Letting go or getting back: How organization culture shapes frontline employee response to customer incivility

M.S. Balaji[a], Yangyang Jiang[a], Gurbir Singh[b], Subhash Jha[c],*

[a] Nottingham University Business School, University of Nottingham Ningbo, 199 Taikang East Road, Yinzhou, Ningbo 315100, Zhejiang, China
[b] Indian Institute of Management Indore, Prabandh Shikhar, Rau - Pithampur Rd, Indore, Madhya Pradesh 453556, India
[c] College of Business, Purdue University Northwest, 2200 169th Street, Hammond, IN 46323, USA

ARTICLE INFO

Keywords:
Customer incivility
Organizational culture
Forgiveness
Vengeance
Customer-oriented behavior

ABSTRACT

This study examines how different types of organizational culture moderate the effect of customer incivility on frontline employee (FLE) response. We propose that FLE forgiveness determines their customer-oriented behavior following customer incivility; FLE vengeance mediates the effect of customer incivility on dysfunctional behavior. We further posit that the effects of customer incivility on FLE forgiveness and vengeance would vary depending on the organizational culture (i.e., clan, adhocracy, market, and hierarchy). We test the research hypotheses by conducting a survey, followed by a scenario-based experiment. Our findings show that forgiveness of customer incivility determines FLEs' customer-oriented behavior; whereas vengeance influences FLEs' dysfunctional behavior following customer incivility. Furthermore, organizational culture moderates the effects of customer incivility on FLE responses such that clan culture and adhocracy culture positively moderate the effect of customer incivility on forgiveness, while market culture positively moderates the effect of customer incivility on vengeance.

1. Introduction

'Flight attendant abused by passenger on a flight' (Pochin, 2018) and 'Customer rants at a coffee store employee' (Mirror, 2018): These are some of the recent examples of customer incivility toward frontline employees (FLEs). Customer incivility refers to "low-intensity deviant behavior, perpetrated by someone in a customer or client role, with ambiguous intent to harm an employee, in violation of social norms of mutual respect and courtesy" (Sliter, Jex, Wolford, & McInnerney, 2010, p. 468). In service organizations, given increasing customer demands, complexity in service roles, and constraints in organizational resources, FLEs are prone to customer incivility. Additionally, with firms operating under the mantra, 'the customer is always right', customers can parlay the maxim with unreasonable requests or by manifesting an absence of comity with FLEs (Hur, Moon, & Jun 2016). Although customer incivility may also be triggered by unsatisfactory service or the customer perception of malicious intent from employees, the incivility spiral could adversely affect both parties (Andersson & Pearson, 1999). Given that customer incivility has become ubiquitous in service organizations, understanding FLE responses to such incivility has important implications for service providers.

FLEs use different coping strategies to respond to customer incivility, including forgiveness, vengeance, denial, confrontation, avoidance, and disengagement (Aquino, Tripp, & Bies, 2006). Prior studies report that forgiveness and vengeance dominate FLE responses when confronted with customer incivility (Bedi & Schat, 2017; Sliter & Boyd, 2015). Forgiveness involves reduced negative feelings, increased thoughts of reconciliation, and enhanced goodwill (Joireman, Grégoire, & Tripp, 2016). It is considered as a positive process that allows FLEs to 'let go' by reducing the subsequent stress and leaving behind the transgressions they experienced. Thus, forgiveness is expected to determine FLEs' positive responses such as engaging in customer-oriented behaviors following customer incivility. Vengeance, on the other hand, represents the desire to get even with the transgressor in response to a perceived wrongdoing (Bechwati & Morrin, 2007). It carries negative consequences, where FLEs release their stress from the transgressions they experienced by engaging in negative outcomes such as aggression toward the transgressor and confrontational behaviors. In other words, vengeance is related to "getting back" for the transgression and this might determine FLEs' negative responses such dysfunctional behaviors.

Prior studies have investigated factors that may influence employee

behavior, such as the leadership style, incentives, and service-focused policies (Chen, Zhu, & Zhou, 2015). In particular, we propose that FLE response to customer incivility might depend on how things are done at an organization or the organizational culture. This is because organizational culture comprises basic internalized beliefs and values that guide employees' perceptions and actions (Quinn & Rohrbaugh, 1983). Furthermore, organizational culture varies in values (Quinn & Rohrbaugh, 1983), which might result in varied FLE responses to customer incivility. Whereas a strong organizational culture is a prerequisite for a firm to excel in the marketplace (Jerger & Wirtz, 2017), little is known about the effect of different organizational cultures on FLE responses to customer incivility. Hence, there is a need to examine the role of different organizational cultures (i.e., clan, adhocracy, market and hierarchy) on FLE response (i.e., forgiveness, vengeance) to customer incivility.

The present study investigates the roles of forgiveness and vengeance in understanding FLE response to subsequent customers in terms of customer-oriented behavior and dysfunctional behavior. Furthermore, the moderating role of organizational culture in the effects of customer incivility on forgiveness and vengeance is examined. This study integrates the customer incivility literature with works in organizational culture and makes three theoretical contributions. First, it advances the literature by considering the employees' positive and negative responses to customer incivility. Second, this study extends this literature by examining the effects of customer incivility on FLEs' customer-oriented and dysfunctional behaviors toward subsequent customers. Third, it examines how different types of organizational culture moderate the effects of customer incivility on FLE forgiveness and vengeance.

