Abusive supervision in retailing: The mediating role of customer orientation and the moderating roles of contingent reward and contingent punishment

By: Zhiyong Yang, Fernando Jaramillo, Yonghong Liu, Weiling Ye, and Rong Huang


© 2020, Emerald Publishing Limited. This author accepted manuscript is deposited under a Creative Commons Attribution Non-commercial 4.0 International (CC BY-NC) license. This means that anyone may distribute, adapt, and build upon the work for non-commercial purposes, subject to full attribution. If you wish to use this manuscript for commercial purposes, please contact permissions@emerald.com

Abstract:

Purpose: The purpose of this paper is twofold: first, to examine a customer orientation mechanism through which abusive supervision influences retail salespeople’s job performance; and second, to investigate how abusive supervision’s effects may be moderated by the same leader’s use of contingent punishment and contingent reward. Design/methodology/approach: Two studies provide consistent findings. Study 1 used the field survey data from 129 salespeople in 42 retail stores. The proposed moderated mediation model was estimated using the random coefficient modeling technique. Findings were replicated in Study 2, in which data were collected from a sample of 679 US retail salespeople recruited through M-Turk. Findings: Results from both studies show that abusive supervision reduces salespeople’s job performance through lowering their customer orientation. Furthermore, the use of contingent punishment from the same supervisor buffers abusive supervision’s detrimental effect, whereas the use of contingent reward augments it. Research limitations/implications: The issues the authors address in this research have significant implications for the literature of abusive supervision and retail selling. First, the authors contribute to the abusive supervision literature by pointing out that the negative effect of abusive supervision can spill over to organizations’ external stakeholders, namely, customers. Previous research on abusive supervision has mainly focused on how abused subordinates exhibit hostile acts directed against the supervisor, coworkers and the organization (Tepper et al., 2017), with little attention paid to abusive supervision’s impact on organizations’ external stakeholders such as customers. This research fills the void by placing impaired customer-orientation as a critical consequence of abusive supervision. Second, this research tests a contingent self-regulation impairment model of abusive supervision and advances our understanding about how the same supervisor’s functional leadership behaviors (contingent reward/punishment) may set contingencies for the effect of abusive supervision on employee outcomes. This investigation clears the doubts about whether the use of functional leadership behaviors along with abusive supervision buffers or aggravates the detrimental effect of the latter. Finally, this study’s findings shed new insights to marketing practitioners, especially in understanding how salespeople may vent their stress on the customers when being abused by their supervisors. Without this in mind, supervisors may not be aware of the consequences of
their abusive behavior and may even develop an illusion that such a practice worked. This research shows that abusive supervision can lower employees’ customer orientation, which will hurt the company in the long run. **Practical implications:** The findings intend to provide important guidelines for companies to develop effective workshops and training programs to combat the detrimental effects of abusive supervision in the retailing industry. For example, the findings shed new insights in understanding how employees may vent their stress on the customers when being abused by their supervisors. Without this in mind, supervisors may not be aware of the consequences of their abusive behavior and may even develop an illusion that such a practice worked. Another important managerial implication of this research is that the use of contingent reward after mistreating subordinates can backfire. Supervisor abuses, followed by a contingent reward, send an inconsistent signal to the employee that creates confusion and strain. Inconsistent actions from the supervisor also produce ethical tensions that reduce customer-oriented behaviors and a company’s ability to serve the customer (Friend *et al.*, 2020). These training programs are important methods to combat the detrimental effects of abusive supervision in the workforce. **Originality/value:** This research draws on the contingent self-regulation impairment model as an overarching framework to unpack the relationship between abusive supervision and salespeople’s job performance. Integrating three research streams (i.e. abusive supervision, leadership reinforcement and retail selling), this study proposes customer orientation as a novel mechanism and sheds light on how abusive supervision interplays with contingent punishment/reward to impact salespeople’s outcomes.

**Keywords:** abusive supervision | contingent self-regulation impairment model | contingent punishment | contingent reward | retail selling | customer orientation | sales performance

**Article:**

Not only are non management associates bullied and mistreated also are our own assistant managers, my managers have told me on more than one occasion that the store manager has verbally abused them and thrown things at their heads, and that co-managers treat them the same way! […].

– An employee at a major retail store¹

**Introduction**

As indicated in the above-quote from an employee working at a major retail store, supervisors sometimes misuse their power and engage in abusive behaviors. *Abusive supervision* reflects “subordinates’ perceptions of the extent to which supervisors engage in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact” (Tepper, 2000, p. 178). About 13.6% of employees in the USA have experienced abusive supervision (Schat *et al.*, 2006), and this issue costs an average of $23.8bn every year in terms of absenteeism, health care and lost productivity (Tepper *et al.*, 2006). Abusive supervision is detrimental to both organizations and employees, being viewed as an important source of employees’ reduced well-being and job satisfaction, as well as increased turnover, interpersonal deviance and counterproductive work behavior (Liu *et al.*, 2010; Mackey *et al.*, 2017; Tepper, 2000).

Despite these intriguing findings, only a handful of studies have examined the impact of abusive supervision on employees’ job performance. As shown in Table 1, these studies have generally supported a negative relationship between abusive supervision and job performance. However, this research stream remains limited in two aspects. First, the existing studies have mainly attributed abusive supervision’s impact on employee performance from the lens of employees’ intrapersonal states [emotional exhaustion (Han et al., 2017) and intrinsic motivation (Tariq and Ding, 2018)], employee–employee interface [team conflict (Farh and Chen, 2014)], employee–supervisor interface [leader–member exchange (Xu et al., 2012)] and employee–organization interface [perceived organizational support (Shoss et al., 2013)]. Nevertheless, none of the employee–customer interface factors has been theorized to explain how abusive supervision may affect employee job performance. This oversight is somewhat surprising, as employees in many occupations (e.g. retail selling) are dealing with customers most of the day; in this context, employees’ job performance is largely determined by their interactions with the customers. Therefore, a study depicting a mechanism of employee–customer interface is warranted.

Second, abusive supervision research has not accounted for the fact that a leader typically demonstrates a rich portfolio of leadership behaviors; even the most abusive leaders can also demonstrate functional behaviors that are meant to achieve effectiveness (Tepper et al., 2017). In the workforce, employees often react to abusive supervision negatively (Mackey et al., 2017) and functional leadership positively (Podsakoff et al., 2006). However, it remains unknown in the literature how employees may react to leaders who engage in both abusive supervision and functional leadership behaviors (Tepper et al., 2017).

