advance the conceptual basis for understanding why employee perceptions of exploitation leads to health-related outcomes (job-related emotional exhaustion and somatic complaints) by suggesting that emotions, cognition and motivation are the intervening processes. We extend the conceptual basis to understanding how perceptions of exploitation impact employees and empirically highlight the important role of cognition and thwarted psychological needs in explaining why some employees may feel exploited by their organization and how this may have a negative impact on their health.

Practical Implications

As this study and Livne-Ofer et al.'s (2019) demonstrate that perceptions of exploitation are prevalent in a variety of jobs. organizations should address problems concerning employees' rewards and match those to employees' effort and outputs. It is also important to understand why employees feel that the employment relationship affects their need fulfillment and promote initiatives that give employees autonomy (e.g., more freedom in doing their jobs), competence (e.g., development and training activities), and relatedness (i.e., strong social ties between coworkers and supervisors). It is important to note that we are discussing perceptions of exploitation and not structural exploitation. The latter is defined as properties of institutions where the system disadvantages groups, which makes all professionals working in those institutions vulnerable to exploitation purely by working within the system (Zwolinki, 2012). It seems likely that people working in workplaces with structural exploitation are more likely to perceive exploitation.

Limitations and Future Research

Our study is not without limitations. Common method bias (CMB) may be present; however, we took several measures to alleviate these concerns. Another limitation has to do with the inherent limitations of experimental studies, namely, their lack of ecological validity or their inability to show effects over time. To address these limitations and provide robustness to our findings, we conducted Study 2. To overcome some of these limitations, researchers may be interested in collecting the outcome variables from different sources (such as spouses or coworkers). Another interesting line of research pretrains to the boundary conditions of the "theory of the effects of perceived exploitation". What are the individual factors that can alleviate the negative effects of exploitation? Can coworker or supervisor support help to deal with perceived exploitation? But if, the coworker is not exploited? And if supervisors also exploit and abuse their employees? Does relative deprivation play a role in the reactions to the exploitation? What if employees "accept" the exploitation?

CONCLUSION

Exploitative working relationships may be more prevalent than one may think, and we do not know enough about this phenomenon. This study provides an initial attempt to expand the conceptual basis to understanding the effects of perceived exploitation, but more empirical work is warranted. We hope this study ignites interest in the field of management and organizational behavior to advance understanding of why and how individuals perceived their employment relationship as exploitative.

REFERENCES AVAILABLE FROM THE AUTHORS