2. Theoretical background

2.1. Organizational culture

Organizational culture is a pervasive social system in an organization that guides the choice of strategic outcomes and ways to achieve them. It refers to the set of shared values and assumptions in an organization that influences how members interact with each other, as well as with the environment (Schein, 1985). Quinn and Rohrbaugh (1983) defined organizational culture as the way things are done in an organization. An effective culture in an organization can communicate its values and standards to its employees. Employees would know how they should respond to a situation, feel encouraged to excel, and believe that they will be rewarded as long as they genuinely incorporate organizational beliefs and values.

The Competing Values Framework (CVF) sets the fundamental paradigm for organizational culture in our study. CVF depicts organizational cultures on two dimensions, focus and structure (Quinn & Rohrbaugh, 1983). The focus dimension differentiates organizations that center on an internal environment and integration from those that emphasize an external environment and differentiation. The structure dimension distinguishes organizations that value flexibility and discretion from those that accentuate stability and control. These two dimensions yield four types of organizational culture. A clan culture values flexibility and discretion and focuses on the organization's internal environment. An adhocracy culture embraces flexibility and discretion and concentrates on the organization's external environment. A market culture emphasizes stability and control and pays acute attention to the organization's external environment. A hierarchy culture stresses stability and control and centers on the organization's internal environment. We propose that each of these organizational culture types has distinct effects on FLE response to customer incivility.

2.2. Forgiveness and vengeance

Forgiveness is the internal process of relinquishing anger and

resentment toward discourteous customers (Tripp, Bies, & Aquino, 2007). It requires the willingness to abandon resentment and foster compassion and generosity toward the transgressor. Thus, the forgiveness process includes (1) reducing negative cognitions, (2) relinquishing negative feelings, and (3) altering potentially hostile behaviors. Through the internal process of forgiveness, FLEs resolve their pain and suffering by forming new attitudes and behaviors (Ayoko, 2016). Sometimes, internal moral codes would drive FLE forgiveness toward the uncivil customer (Greenbaum, Mawritz, Mayer, & Priesemuth, 2013). Forgiveness is crucial for employees in the customer-serving role, as the service provider often must continue serving discourteous customers in the future to achieve organizational goals.

Vengeance means employees' thoughts and feelings of retaliation against uncivil customers for the perceived harm or wrongdoing. It represents the desire to get even with rude customers. Vengeance can be a deliberate and conscious process motivated by ruminations of customer incivility. By seeking revenge, the employee deviates from his/her expected standards of behavior to restore his/her sense of integrity and self-esteem (Elshout, Nelissen, & van Beest, 2015). Palpably, employees will act on the revenge cognitions and feelings in different ways. While some employees may seek to balance the scale through covert means, such as by withholding benefits and help, others might engage in overt revenge, such as being aggressive toward uncivil customers and other customers.

2.3. Customer-oriented behavior and dysfunctional employee behavior

Customer-oriented behavior is an element of market orientation. It refers to the specific behaviors displayed by FLEs during service encounters that lead to customer satisfaction (Jiang, Ramkissoon, & Mavondo, 2016). At an individual level, Saxe and Weitz (1982) defined the customer-oriented behavior as the extent to which FLEs are willing to customize their service delivery according to the customer's needs and requirements. According to Bettencourt and Brown (2003), customer-oriented behaviors include being (1) concerned (evincing empathy and responsiveness), (2) civil (not acting arrogantly or annoyed or ignoring customers), and (3) congenial (revealing a smile, happiness, and enthusiasm). Customer-oriented behavior results in a good relationship between the customer and the service provider, which subsequently leads to improved business performance.

Dysfunctional employee behavior refers to actions that violate the norms of employee behavior in a typical employee-customer encounter. Prior literature has revealed that frequently observed dysfunctional employee behaviors toward customers include verbal abuse (e.g., insulting, yelling) and violence (e.g., abusing, threatening) (Griffin & Lopez, 2005). Dysfunctional behaviors negatively affect employees, customers, and the organization. Because the dysfunctional behavior involves deliberate actions that are harmful to customers, it can adversely influence customer satisfaction and loyalty.

3. Conceptual framework and hypotheses

Our research model is presented in Fig. 1. It proposes that FLE forgiveness determines their customer-oriented behavior following customer incivility. Furthermore, FLE vengeance mediates the effect of customer incivility on dysfunctional behavior. We further posit that organizational culture (i.e., clan, adhocracy, market, and hierarchy) moderates the effects of customer incivility on FLE forgiveness and vengeance.