In this research, we extend the self-regulation impairment perspective (Baumeister et al., 2005; Muraven and Baumeister, 2000) and test a contingent self-regulation impairment model to investigate why and how abusive supervision impacts job performance among retail sales employees. According to the self-regulation impairment perspective, acts of self-regulation deplete limited cognitive resources, thereby leaving the person’s subsequent effort to do other tasks impaired (Muraven and Baumeister, 2000). Thus, we draw on this perspective to fill the first void identified earlier, and propose that the center of our research model is a domain-specific mechanism – customer orientation.

We focus on customer orientation as a key mechanism for two reasons:

1. Customer orientation – referring to the importance the employee places on meeting customers’ needs and expectations (Liao and Subramony, 2008) – is central in the employee–customer interface (He et al., 2015; Walsh et al., 2015) and retailers’ failure to elevate frontline employees’ customer orientation can be detrimental to sales performance (Saxe and Weitz, 1982).
2. Implementing customer orientation involves a great amount of cognitive effort (Homburg et al., 2011; McIntyre et al., 2000), which can be impaired upon coping with abusive supervision (Lyu et al., 2016).
<table>
<thead>
<tr>
<th>Paper</th>
<th>Findings</th>
<th>Industry and country</th>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Mediator</th>
<th>Moderator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farh and Chen (2014)</td>
<td>(1) Individual-level abusive supervision negatively affects employees’ self-esteem, which in turn, positively affects their term-role performance; team-level abusive supervision positively affects team relationship conflict, which in turn, negatively affects team-role performance (2) The negative effect of individual-level abusive supervision on team-role performance is stronger when team-level abusive supervision is low (vs high)</td>
<td>Study 1: 10 firms in China; Study 2: undergraduate students in USA</td>
<td>Individual-level abusive supervision; team-level abusive supervision</td>
<td>Team-role performance</td>
<td>Employees’ organization-based self-esteem; team relationship conflict</td>
<td>Team-level abusive supervision</td>
</tr>
<tr>
<td>Harris et al. (2007)</td>
<td>(1) Abusive supervision negatively affects job performance (2) The negative effect of abusive supervision on job performance is stronger when the meaning of work is high (vs low)</td>
<td>An automotive company in the Southeast</td>
<td>Abusive supervision</td>
<td>Job performance</td>
<td>N/A</td>
<td>Meaning of work</td>
</tr>
<tr>
<td>Jian et al. (2012)</td>
<td>(1) Abusive supervision negatively affects organization-based self-esteem, which in turn, positively affects service performance (2) The negative effect of abusive supervision on service performance is stronger among employees with a high (vs low) level of self-construal</td>
<td>5 Hotels in China</td>
<td>Abusive supervision</td>
<td>Service performance</td>
<td>Organization-based self-esteem</td>
<td>Interdependent self-construal</td>
</tr>
<tr>
<td>Shoss et al. (2013)</td>
<td>(1) Abusive supervision negatively affects perceived organizational support, which in turn, positively affects employees’ job performance (2) The negative effect of abusive supervision on job performance is stronger when supervisor’s organizational embodiment is higher</td>
<td>Sample 1: Master of Business Administration students in the Philippines; Samples 2 and 3: financial service in the Philippines</td>
<td>Abusive supervision</td>
<td>Job performance</td>
<td>Perceived organizational support</td>
<td>Supervisor’s organizational embodiment</td>
</tr>
<tr>
<td>Tariq and Ding (2018)</td>
<td>(1) Abusive supervision negatively affects intrinsic motivation, which in turn, positively affects job performance (2) The negative effect of abusive supervision on job performance is weaker when family motivation is high (vs low)</td>
<td>16 industries (e.g. manufacturing, construction, health care, telecommunication, and financial services) in China</td>
<td>Abusive supervision</td>
<td>Job performance</td>
<td>Intrinsic motivation</td>
<td>Family motivation</td>
</tr>
<tr>
<td>Walter et al. (2015)</td>
<td>Abusive supervision negatively affects subordinates’ subsequent objective job performance</td>
<td>Study 1: Dutch undergraduate students; Study 2: a garment manufacturing firm in China</td>
<td>Abusive supervision at T1</td>
<td>Job performance at T2</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Xu et al. (2012)</td>
<td>Abusive supervision negatively affects leader–member exchange quality, which in turn, positively affects task performance</td>
<td>A telecommunication firm in China</td>
<td>Abusive supervision</td>
<td>Task performance</td>
<td>Leader–member exchange quality</td>
<td>N/A</td>
</tr>
<tr>
<td>This paper</td>
<td>(1) Abusive supervision negatively affects customer orientation, which in turn, positively affects job performance (2) The negative effect of abusive supervision on job performance through lowering customer orientation is stronger when contingent reward is high (vs low), or when contingent punishment is low (vs high)</td>
<td>Study 1: A retailer chain in China Study 2: Retail salespeople from a variety of retailers in the USA</td>
<td>Abusive supervision</td>
<td>Job performance</td>
<td>Customer orientation</td>
<td>Contingent punishment; contingent reward</td>
</tr>
</tbody>
</table>
In other words, drawing on the self-regulation impairment perspective, abusive supervision should undermine salespeople’s performance through depleting important cognitive resources that can be otherwise used for customer orientation.

To fill the second void, our proposed contingent self-regulation impairment model helps understand how abusive supervision impairs salespeople’s customer orientation and reduces sales performance contingent on the same leader’s functional leadership behaviors. In the sales management literature, the most commonly studied functional leadership behavior is supervisory feedback (c.f., Becherer et al., 1982; Jaworski and Kohli, 1991), which relates to the theory of leader-reinforcing behaviors, manifested by contingent reward and contingent punishment (Podsakoff and Todor, 1985; Scott, 1977). The theory of leader-reinforcing behavior is considered “the key to influencing salesperson performance” and involves providing “positive feedback (e.g. recognition and/or approval) and negative feedback (e.g. reprimands and/or disapproval) to salespeople contingent on their effort or performance” (MacKenzie et al., 2001, pp. 115-116). *Contingent reward* refers to the degree to which leaders clarify expectations and establish rewards for meeting these expectations (Judge and Piccolo, 2004), and *contingent punishment* is the degree to which supervisors monitor, set clear rules and conduct consistent discipline on their subordinates’ behavior (Sims, 1980). Such functional leadership behavior emphasizes providing positive reinforcement (e.g. recognition) and negative reinforcement (e.g. disapproval) to salespeople contingent on their performance (Scott, 1977). Previous research (MacKenzie et al., 2001; Podsakoff and Todor, 1985) has long documented the performance-boosting effects of contingent reward and contingent punishment. This is especially true for the effect of contingent reward, as contingent reward usually increases employee’s satisfaction with and trust in the supervisor (Podsakoff et al., 2006). Thus, it seems reasonable to expect that these functional leader behaviors can buffer the detrimental effect caused by leader’s abusive supervision.

