NEW VENTURE TOP MANAGEMENT TEAM INTRA-GROUP ABUSIVE BEHAVIOR AND FIRM PERFORMANCE: A MODERATED MEDIATION STUDY (INTERACTIVE PAPER)

Keith M. Hmieleski  
*Texas Christian University, USA*, k.hmieleski@tcu.edu

Michael S. Cole  
*Texas Christian University*

Bennett J. Tepper  
*Georgia State University*

Recommended Citation


This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
INTERACTIVE PAPER

NEW VENTURE TOP MANAGEMENT TEAM INTRA-GROUP ABUSIVE BEHAVIOR AND FIRM PERFORMANCE:
A MODERATED MEDIATION STUDY

Keith M. Hmieleski, Texas Christian University, USA
Michael S. Cole, Texas Christian University, USA
Bennett J. Tepper, Georgia State University, USA

Principal Topic

This study uses an input-mediators-output (IMO) theoretical framework (Mathieu et al., 2008) to examine the relationship of new venture TMTs’ intra-group abusive behavior (i.e., the degree to which team members exhibit sustained displays of hostile verbal and nonverbal behaviors, excluding physical contact, toward each other; Tepper, 2000) with firm performance. In so doing, the concept of “team thriving” (i.e., TMTs’ collective learning orientation and shared sense of vitality; Spreitzer et al., 2005) is hypothesized as an intervening mechanism linking new venture TMT intra-group abusive behavior to firm performance. Taking into account potential boundary conditions of this relationship, industry hostility (i.e., the extent to which industry environments involve intense competition, few exploitable business opportunities, scarce resources, slim profit margins, and little strategic maneuverability; Covin & Slevin, 1989) is hypothesized as a moderator of the indirect effects of TMT intra-group abusive behavior on firm performance. Collectively, study hypotheses intimate a pattern of moderated mediation.

Method

The sample comprised members from 181 new venture TMTs, who completed our questionnaire containing items relating to the study’s focal variables. An SPSS macro designed by Preacher, Rucker, and Hayes (2007) was utilized to test the proposed model. This moderated mediation macro facilitates the implementation of bootstrapping methods and provided us with a method for probing the significance of conditional indirect effects of intra-group abusive behavior on firm performance (via team thriving) at different values of industry environmental hostility.

Results and Implications

The results demonstrate support for the proposed model. Specifically, TMT intra-group abusive behavior had a negative indirect effect on firm performance (via team thriving). Furthermore, this effect was moderated by industry environmental hostility, such that the indirect association between TMT intra-group abusive behavior and firm performance was less negative in hostile, than in benign, industry environments. On the basis of these findings we conclude that external challenges to the survival of new ventures attenuate the potential hindrance effects of abusive behavior internal to such firms. Finally, by integrating micro-level research on abusive supervision with upper-echelons theory, this study advances our understanding of how a firm’s environmental context might influence TMT members’ perception of and reactions to abusive behavior.

CONTACT: Keith Hmieleski; k.hmieleski@tcu.edu; (T): 817.257.7280; (F): 817.257.7227; M. J. Neeley School of Business, TCU Box 298530, Fort Worth, TX 76129.