3.1. Mediating role of forgiveness

Given that customer relationships are crucial for service providers, it is conceivable that FLEs are inclined to respond to uncivil customers with understanding and empathy. Sliter and Boyd (2015) observed that empathy, which is positively associated with forgiveness, could buffer
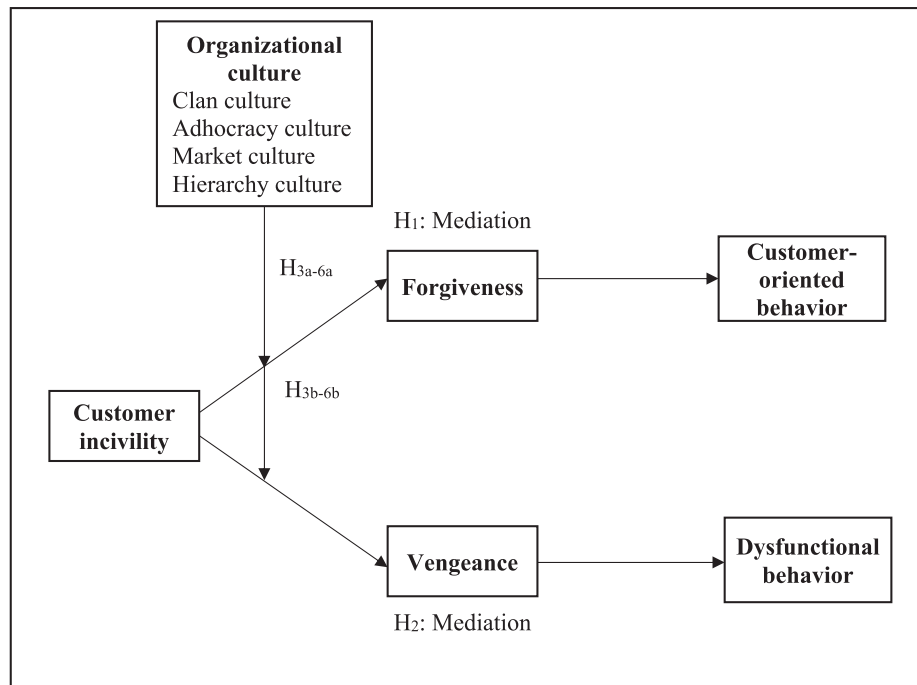
Fig. 1. Conceptual framework.

the adverse effects of incivility. In fact, research has indicated that the baseline approach in organizations to handling transgressions is a caring, kind, and compassionate strategy, such as forgiveness (Booth et al., 2018). Furthermore, the literature suggests that whether or not incidents of transgression lead to forgiveness may depend on the intensity of the transgression (Tsarenko & Tojib, 2011). For example, Booth et al. (2018) found that client-instigated victimizations might directly trigger the service employee's coping response of forgiveness when the level of victimization is low to moderate. Whereas under conditions of severe transgressions, service employees are less likely to engage in forgiveness. Because customer incivility generally is a low-to-moderate deviant behavior, we hypothesize that employees may engage in forgiveness to forgo resentment against customer incivility. The outcomes of forgiveness have been extensively examined in the marketing literature. For example, Tsarenko and Tojib (2015) found that forgiveness and repatronage intentions are positively related. Similarly, Harrison-Walker (2019) demonstrated that forgiveness could restore the relationship with the transgressor. Thus, we propose the following:

H$_1$: FLE forgiveness mediates the effect of customer incivility on customer-oriented behavior.

3.2. Mediating role of vengeance

When customers treat FLEs with derogatory comments and impatient behaviors, FLEs might perceive it as a violation of interpersonal norms and socially acceptable conduct. Customer incivility impedes FLEs' ability to perform effectively and offer a satisfying customer experience (Wang, Bowling, Tian, Alarcon, & Kwan, 2018). In such cases, FLEs might deviate from organizational codes and moral standards of fair interpersonal treatment by engaging in vengeance and deviant behaviors toward customers. They might ruminate about the negative incident, experience hostility, and feel vengeful, which could result in moral disengagement (Huang, Greenbaum, Bonner, & Wang, 2019). This could lead to devaluing customers, thereby engaging in dysfunctional behaviors, such as purposefully serving customers slowly, ignoring customer needs, and refusing to help. Bedi and Schat (2017) reported that blame attribution for customer incivility induces

employee desires for revenge and dysfunctional behaviors toward the customer. More recently, Hongbo, Waqas, and Tariq (2019) ascertained that a victim becomes a saboteur when employees experience hostile feelings toward the transgressor. Thus, we propose the following:

H$_2$: FLE vengeance mediates the effect of customer incivility on dysfunctional employee behavior.

3.3. Moderating role of organizational culture

3.3.1. Clan culture

The clan culture focuses on the internal environment of the organization and concentrates on flexibility and discretion. Organizations with a clan culture have a friendly working environment and emphasize the development of employee morale, cohesion, and commitment. It encourages teamwork, where members trust and share knowledge (Wei, Samiee, & Lee, 2014). It has a decentralized structure where leaders and employees communicate freely, and leaders act as facilitators who support employees' voice. This culture allows employee involvement in the decision-making process. Employees are given free rein to take actions that benefit organizational performance (Hartnell, Ou, & Kinicki, 2011). A key characteristic of a clan culture is effective and efficient information and knowledge sharing throughout the organization. This allows the organization to react quickly to changes in the environment and ensures coordination and cooperation among employees. Furthermore, this culture is positively related to citizenship behaviors and social well-being of its members (Kim, 2014).