In contrast to this prediction, we propose that while contingent punishment buffers the detrimental effect of abusive supervision, contingent reward augments it. Such effects are explained by our contingent self-regulation impairment model, where two functional leadership behaviors serve as contingency factors that alter the degree of self-regulation impairment. Specifically, contingent punishment is expected to buffer abusive supervision’s resource depletion effect on customer orientation because it helps clarify why abuse occurs, and thus mitigates the negative effect of abusive supervision on job performance. However, contingent reward and abusive supervision from the supervisor tend to send contradictory signals to an employee, which makes it harder for him or her to figure out the true attitudes of that supervisor. As a result, such contradictory signals increase resource depletion of the employee and take his or her energy from customer orientation, leading to the augmentation of the negative effect of abusive supervision on job performance. Although no prior research has examined this proposed moderating effect, previous research provides some indirect evidence in support of our prediction. In a study that examines the relationship between abusive supervision and employees’ deviance behavior, Lian et al. (2012) showed that abusive supervision causes more employee deviance behavior in the context of high (rather than low) quality supervisor-subordinate relationship.
The issues we address in this research have significant implications for the literature of abusive supervision and retail selling. First, we contribute to the abusive supervision literature by pointing it out that the negative effect of abusive supervision can spill over to organizations’ external stakeholders, namely, customers. Previous research on abusive supervision has mainly focused on how abused subordinates exhibit hostile acts directed against the supervisor, coworkers and the organization (Tepper et al., 2017), with little attention paid to abusive supervision’s impact on organizations’ external stakeholders such as customers. This research fills the void by placing impaired customer-orientation as a critical consequence of abusive supervision. Second, our research tests a contingent self-regulation impairment model of abusive supervision and advances our understanding about how the same supervisor’s functional leadership behaviors (contingent reward/punishment) may set contingencies for the effect of abusive supervision on employee outcomes. This investigation clears the doubts about whether the use of functional leadership behaviors along with abusive supervision buffers or aggravates the detrimental effect of the latter. Finally, our findings shed new insights to marketing practitioners, especially in understanding how salespeople may vent their stress on the customers when being abused by their supervisors. Without this in mind, supervisors may not be aware of the consequences of their abusive behavior and may even develop an illusion that such a practice worked. Our research shows that abusive supervision can lower employees’ customer orientation, which will hurt the company in the long run.

Conceptual framework and hypotheses

Abusive supervision and job performance: mechanisms and boundary conditions

As shown in Table 1, previous studies on the relationship between abusive supervision and job performance have been mainly conducted in manufacturing, telecommunication and services. The consensus from this stream of research suggests that abusive supervision is in general negatively related to employee job performance (Farh and Chen, 2014; Harris et al., 2007; Jian et al., 2012; Shoss et al., 2013; Tariq and Ding, 2018; Walter et al., 2015; Xu et al., 2012).

The limited empirical evidence suggests that this relationship has been explained primarily through four broad lenses. First, abusive supervision can influence employees’ intrapersonal states, which in turn help or hurt performance. For example, Han et al. (2017) found that employees who are abused by their supervisors will experience emotional exhaustion, which inhibits their ability to engage in critical reasoning, thereby reducing their creativity. Tariq and Ding (2018) reported that abusive supervision is negatively related to employee job performance through undermining their intrinsic motivation. Second, abusive supervision’s impact goes beyond employees’ intrapersonal states to the employee–employee interface. For example, victims of abusive supervision may direct their hostilities toward other team members, causing team relationship conflict, which in turn lowers performance (Farh and Chen, 2014). Third, from an employee–supervisor interface perspective, previous researchers have shown that victims of abusive supervision experience poor exchange relationship with the supervisor and tend to return the negative treatment from the supervisor by lowering their performance (Xu et al., 2012). Finally, from an employee–organization interface perspective, as employees hold the organization partly responsible for abusive supervision, victims of abusive supervision may
perceive lowered organizational support and subsequently retribute against the organization with lower performance (Shoss et al., 2013).

Additionally, prior research has demonstrated how the negative relationship between abusive supervision and employee performance may be bounded by other factors, such as employees’ characteristics and attribution. For example, extant literature has documented that abusive supervision is less likely to undermine employee performance when employees interpret supervisory abuse as driven by higher levels of performance promotion motives and lower levels of injury initiation motives (Liu et al., 2012), when employees are highly mindful (Zheng and Liu, 2017), when employees’ family motivation is high (Tariq and Ding, 2018), when employees’ meaning of work is low (Harris et al., 2007) and when supervisor’s organizational embodiment is low (Shoss et al., 2013).

Customer-orientation as a mediator

Thus far, no research on the relationship between abusive supervision and employee job performance has been conducted in the retail industry; yet, we expect that abusive supervision has detrimental effects on retail salespeople’s job performance as well, albeit through a different lens, namely, the employee–customer interface. The retail industry is fast-moving and constantly changing, with intensive competition and ever-changing customer needs and wants. Customer service is a key factor that determines retailer performance, and customer satisfaction is the core of business success among retailer stores (Merlo et al., 2006). Given that satisfying customer needs is a paramount determinant of company performance in the retailing industry (Megicks and Warnaby, 2008), customer orientation is viewed as a critical success factor for retail salespeople (Stan and Evans, 2000).