It is conceivable that a clan culture influences FLE forgiveness and vengeance following customer incivility. Specifically, we posit that this type of culture will accentuate the effect of customer incivility on forgiveness. This is because in a clan culture, the employee morale is high, which nurtures their willingness to focus on positive aspects of work rather than clinging to the offense and the subsequent suffering. Furthermore, as the clan culture stresses teamwork and cohesion, FLEs receive support from other employees in the wake of customer incivility. Peer support has been useful to encourage individuals to make a decision to forgive (Lundahl, Taylor, Stevenson, & Roberts, 2008). Additionally, open communication in the clan culture allows FLEs to

share their problems with their supervisors and other employees. With the input from others, FLEs might reframe the transgression and construct a new narrative of the uncivil incident, which is not plagued by negative thoughts and feelings (Thompson et al., 2005). Thus, we propose the following:

> **H3a**: A clan culture has a positive moderating effect on the relationship between customer incivility and forgiveness.
> **H3b**: A clan culture has a negative moderating effect on the relationship between customer incivility and vengeance.

3.3.2. Adhocracy culture

Organizations with the adhocracy culture focus on the external environment and emphasize flexibility, independence, and adaptability (del Rosario & René, 2017). Leaders in the adhocracy culture are innovators and entrepreneurs who build an innovative and flexible workplace. It emphasizes capturing opportunities, solving problems, breaking routines, and being results-oriented (Wei et al., 2014). Organizations with the adhocracy culture focus on risk-taking and change their direction to adapt to the market environment. Employees working in an adhocracy culture attempt to be creative and innovative (Hartnell et al., 2011). The adhocracy culture is a stress-tolerant culture, as it offers a high degree of flexibility and an open system for employees.

We hypothesize that an adhocracy culture positively moderates the effect of customer incivility on forgiveness. This is because an adhocracy culture fosters adaptability, which reflects an individual's quality of being able to adjust to challenging conditions (Reichard & Johnson, 2011), such as customer incivility for FLEs. Specifically, FLEs in an adhocracy culture are more competent in regulating and inhibiting negative responses evoked by customer incivility. This process of regulation and inhibition is required for forgiving transgressors. In addition, as the adhocracy culture cultivates innovation and creativity, FLEs working in this environment are more capable of looking at the uncivil incident from a novel and positive perspective, which may give rise to forgiveness (Thompson et al., 2005). The active thoughts of forgiveness could create a cognitive barrier to the consideration of revenge strategies. This proposition is supported by the study of Di Stefano, Scrima, and Parry (2017), which shows organizations that adopt an adhocracy culture reported lower levels of workplace deviant behaviors. Thus, we propose the following:

> **H4a**: An adhocracy culture has a positive moderating effect on the relationship between customer incivility and forgiveness.
> **H4b**: An adhocracy culture has a negative moderating effect on the relationship between customer incivility and vengeance.

3.3.3. Market culture

The market culture reflects a focus on the external environment and stability. The organization dominated by this culture is a rational entity that pursues greater market share and better performance (Hartnell et al., 2011). It is a results-oriented culture that emphasizes control and task accomplishment, placing importance on success and acknowledging individual achievements. The primary belief of the market culture is that employees would behave properly when they have clear objectives and are rewarded based on their performance in meeting stakeholders' expectations (Hartnell et al., 2011).

Due to the constant concern about individual achievement and career development, employees in a market culture tend to compete intensely with each other for resources and advancement. Therefore, this type of culture might reduce trust and increase conflict between employees (Zammuto & Krakower, 1991). The intense competition and high pressure in a market culture can cause employees to behave discourteously to others, and to engage in unethical and deviant behaviors (Di Stefano et al., 2017). Admittedly, service organizations that adopt a market culture would set high service standards, because superior customer service helps them increase market share and profitability.

Nonetheless, FLEs in such organizations are driven continuously to go beyond the call of duty and stay ahead, which might lead to burnout and exhaustion (Zoghbi-Manrique-de-Lara & Ting-Ding, 2016). Consequently, when customer incivility occurs, FLEs might feel distressed, resulting in ruminating thoughts, hostility, and vengeance cognitions. They are less likely to regulate their thoughts and feelings to compassion and forgiveness as they focus their attention on negative ruminations about the offense. Thus, we propose the following:

> **H5a**: A market culture has a negative moderating effect on the relationship between customer incivility and forgiveness.
> **H5b**: A market culture has a positive moderating effect on the relationship between customer incivility and vengeance.

3.3.4. Hierarchy culture

The hierarchy culture focuses on the internal environment, stability, and control (Dwyer, Richard, & Chadwick, 2003). This culture is characterized by a hierarchical structure and follows established rules and regulations. Organizations that adopt this type of culture have centralized authority that controls organizational processes; the principal leadership style is conservative and prudent (Di Stefano et al., 2017). Employees in such organizations are obliged to adhere to formal procedures when dealing with customers and other stakeholders (Hartnell et al., 2011). Therefore, we expect that in organizations with a hierarchy culture, FLEs tend to display emotions demanded by work according to organizationally defined rules and guidelines.