Motivated by the employee–customer interface as an explanatory mechanism in explaining the relationship between abusive supervision and employee job performance in the retailing industry, we draw on the self-regulation impairment perspective (Muraven and Baumeister, 2000) and propose that coping with abusive supervision undermines employees’ self-regulation resources that support their customer orientation, thereby lowering their job performance. Specifically, a self-regulation impairment perspective argues that acts of self-regulation, such as coping with stress, regulating negative affect and exposing to socially undesirable behaviors, requires the expenditure of limited resource that is depleted after-wards. After acts of self-regulation, the self-regulation of other unrelated behaviors can be worse (Baumeister et al., 2005; Muraven and Baumeister, 2000). Consistent with this perspective, research has shown that work stress in general can deplete self-regulation resources and cause poor performance (Chan and Wan, 2012).

Previous research shows that abusive supervision is by nature a type of socially undesirable behavior and a job stressor that increases interpersonal tensions between supervisors and subordinates (Bowling and Beehr, 2006). Coping with abusive supervision can deplete valued resources, causing emotional exhaustion (Harris et al., 2007) and cumulated negative emotions such as anger and fear (Oh and Farh, 2017), leaving less capacity for other volitional acts that require resources. As a centerpiece of job performance in a retailing setting, customer orientation requires cognitive resources (Walsh et al., 2015), because employees are not born to voluntarily place the interests of customers over their own (an important trait of customer orientation).
Although the direct link from abusive supervision and customer orientation has not been examined by extant literature, there is indirect evidence in support of our argument. Walsh et al. (2015), for example, showed that supervisor support is a key job resource that increases customer orientation. This is mainly because of the buffering effect that supervisor support plays in motivation and performance decrements and, as such, represents a social contextual resource that helps employees replenish their depleted resources and behave in ways consistent with organizational goals (Wang et al., 2011). Similarly, Chan and Wan (2012) found that service employees’ work stress has a negative impact on their handling customer complaints, which requires employees to engage in substantial self-regulation. Reversely, workload-induced resource depletion can activate employees’ coping mechanism such that they purposely refuse to invest further effort or resources on behalf of the service firm (Suh et al., 2011). Employees that decrease their investments tend to engage in coping in the form of reduced customer orientation (e.g. abbreviated or hurried service episodes) (Walsh et al., 2015). Extending this stream of research, we expect that abusive supervision impairs employees’ customer orientation, which in turn, reduces their job performance. Formally, we hypothesize:

H1. Customer orientation mediates the relationship between abusive supervision and employees’ job performance.

Moderating role of supervisor contingent punishment

Our extended contingent self-regulation impairment model goes beyond a simple aftereffect of self-regulation impairment as proposed by a self-regulation repairment perspective and emphasizes the contingencies for self-regulation impairment. A key component in our research model is that the level of self-regulation impairment is contingent upon other factors, which may either replenish or further deplete limited resources and thus impact the capacity to perform other tasks. In the context of coping with abusive supervision, the same supervisor’s functional leadership behaviors are such important contingencies that impact how abusive supervision affects salespeople’s customer orientation and job performance.

We anticipate contingent punishment to buffer the negative impact of abusive supervision on customer orientation and job performance. This is because when managers exhibit contingent punishment upon demonstrating abusive supervision, contingent punishment would replenish salespeople’s impaired cognitive resources because of coping with abusive supervision by helping them understand why abusive supervision occurred. Contingent punishment focuses on what supervisors do when subordinates fail. Supervisory behaviors characterized as contingent punishment consist of clearly communicated rules and consistent discipline during the monitoring of employee activities (Sims, 1980), which reduces uncertainty about dos and don’ts. In addition, contingent punishment is often used in a non-intrusive manner and is viewed as a constructive approach to facilitate employee development by providing the employee with necessary supervision and guidance (Sims and Szilagyi, 1975).

In essence, contingent punishment acts as a supplementary tool to justify why mistreatment from the supervisor occurs, without requiring additional cognitive effort from subordinates to figure out whether other factors may come into play. It also reinforces the “true” expectations of the
supervisor. In other words, if salespeople relate the cause of abusive supervision to their own poor performance, they feel less confused or strained. The displayed clarity through contingent punishment upon demonstrating abusive supervision helps employees replenish cognitive resources for problem identification and allow them to concentrate on best solutions (e.g. customer orientation). Taken together, we hypothesize:

\[ H2. \text{Supervisor contingent punishment moderates the relationship between abusive supervision and customer orientation, such that the negative effect of abusive supervision on customer orientation is weaker when contingent punishment is high rather than low.} \]

Moderating role of supervisor contingent reward

How will contingent reward moderate the effect of abusive supervision on employee outcomes? It seems reasonable to expect that administering contingent reward helps mitigate the negative effect of abusive supervision on employee outcomes as well. As is evident, in customer-facing jobs, contingent reward can help employees deal with the stress inherently created by the demands of the customers (Seltzer \textit{et al.}, 1989). As a result, contingent reward has been found to be associated with a series of positive outcomes, including job satisfaction, organizational commitment, perceived justice, role clarity, job performance and organizational citizenship behavior (Podsakoff \textit{et al.}, 2006).

In contrast to this prediction, our extended contingent self-regulation impairment model suggests that using contingent reward along with abusive supervision actually augments, rather than alleviates, the negative effect of abusive supervision on employee’s customer orientation. A major reason is that simultaneously using punitive/abusive behaviors and contingent reward is indicative of behavioral inconsistency, resulting in employees’ feelings of lack of control and the consumption of more resources to deal with such contradictory signals from the supervisor. In such unpredictable situations, the need to monitor the supervisor’s behaviors is stronger (c.f., Muraven and Baumeister, 2000). In other words, in addition to simply coping with abusive supervision per se, subordinates are more struggled to figure out which is the “true” attitude of the supervisor, leading them to consume a greater amount of cognitive resources and reduce their cognitive capability for attending to customers’ needs. In line with this reasoning, prior research shows that abusive supervision in the context of high distributive justice (Thau and Mitchell, 2010) and high-quality supervisor–subordinate relationship (Lian \textit{et al.}, 2012), both of which represent contrasting favorable conditions, can actually cause more deviance behaviors. Therefore, we have:

\[ H3. \text{Supervisor contingent reward moderates the relationship between abusive supervision and customer orientation, such that the negative effect of abusive supervision on customer orientation is stronger when contingent reward is high rather than low.} \]

The above-mentioned hypotheses jointly suggest the following conditional moderated-mediation effects:

\[ H4. \text{Supervisor contingent punishment and contingent reward moderate the indirect effect of abusive supervision on employees’ job performance through customer orientation,} \]
such that the negative effect of abusive supervision on employees’ job performance through lowering their customer orientation is strongest when contingent punishment is low and contingent reward is high.