While regulation of feelings and emotions allows employees to serve the uncivil customer with a smile, they may not forgive them. According to Reis, Trullen, and Story (2016), the hierarchy culture prevents employees from developing emotional connections and makes them feel less authentic at work. Research has shown that a hierarchy culture is negatively associated with organizational commitment, job satisfaction, morale, empowerment, and job involvement, while positively associated with emotional exhaustion, turnover intentions, and conflict (Goodman, Zammuto, & Gifford, 2001). Therefore, in such a culture, employees are less likely to engage in the effortful process of forgiveness by switching their attention to compassion and generosity toward the uncivil customer. Moreover, as authority is centralized in a hierarchy culture, employees have little opportunity in decision-making. The power asymmetry may cause them to have vengeful thoughts and feelings toward the transgressor as resistance against powerlessness (Di Stefano et al., 2017) when confronted with customer incivility. Thus, we propose the following:

> **H6a**: A hierarchy culture has a negative moderating effect on the relationship between customer incivility and forgiveness.
> **H6b**: A hierarchy culture has a positive moderating effect on the relationship between customer incivility and vengeance.

Two studies were carried out to test the proposed hypotheses. Study 1 was conducted among FLEs in service organizations. Study 2 replicated the Study 1 findings of the moderating role of organizational culture among students (Walker, van Jaarsveld, & Skarlicki, 2017).

4. Study 1

4.1. Method

4.1.1. Data collection and sample

We recruited 300 participants who self-identified as customer-facing employees working in the service industry in the US using Prolific Academic. 22 cases were dropped as they failed two attention check questions and did not meet the response time criteria. Among the 278 participants, 155 (55.8%) were female and 123 (44.2%) were male. The participants were aged between 18 and 70 years, and the average age was 31.32 years. 185 (66.5%) were full-time employees. 100 (36.0%)

were working in the retailing sector, 51 (18.3%) in the hospitality sector, and 35 (12.6%) in the financial sector. 114 (41%) participants had worked for more than four years in the current organization and 105 (37.8%) had over ten years of experience in the customer-facing role. All participants had a Prolific score of more than 93 and the majority (215, 77.3%) had zero rejections.

4.1.2. Questionnaire and measures

Pre-validated scales were used or adapted from the literature. In the first section of the questionnaire, participants rated the 20-item organizational culture scale adapted from Cameron and Quinn (1999). In the second section, participants answered questions on customer incivility, forgiveness, and vengeance. The customer incivility construct (Skarlicki, Van Jaarsveld, & Walker, 2008; Alola, Olugbade, Avci, & Öztüren, 2019) was measured using seven items about the frequency of customer incivility in the current organization on a 7-point scale anchored from 'never' (1) to 'always' (7). Forgiveness was measured using a three-item scale adapted from Aquino et al. (2006) and Harrison-Walker (2019). Vengeance consisted of four items adapted from Bechwati and Morrin (2007). In addition to forgiveness and vengeance, participants also responded to statements that reflected other coping strategies (denial, avoidance, and confrontation) in response to customer incivility. Avoidance (r = 0.88) was measured with two items "avoid thinking about the incident" and "distract myself from thinking about the incident" adapted from Sengupta, Balaji, and Krishnan (2015). Denial and confrontation were measured with "pretend that this never happened" and "thought about telling the customer not to treat me this way" respectively (Baker & Berenbaum, 2007; Sengupta et al., 2015).

The third section of the questionnaire consisted of measures on customer-oriented behavior and dysfunctional employee behavior along with participants' demographic information. Customer-oriented behavior was measured on a four-item scale adapted from Grizzle, Zablah, Brown, Mowen, and Lee (2009). The six-item scale for dysfunctional employee behavior was adapted from Yi and Gong (2008). Customer-oriented behavior and dysfunctional behavior were measured as the degree to which FLEs engaged in behaviors aimed at helping or hurting subsequent customers following customer incivility.

4.2. Results

4.2.1. Measurement model

Five items (one each for adhocracy culture, vengeance, and dysfunctional employee behavior and two items of hierarchy culture) were dropped because of low factor loadings. The resulting measurement model provides a good fit to the data (χ^2 = 1122.78, df = 653, χ^2/df = 1.72, CFI = 0.937, IFI = 0.938, TLI = 0.928, and RMSEA = 0.051). The summary of the psychometric properties of measures is provided in Table 1. The factor loadings of the measurement items on their respective constructs were well above the threshold level of 0.70 (except for three items, which were retained as the respective constructs met other validity and reliability criteria) (Hair, Black, Babin, & Anderson, 2010). The composite reliability and Cronbach's alpha were above 0.70, showing adequate reliability of the measurement scales (Hair et al., 2010). Convergent validity was established as the average variance extracted (AVE) for each construct was well above 0.50 (Hair et al., 2010). Discriminant validity was supported as the square root of AVE for each construct exceeded the construct's correlation with other constructs (see Table 2). Taken together, the findings support the validity and reliability of the measures.