The conceptual model is presented in Figure 1. We conducted two studies to test our proposed model. The first study was conducted in a retailer chain in China. The second study used a larger sample of retail salespeople from a variety of retailers in the USA.

**Figure 1.** A contingent self-regulation impairment model of abusive supervision

**Study 1**

**Data collection**

The survey was conducted in a retailer chain (mainly selling home décor items) in China. With the support from the top management of the company, surveys were distributed to all the 42 stores (3–5 employees in each store). We were careful to ensure that respondents would provide accurate information reflecting their true beliefs and behavior. We promised that all information would remain strictly anonymous and confidential, and no information related to identity (such as name and identity) would be collected. A total of 200 employees were reached out, and 192 returned their surveys, rendering a 96% response rate. After discarding incomplete surveys, 129 valid surveys were retained for further analysis. The results of the basic demographic information suggested that the sample was representative of the sales force in the retail industry in China, in terms of gender (97% females), age (70% between 26 and 40 years), education (88% with high school diploma) and income (76% with the annual income of RMB20,000–39,999). The participants had an average of three years working in the company.

**Measures**

*Dependent variable.*

Following Miao and Evans (2013), we measured the dependent variable, *job performance*, using a five-item scale that assesses salespeople’s contributions to their company’s objectives in the following aspects (1 = *strongly disagree*; 7 = *strongly agree*; α = 0.90):
1. contributing to my company’s market share;
2. selling high profit margin products;
3. generating a high level of dollar sales;
4. generating sales of new products; and
5. exceeding sales targets.

Independent variables.

Following prior research (Tepper, 2000; Yang and Schaninger, 2010), abusive supervision was assessed by six items (1 = never; 7 = very often; α = 0.90):

1. My supervisor forgets a rule he/she has made.
2. My supervisor only keeps rules when they suit her/him.
3. My supervisor enforces a rule or does not enforce a rule depending on his/her mood.
4. My supervisor nags me about little things.
5. My supervisor threatens to punish me.
6. My supervisor tells me that I am bad or not as good as others.

Following MacKenzie et al. (2001), contingent punishment was assessed by three items (1 = strongly disagree; 7 = strongly agree; α = 0.78):

1. My supervisor would indicate his or her disapproval if I performed at a lower level.
2. My supervisor let me know about it when I perform poorly.
3. My supervisor points it out to me when my productivity is not up to par.

Contingent reward was measured by three items (1 = strongly disagree; 7 = strongly agree; α = 0.94) as used in MacKenzie et al. (2001):

1. My supervisor always gives me positive feedback when I perform well.
2. My supervisor gives me special recognition when I produce at a high level.
3. My supervisor commends me when I exceed my productivity goals.

Latent factors were used to create the interaction terms for both abusive supervision × contingent punishment and abusive supervision × contingent reward.

Mediator.

The mediator, customer orientation, was measured by five items from Homburg et al. (2009):

1. I try to figure out what a customer’s needs are.
2. I have the customer’s best interests in mind.
3. I take a problem-solving approach in selling products or services to customers.
4. I recommend products or services that are best suited to solving problems.
5. I try to find out what kind of product would be most helpful to a customer (1 = strongly disagree; 7 = strongly agree; α = 0.83).
Results

Assessment of measures.

We assessed the reliability of individual items by inspecting the loadings of the items on their corresponding construct and their internal consistency values (Fornell and Larcker, 1981). The internal consistency values for all constructs are good, exceeding the 0.70 guideline. We used the following four methods to assess convergent and discriminant validity of the constructs. First, the square root of the average variance extracted (AVE) of all constructs was much larger than all other cross-correlations. Second, all AVEs were well above 0.50, suggesting that the constructs captured much higher construct-related variance than error variance. Third, the correlations among all constructs were all well below the 0.70 threshold, indicating that all constructs were distinct from each other. Fourth, all items loaded highest on their intended constructs with all factor loadings greater than 0.70 (all t-values are significant). These suggested that the constructs had adequate convergent and discriminate validity. Table 2 presents the means, standard deviations, Cronbach’s $\alpha$, and correlations of all the variables.

### Table 2. Study 1: descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean (SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Abusive supervision</td>
<td>1.99 (1.23)</td>
<td>(0.90)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Contingent punishment</td>
<td>4.49 (1.55)</td>
<td>0.27**</td>
<td>(0.78)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Contingent reward</td>
<td>5.52 (1.44)</td>
<td>-0.27**</td>
<td>0.22*</td>
<td>(0.94)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Customer orientation</td>
<td>6.31 (0.70)</td>
<td>-0.11</td>
<td>0.17</td>
<td>0.33**</td>
<td>(0.83)</td>
<td></td>
</tr>
<tr>
<td>5. Job performance</td>
<td>4.81 (1.03)</td>
<td>-0.04</td>
<td>0.19*</td>
<td>0.19*</td>
<td>0.37**</td>
<td>(0.90)</td>
</tr>
</tbody>
</table>

Notes: $N = 129$. Reliability coefficients for variables appear in parentheses along the diagonal. *$p < 0.05$, **$p < 0.01$.

The potential threat of common method bias (CMB) among model factors was also evaluated. Harman’s one-factor test was performed to assess common method variance (Podsakoff et al., 2003). The one-factor model yielded a $\chi^2$ of 1545.47 and $df = 209$ compared with $\chi^2 = 343.60$ and $df = 199$ for the measurement model. As the one-factor model was significantly worse than the measurement model ($\Delta \chi^2 = 1201.87$, $\Delta df = 10$, $p < 0.001$), CMB was not a serious threat to this study.\(^2\)

Tests of hypotheses.

Prior to testing our hypotheses, we determined whether non-independence was a concern because our data contained a hierarchical structure, in which salespeople were nested in stores. We examined whether there was significant between-store variance in the outcome variable. The results showed that 19.4% of the variance in individual job performance resided at the store level. Therefore, we used random coefficient modeling and used the R package “nlme” to estimate our proposed model.