4.2.2. Hypotheses testing

We tested the mediating role of forgiveness and vengeance in the effects of customer incivility on the customer-oriented behavior and dysfunctional employee behavior respectively using PROCESS Model 4 with 10,000 bootstrapped resamples. We controlled for the effect of age, gender, employment type, tenure in the current organization, years in the customer-facing role, agreeableness, and social desirability bias, as prior studies reported their impact on the FLE behavior.

H_1 was supported as the indirect effect was significant (indirect effect = −0.02, SE = 0.01, LLCI = −0.05, ULCI = −0.01). This supports the mediating role of forgiveness in the customer incivility → customer-oriented behavior relationship. Similarly, we found that vengeance mediates the effect of customer incivility on dysfunctional employee behavior (indirect effect = 0.12, SE = 0.03, LLCI = 0.06, ULCI = 0.19), supporting H_2. Among the control variables, years in the customer-facing role (ps < 0.05), agreeableness (ps < 0.01), and social desirability bias (ps < 0.05) each have a significant impact on customer-oriented behavior and dysfunctional employee behavior.

We tested whether other coping strategies mediate the effect of customer incivility on customer-orientated behavior and dysfunctional behavior. We did not find a significant mediating effect of avoidance, denial, or confrontation in the effects of customer incivility on customer-oriented behavior and dysfunctional employee behavior. These findings provide further support for the role of forgiveness and vengeance in FLEs' customer-oriented behavior and dysfunctional behavior toward subsequent customers following customer incivility.

We tested H_3-H_6 using PROCESS Model 1 and 10,000 bootstrapped resamples with each organizational culture type as the moderator, customer incivility as the independent variable, and forgiveness and vengeance as dependent variables. Apart from the participants' demographic and personality variables, we also controlled for other culture types when estimating the moderating role of organizational culture. For example, when examining the moderating role of clan culture, we controlled for the effects of adhocracy culture, market culture, and hierarchy culture. As organizations may have a mix of subcultures in addition to the dominant culture, controlling for other organizational culture types can offer a clear empirical assessment of each organizational culture type.

H_{3a} was supported as the interaction effect of clan culture and customer incivility (β = 0.10, t = 3.02, p < 0.01) has a significant effect on forgiveness. Results of Johnson-Neyman analysis revealed that for organizations with a low clan culture, FLEs are less likely to forgive customers who mistreated them. For organizations with clan culture less than the value of 2.71 (9.71% of respondents), customer incivility has a negative impact on forgiveness (the conditional effect of incivility on forgiveness is < −0.16 for clan culture value of 2.71 and below). However, for organizations with a high clan culture, FLEs are more likely to forgive customers who were uncivil to them. More specifically, for organizations with clan culture higher than the value of 5.76 (26.26% of respondents), customer incivility has a positive impact on forgiveness (the conditional effect of incivility on forgiveness is > 0.15 for clan culture value of 5.76 and above). H_{3b} was not supported as clan culture does not moderate the impact of customer incivility on vengeance (β = 0.00, t = 0.03, p = 0.98).

We found a significant and positive interaction effect of adhocracy culture and customer incivility (β = 0.08, t = 2.37, p < 0.05) on forgiveness. Results of Johnson-Neyman analysis revealed that for organizations with a high adhocracy culture, customer incivility has a positive effect on forgiveness. More specifically, when the value of adhocracy culture is more than 6.23 (7.19% of respondents), customer incivility has a positive effect on forgiveness (the conditional effect of incivility on forgiveness is > 0.19 for adhocracy culture value of 6.23 and above). This provides support for H_{4a}. H_{4b} was not supported as adhocracy culture does not moderate the impact of customer incivility on vengeance (β = 0.00, t = 0.07, p = 0.94).

H_{5a} and H_{5b} were not supported as market culture does not moderate the effects of customer incivility on forgiveness (β = −0.02, t = −0.67, p = 0.51) and vengeance (β = 0.06, t = 1.60, p = 0.11). Similarly, we did not find a significant moderating impact of hierarchy culture in the effect of customer incivility on forgiveness (β = 0.05, t = 1.46, p = 0.15) and vengeance (β = −0.03, t = −0.81, p = 0.42).

Table 1
Study 1 Measures and loadings.

	SL	C.R.	CA	CR	AVE
Clan culture					
1. The organization is a very personal place and it is like an extended family.	0.71	F	0.89	0.90	0.65
2. The leadership in the organization is generally considered to exemplify mentoring, facilitating or nurturing.	0.90	13.93			
3. The management style in the organization is characterized by teamwork, consensus, and participation.	0.81	12.83			
4. The glue that holds the organization together is loyalty and mutual trust.	0.84	12.90			
5. The organization defines success on the basis of the development of human resources, teamwork, employee commitment and concern for people.	0.77	11.85			
Adhocracy culture					
1. The organization is a very dynamic place and people are willing to stick their necks out and take risks.	0.79	F	0.90	0.90	0.69
2. The leadership in the organization is generally considered to exemplify entrepreneurship, innovation, and risk taking.	0.91	17.09			
3. The management style in the organization is characterized by individual risk taking, innovation, freedom, and uniqueness.	0.86	16.00			
4. The glue that holds the organization together is commitment to innovation and development.	0.76	14.45			
5. The organization defines success on the basis of having the most unique or newest products or services.	D				
Market culture					
1. The organization is very results-oriented, and a major concern is with getting the job done.	0.65	F	0.87	0.86	0.56
2. The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, and results-oriented focus.	0.77	10.73			
3. The management style in the organization is characterized by hard-driving, competitive, high demands, and achievement.	0.88	11.70			
4. The glue that holds the organization together is emphasis on the achievement and goal accomplishment.	0.77	10.71			
5. The organization defines success on the basis of winning in the marketplace and outpacing the competition.	0.66	9.42			
Hierarchy culture					
1. The organization is a very controlled and structured place and formal procedures generally govern what people do.	0.81	F	0.74	0.79	0.57
2. The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.	0.62	8.49			
3. The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.	D				
4. The glue that holds the organization is formal rules and policies.	0.81	10.46			
5. The organization defines success on the stability and efficiency.	D				
Customer incivility – My customers					
1. Took out anger on me.	0.76	F	0.94	0.93	0.67
2. Made insulting comments to me.	0.84	17.29			
3. Treated me as if I am inferior or stupid.	0.89	15.44			
4. Showed that they are irritated or impatient.	0.73	15.93			
5. Yelled at me.	0.90	15.79			
6. Spoke aggressively to me.	0.76	13.40			
7. Made comments that questioned my competence.	0.84	15.14			
Vengeance – Following customer incivility incidents, I…					
1. Felt that I should do something to get even.	0.87	F	0.88	0.88	0.72
2. Thought to get revenge.	0.90	18.66			
3. Thought to make the customer regret.	0.76	15.02			
4. Thought it was important to get back.	D				
Forgiveness– Following customer incivility incidents, I…					
1. Let go of the bad feelings.	0.89	F	0.86	0.88	0.71
2. Let go of the resentment.	0.94	20.34			
3. Forgave the customer who was uncivil to me.	0.68	13.22			
Customer-oriented behavior – Following customer incivility incidents, I…					
1. Actively listened to what the customer had to say	0.75	F	0.85	0.86	0.60
2. Appropriately (satisfactorily) dealt with customers' complaints	0.76	12.19			
3. Did everything in my power to satisfy customers' needs.	0.86	13.60			
4. Correctly answered customers' questions.	0.72	11.54			
Dysfunctional employee behavior - Following customer incivility incidents, I…					
1. Took a long-time to serve customers	D		0.91	0.92	0.69
2. Purposely served customers incorrectly.	0.90	F			
3. Purposely served customers slowly.	0.83	18.59			
4. Purposely failed to understand customer expectations	0.86	19.50			
5. Ignored customers at work	0.75	15.30			
6. Blamed customers for an error I made	0.80	17.34			

$\chi^2 = 1122.78$, df $= 653$, χ^2/df $= 1.72$, CFI $= 0.937$, IFI $= 0.938$, TLI $= 0.928$, and RMSEA $= 0.051$.
Note. D – deleted. F – Fixed. SL – standardized loading. C.R. – critical ratio. CA – Cronbach's alpha. CR – composite reliability. AVE – Average variance extracted.

This does not provide support for H_{6a} and H_{6b}.

Among the control variables, only agreeableness has a significant impact on forgiveness and vengeance. Other control variables do not have a significant impact on forgiveness or vengeance.

4.3. Discussion

Study 1 findings reveal that forgiveness and vengeance mediate the impact of customer incivility on FLE behaviors. Specifically, when FLEs forgive customers for their mistreatment, they are more likely to engage in customer-oriented behavior toward subsequent customers. However, vengeful thoughts and feelings will drive their dysfunctional behavior toward subsequent customers following incidents of customer incivility.

Furthermore, we found that FLEs in organizations with a high clan culture and high adhocracy culture are more likely to forgive customers who mistreated them, and this results in customer-oriented behavior toward subsequent customers. While these findings provide initial evidence for the role of organizational culture on FLE response to customer incivility, Study 2 was carried out to replicate the findings in a different service context and on a different sample.

5. Study 2

5.1. Method

We conducted an online vignette experiment in which customer

Table 2
Descriptive statistics, correlations, and discriminant validity.

	1	2	3	4	5	6	7	8	9
1. Customer incivility	*0.82*								
2. Forgiveness	−0.15	*0.84*							
3. Vengeance	0.40	−0.43	*0.85*						
4. Customer-oriented behavior	−0.11	0.26	−0.21	*0.77*					
5. Dysfunctional employee behavior	0.39	−0.12	0.45	−0.44	*0.83*				
6. Clan culture	−0.23	0.40	−0.16	0.13	0.02	*0.81*			
7. Adhocracy culture	−0.30	0.46	−0.17	0.21	−0.07	0.76	*0.83*		
8. Market culture	0.14	0.02	0.10	0.14	−0.02	0.11	0.03	*0.75*	
9. Hierarchy culture	0.04	0.24	−0.06	0.14	0.02	0.22	0.33	0.43	*0.76*
Mean	2.86	4.84	2.20	6.09	1.44	3.90	4.66	4.61	4.57
SD	1.29	1.35	1.38	0.76	0.85	1.51	1.37	1.33	1.31