\(^2\) In this study and Study 2, we also checked for CMB and measurement errors by performing a series of confirmatory factor analyses (i.e. to compare a five-factor baseline model – composed of abusive supervision, contingent reward, contingent punishment, customer orientation and job performance – with alternative models that combine any two of the five factors) to ensure the soundness of the psychometric properties of our measure. In both studies, all $\chi^2$ difference tests were significant, suggesting that CMB is unlikely a threat to the validity of our findings.
As shown in Models 1, 3 and 4 in Table 3, the parameter estimates showed that abusive supervision was negatively related to customer orientation ($b = -0.17, p < 0.10$), and customer orientation was positively related to job performance after controlling for the effect of abusive supervision ($b = 0.36, p < 0.001$). A test of the indirect effect shows that the indirect effect of abusive supervision on employee job performance through customer orientation was $-0.06$ (95% confidence interval [CI] = $-0.13, -0.01$). Together, these results support $H1$ regarding the mediating role of customer orientation in the relationship between abusive supervision and job performance. $H2$ and $H3$ predicted buffering effect of contingent punishment and the augmenting effect of contingent reward in the relationship between abusive supervision and customer orientation. As shown in Model 2 in Table 3, the interaction term of abusive supervision and contingent punishment was positive ($b = 0.21, p < 0.05$), and the interaction term of abusive supervision and contingent reward was negative ($b = -0.14, p < 0.10$), providing support for $H2$ and $H3$, respectively. To test $H4$ regarding the conditional indirect effect, we tested a multilevel moderated mediation model to estimate four conditional indirect effects under the high (1 standard deviation [SD] above the mean) and low (1 SD below the mean) levels of the two moderators (contingent punishment and contingent reward). As shown in Table 4, the indirect effect of abusive supervision on job performance through customer orientation was most negative when contingent punishment was low and contingent reward was high ($b = -0.21, 95\% CI = -0.42, -0.04$), supporting $H4$. To be noted, the direct effect of abusive supervision on job performance became non-significant ($b = 0.01, p > 0.05$).

### Table 3. Study 1: random coefficient modeling results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1 (CO)</th>
<th>Model 2 (CO)</th>
<th>Model 3 (PF)</th>
<th>Model 4 (PF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abusive supervision (AS)</td>
<td>$-0.17^\dagger$ (−0.09)</td>
<td>$-0.24^*$ (0.10)</td>
<td>$-0.05$ (0.09)</td>
<td>$0.01$ (0.08)</td>
</tr>
<tr>
<td><strong>Moderators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent punishment (CP)</td>
<td>0.17$^\dagger$ (0.09)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent reward (CR)</td>
<td>0.32*** (0.09)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interaction terms</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS $\times$ CP</td>
<td>0.21$^*$ (0.09)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS $\times$ CR</td>
<td>$-0.14^\dagger$ (0.07)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mediator</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.36*** (0.08)</td>
</tr>
<tr>
<td>CO</td>
<td>367.87</td>
<td>354.22</td>
<td>368.69</td>
<td>354.51</td>
</tr>
<tr>
<td>−2 log likelihood</td>
<td>375.87</td>
<td>370.22</td>
<td>376.69</td>
<td>364.51</td>
</tr>
<tr>
<td>AIC</td>
<td>375.87</td>
<td>392.72</td>
<td>388.07</td>
<td>378.70</td>
</tr>
<tr>
<td>BIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: CO = Customer orientation; PF = Job performance. Unstandardized coefficients are reported with standard errors in the parentheses. $^\dagger p < 0.10$; $^* p < 0.05$; $^{***} p < 0.001$.

While all the hypotheses received support, this study is limited in the following ways. First, our sample was from one retailer chain in China, imposing a generalizability concern. Second, the study was based on a relatively small sample, which may affect the reliability of the results. Third, the data had a nested structure. Although we used the random coefficient modeling technique to deal with the non-independence issue, this method could lead to biased estimation when the sample size at level two is small. Therefore, we conducted a second study to address all these concerns.
Table 4. Study 1: conditional indirect effects of abusive supervision on employee job performance

<table>
<thead>
<tr>
<th>Mediator</th>
<th>Condition</th>
<th>Level of moderator</th>
<th>DV: job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>Low</td>
<td>Low</td>
<td>−0.11 (−0.28, 0.03)</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>0.04 (−0.09, 0.14)</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
<td>−0.21 (−0.42, −0.04)</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>High</td>
<td>−0.06 (−0.17, 0.03)</td>
</tr>
</tbody>
</table>

Note: Unstandardized coefficients are reported with 10,000 bootstrapped 95% CIs in the parentheses

Study 2

Data collection and measures

We collected data from a sample of US retail salespeople recruited from Amazon’s M-Turk. Interested participants were informed that participation in the survey is voluntary and anonymous, and complete responses would be compensated for $0.80 for a 5–10 min survey. At the beginning of the survey, participants were asked whether they are currently working a full-time job as a salesperson in a retailer store, as well as the frequency of interacting with customers. Participants who were not working full-time as retail salespeople on a daily basis were screened out, resulting in a sample of 850 participants who were allowed to continue the survey. We further filtered careless responses (46 participants) using the attention check question technique (Hauser and Schwarz, 2016) to ensure that respondents were reading and responding to the survey carefully. Completed questionnaires were received from 679 participants.

Participants reported that they work in a variety of retailers, such as grocery stores, department stores and bookstores, and sell a variety of products, including groceries, furniture, electronics, clothing, books and auto parts. In this sample, 55.2% were female, 59.6% were between 26 and 40 years old and 99% with at least a high school diploma. About 17.2% of the participants made an annual income below $25,000 and 47.3% of them had an annual income of $25,000–50,000. Such makeup is consistent with the US Bureau of Labor Statistics data that the median pay for retail sales worker is $29,360 annually (www.bls.gov). The participants had worked in the company for an average of five years. All the variables were measured with the same scales described in Study 1.

Results

Assessment of measures.

Similar to the results of Study 1, the internal consistency values for all constructs in this study are good, exceeding the 0.70 guideline. Also, the AVE of all constructs was much larger than all other cross-correlations, and all AVEs were well above 0.50. In addition, the correlations among all constructs were all well below the 0.70 threshold, and all items loaded highest on their intended constructs with all factor loadings greater than 0.70 (all t-values are significant). These results suggested that the constructs had adequate convergent and discriminate validity. Table 5 presents the means, standard deviations Cronbach’s $\alpha$ and correlations of all the variables.
As in Study 1, Harman’s one-factor test was performed to assess common method variance (Podsakoff et al., 2003). The one-factor model yielded a $\chi^2$ of 6674.82 and df = 209 compared with $\chi^2 = 791.74$ and df = 199 for the measurement model. As the one-factor model was significantly worse than the measurement model ($\Delta \chi^2 = 5883.08$, $\Delta$df = 10, $p < 0.001$), CMB was not a serious threat to this study.

Table 5. Study 2: descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean (SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Abusive supervision</td>
<td>2.79 (1.47)</td>
<td>(0.89)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Contingent punishment</td>
<td>4.52 (1.51)</td>
<td>0.17**</td>
<td>(0.88)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Contingent reward</td>
<td>4.78 (1.51)</td>
<td>−0.38**</td>
<td>0.21**</td>
<td>(0.90)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Customer orientation</td>
<td>5.88 (1.07)</td>
<td>−0.26**</td>
<td>0.15**</td>
<td>0.22**</td>
<td>(0.92)</td>
<td></td>
</tr>
<tr>
<td>5. Job performance</td>
<td>4.98 (1.24)</td>
<td>−0.08*</td>
<td>0.18**</td>
<td>0.29**</td>
<td>0.35**</td>
<td>(0.88)</td>
</tr>
</tbody>
</table>

Notes: $N = 679$. Reliability coefficients for variables appear in parentheses along the diagonal. *$p < 0.05$, **$p < 0.01$

Tests of hypotheses.

As shown in Models 1, 3 and 4 in Table 6, the parameter estimates showed that supervisor abusive supervision was negatively related to customer orientation ($b = −0.30$, $p < 0.001$), and customer orientation was positively related to job performance after controlling for the effect of abusive supervision ($b = 0.34$, $p < 0.001$). A test of the indirect effect shows that the indirect effect of abusive supervision on employee job performance through customer orientation was $−0.10$ (95% CI = $−0.15$, $−0.07$). Together, these results support $H1$ regarding the mediating role of customer orientation in the relationship between abusive supervision and job performance. $H2$ and $H3$ predicted the buffering effect of contingent punishment and augmenting effect of contingent reward in the relationship between abusive supervision and customer orientation. As shown in Model 2 in Table 6, the interaction term of abusive supervision and contingent punishment was positive ($b = 0.18$, $p < 0.001$) and the interaction term of abusive supervision and contingent reward was negative ($b = −0.25$, $p < 0.001$), providing support for $H2$ and $H3$, respectively.

Table 6. Study 2: regression results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1 (CO)</th>
<th>Model 2 (CO)</th>
<th>Model 3 (PF)</th>
<th>Model 4 (PF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abusive supervision (AS)</td>
<td>$−0.30*** (0.04)$</td>
<td>$−0.33*** (0.05)$</td>
<td>$−0.10* (0.04)$</td>
<td>$0.01 (0.04)$</td>
</tr>
<tr>
<td><strong>Moderators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent punishment (CP)</td>
<td>0.21*** (0.04)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent reward (CR)</td>
<td>0.08* (0.04)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interaction terms</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS × CP</td>
<td>0.18*** (0.04)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AS × CR</td>
<td>−0.25*** (0.04)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mediator</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td></td>
<td></td>
<td></td>
<td>0.34*** (0.04)</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.07</td>
<td>0.18</td>
<td>0.01</td>
<td>0.12</td>
</tr>
</tbody>
</table>

Notes: CO = Customer orientation; PF = Job performance. Unstandardized coefficients are reported with standard errors in the parentheses. *$p < 0.05$; ***$p < 0.001$
To test $H4$ regarding the moderated mediation (conditional indirect) effects, we tested a moderated mediation model Hayes’ (2013) PROCESS macro, with two moderators and one mediator (PROCESS template model 9) to estimate four conditional indirect effects under the high (1 SD above the mean) and low (1 SD below the mean) levels of the two moderators (contingent reward and contingent punishment). As shown in Table 7, the indirect effect of abusive supervision on job performance through customer orientation was most negative when contingent punishment was low and contingent reward was high ($b = -0.27$, 95% CI = −0.36, −0.18), supporting $H4$. To be noted, the direct effect of abusive supervision on job performance became non-significant ($b = 0.01$, $p > 0.05$).

Table 7. Study 2: conditional indirect effects of abusive supervision on employee job performance

<table>
<thead>
<tr>
<th>Mediator</th>
<th>Condition</th>
<th>Level of moderator</th>
<th>DV: job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>1 Low</td>
<td>Contingent punishment</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>2 High</td>
<td></td>
<td>Contingent reward</td>
</tr>
<tr>
<td></td>
<td>3 Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4 High</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Unstandardized coefficients are reported with 10,000 bootstrapped 95% CIs in the parentheses

Discussion

The present research answers the call from Tepper et al. (2017) and represents the first attempt to theorize and test how abusive supervision interacts with other functional forms of leader behaviors – contingent reward and contingent punishment – to affect salespeople’s job performance through influencing their customer orientation in the context of retail selling. Across two studies, one using a sample of salespeople in a retailer chain in China and the other using a sample of retail salespeople from a variety of retailers in the USA, the results have consistently revealed that customer orientation is a critical mechanism through which abusive supervision undermines salespeople’s performance. In addition, the negative effect of abusive supervision on customer orientation is bounded by leader’s administration of contingent reward and contingent punishment, two functional reinforcement behaviors that are meant to motivate employees to achieve better results. Interestingly, these two leadership behaviors demonstrate contrasting moderating effects: while contingent punishment buffers the negative effect of abusive supervision on customer orientation, contingent reward augments it. Finally, estimation of the conditional indirect effects suggests that abusive supervision exerts the most detrimental effect on sales performance through lowering customer orientation when contingent punishment is low and contingent reward is high.

Theoretical contributions

This research makes the following theoretical contributions to the literature on abusive supervision and retail selling. First, we contribute to research on abusive supervision’s effect by testing a contingent self-regulation impairment model in the context of retail selling. Specifically, this overarching framework places employee–customer interface as an explanatory mechanism (i.e. customer orientation) through which victims of abusive supervision perform poorly. Extending previous explanations (e.g. intrapersonal states, employee–employee interface,
employee–supervisor interface and employee–organization interface) of the performance undermining effect of abusive supervision, our research suggests that in the context of retail selling, coping with abusive supervision impairs salespeople’s cognitive resources that can be otherwise used to understand and meet customers’ needs and expectations during the service process, and therefore, their sales performance will suffer.

Second, to the best of our knowledge, we are the first to position abusive supervision within a broader model of leadership behavior and test the interaction effects. Abusive supervision is not in a vacuum; leaders who act abusively may also demonstrate functional leadership behaviors, such as contingent reward and contingent punishment, to reinforce good performance. The question is: Can these functional behaviors compensate the negative effects of abusive supervision? Our research, drawing on a contingent self-regulation impairment perspective, suggests that contingent reward and contingent punishment are two contingency factors that work the opposite directions in the context of abusive supervision. While contingent punishment buffers abusive supervision’s detrimental effects, contingent reward augments them. We find both evidences intriguing, with the former suggesting that when punishment is administered fairly and contingent upon performance, the negative effect of abusive supervision can be mitigated. We argue that this is because when employees understand why punishment occurs, they are less likely to ruminate on such negative feedback, which could save them important cognitive resources to serve customers. Therefore, the detrimental self-regulation impairment effects of abusive supervision can be buffered. However, when abusive supervision and contingent reward are used simultaneously, the leader is essentially creating more confusion and strain regarding what to do on the employee’s end. Coping with manager’s behavioral inconsistency can tax a significant amount of self-regulation resources that could be otherwise spent to improve customer service. Thus, contingent reward makes abusive supervision’s negative effects stronger.

Managerial implications

Although organizations are becoming more aware of the detrimental effects of abusive supervision, it is not uncommon to see that leaders use a combination of abusive supervision (such as threatening and undermining employees) and functional reinforcement behaviors (such as rewarding good attitudes and performance while punishing bad ones) to influence employee job performance. Findings from our study show that in the domain of retail selling, abusive supervision can negatively affect employees’ interactions with the customer through impairing their customer orientation. A customer-oriented climate that focuses on serving customers can be easily destroyed by abusive supervisors.

Our findings provide direct evidence in support of the risks and costs derived from hiring abusive supervisors in retail selling. Abusive supervision reduces customer orientation, affects the firm’s capacity to meet customers’ needs and expectations, and will ultimately make sales performance suffer. To prevent these negative effects associated with abusive supervision, organizations should select and appoint managers who are capable of achieving results without abusing others. For example, personality tests and interviews can be used to identify and walk away from applicants who display behaviors that are associated with abusive supervision. Rather than hiring abusive managers that can damage customer-orientation,
organizations should hire company leaders who focus on serving employees and inspire them to serve their customers (Hunter et al., 2013). Ultimately, retailers should hire supervisors that treat subordinates the same way they want their customers to be treated.

Management training and coaching should emphasize the importance of using appropriate strategies in managing salespeople. Standards of ethical conduct should be communicated to supervisors that hostile behaviors toward subordinates are not tolerated (Babin et al., 2000). Organizations should also communicate to supervisors expected norms and behaviors on their interactions with subordinates. In managing rewards and punishment in the retailing context, although it is typically recommended that managers administer reward (e.g. recognition, praise and acknowledgement) and punishment (e.g. reprimands, criticism and disapproval) based on salespeople’s performance (MacKenzie et al., 2001), our study findings show that this recommendation may backfire when employees believe that the supervisor is abusive. Rather, training directed to managers should emphasize the importance of displaying behavioral consistency. Particularly, demonstrating inconsistent behaviors in the form of rewarding good performance while mistreating employees arbitrarily is detrimental. Supervisory abuses, followed by a contingent reward, send an inconsistent signal to the salespeople that creates confusion and strain, and depletes cognitive resources that can be otherwise used to serve customers. Additionally, the buffering effect of contingent punishment suggests that clarity is the key to mitigate the harmful effects of abusive supervision. When employees perceive supervisory abuse, it is critical for managers to clarify why mistreatment occurs. If managers make employees to understand that punishment is indeed based on poor performance, employees will feel less confused or strained, and their customer orientation and performance are less likely to suffer.

Limitations and future research directions

The results have to be interpreted in the context of the study limitations. First, all measures in our study are self-reported. Although CMB was not found to be a threat to the internal validity of our findings, we could use other-rated behavioral measures in future research to provide more rigorous test on our research model. Also, it can have a real difference between perceived job performance and objective job performance, with objective performance being not subject to leniency bias (Podsakoff et al., 2003). Future researchers are encouraged to use objective job performance to investigate the effect of abusive supervision in a retail sales environment. Second, although survey has been used as a major research methodology to examine the effect of leadership behaviors on employees’ job attitudes and performance, such a method may not be able to fully capture the complex and dynamic interactions of these behaviors, especially in the situation when the use of abusive supervisor is in a subtle way. It may be fruitful for future researchers to further classify abusive supervision into categories (e.g. subtle vs obvious and in a public vs private setting) and examine how contingent reward and contingent punishment may set up boundary conditions for each type of abusive supervision strategies. Finally, in this research, we precisely drew on MacKenzie et al.’s (2001) definition and operationalization of contingent reward and contingent punishment, which mainly focus on non-monetary aspects. Meta-analytical results have shown that these two leadership behaviors are functional behaviors that are meant to help subordinates achieve desired outcomes (Podsakoff et al., 2006). Our findings are expected to be replicated if contingent reward and contingent punishment are
monetary, because the incentive system of sales management is by nature driven by revenue/profit. That said, future research is needed to test whether this speculation is correct.

Conclusion

Customer orientation has been suggested as an important predictor of salespeople’s performance (Cross et al., 2007) and can be improved by effective leadership (Liaw et al., 2010). However, research has not demonstrated how salespeople’s customer orientation serves as a mediator linking various supervisory strategies (such as verbal or non-verbal abuse, reward and punishment) and sales performance. This research, drawing on a contingent self-regulation impairment perspective, supports that abusive supervision reduces salespeople’s job performance through lowering their customer orientation. Furthermore, contingent reward and contingent punishment work the opposite directions in the context of abusive supervision. While contingent punishment buffers abusive supervision’s detrimental effect, contingent reward augments it. Overall, this research underscores the importance of behavioral consistency and clarity in managing salespeople to achieve desired performance outcomes.

Acknowledgements

This study was supported by a research grant from the National Natural Science Foundation of China (Grant No.71572103).

Corresponding author

Weiling Ye can be contacted at: ye.weiling@mail.shufe.edu.cn

References