Note. Square roots AVEs are presented in the diagonal. Correlations more than 0.13 are significant at $p < 0.05$.

incivility (neutral and uncivil) and organizational culture (control condition, clan culture, adhocracy culture, market culture, and hierarchy culture) were manipulated. We randomly assigned students (n = 589) recruited through Prolific Academic in the US to read a vignette, in which they were informed that they recently joined a fast-food restaurant in a customer-facing role of the shift manager and over the course of working at the restaurant learned about the organizational culture. Participants read one of the vignettes on the organizational culture (control condition, clan culture, adhocracy culture, market culture, hierarchy culture). In the control condition, participants read that the fast-food restaurant is a local company and has little process standardization, few service rules, and little, if any formal employee training on customer service. We followed Lukas, Whitwell, and Heide (2013) in describing different organizational cultures. In the organizational culture conditions, participants read that the fast-food restaurant is part of a chain and has well-defined organizational culture and process.

Following this, participants read either a neutral (polite, courteous, and easy-going customer-employee interaction) or customer incivility (insulting comments, speaking aggressively, discourteous, and unpleasant customer-employee interaction) encounter (scenarios available on request), and then answered the questions aimed to assess forgiveness and vengeance (mediators) and the dependent variables (i.e., customer-oriented behavior and dysfunctional employee behavior). We tested the manipulation of customer incivility using a five-item incivility scale (adapted from Study 1). The manipulation of organizational culture was tested using five items - the fast-food restaurant ("has well defined/poorly defined organizational processes," "is a friendly working environment and the management style is teamwork and trust," "is a very dynamic place and people are willing to take risks and the management style is characterized by innovation, freedom, and risk-taking," "is a results-oriented organization with the major concern being getting the job done and the management style is hard-driving, competitive, and highly demanding," and "is a very controlled and structured place and the management style is characterized by formal rules, job security, and conformity").

We used the measurement scales in Study 1 with minor changes. We assessed forgiveness ($\alpha = 0.83$) and vengeance ($\alpha = 0.83$) using three items each following the stem: "To what extent did the customer-employee interaction make you feel the following…?" We assessed customer-oriented behavior ($\alpha = 0.90$) using four items and dysfunctional behavior ($\alpha = 0.92$) using five items following the stem: "To what extent did the customer-employee interaction make you behave the following to the subsequent customer?"

5.2. Results

The results of the two attention check questions revealed that except for 26 responses, the manipulations were successful. This resulted in a usable sample of 563 (51.2% female, average age = 25.01 years,

Prolific score > 90, and 66.8% had zero rejections).

The manipulations worked as intended. 86.8% of the participants in the control condition indicated that the fast-food restaurant had a poorly defined organizational culture and process. Similarly, 98.4% of the participants in the organizational culture type conditions indicated that the restaurant had a well-defined organizational culture and process (Pearson Chi-square = 434.67, $p < 0.01$).

Participants in the clan culture condition assessed the restaurant to have a friendly working environment with the management style of teamwork and trust ($M_{clan} = 6.30$, SD = 0.78; $M_{adhocracy} = 5.37$, SD = 1.23; $M_{market} = 3.51$, SD = 1.72; $M_{hierarchy} = 5.04$, SD = 1.45; $F_{3,447} = 83.74$, $p < 0.01$). Post-hoc tests showed significant differences between clan culture and other culture types (ps < 0.01). Participants in the adhocracy culture viewed the restaurant to be a dynamic place with the management style characterized by innovation, freedom, and risk-taking ($M_{clan} = 4.05$, SD = 1.36; $M_{adhocracy} = 6.39$, SD = 0.88; $M_{market} = 4.09$, SD = 1.69; $M_{hierarchy} = 2.87$, SD = 1.54; $F_{3,447} = 126.24$, $p < 0.01$). Post-hoc analysis revealed significant differences between adhocracy culture and other organizational culture types (ps < 0.01). The manipulation was successful for market culture as participants in this condition assessed the restaurant as being results-oriented with the main concern on getting the job done ($M_{clan} = 3.48$, SD = 1.67; $M_{adhocracy} = 4.04$, SD = 1.70; $M_{market} = 6.46$, SD = 0.98; $M_{hierarchy} = 5.04$, SD = 1.37; $F_{3,447} = 88.53$, $p < 0.01$). Significant differences were observed in post-hoc tests between market culture with other organizational culture types (ps < 0.01). Finally, participants in the hierarchy culture evaluated the restaurant to be a controlled and structured place characterized by formal rules, job security, and conformity ($M_{clan} = 4.25$, SD = 1.59; $M_{adhocracy} = 3.45$, SD = 1.74; $M_{market} = 4.64$, SD = 1.72; $M_{hierarchy} = 5.90$, SD = 1.10; $F_{3,447} = 49.12$, $p < 0.01$). Post-hoc tests revealed significant differences between hierarchy culture and other organizational culture types (ps < 0.01).

The manipulation for incivility was successful as participants in the incivility condition (M = 6.64, SD = 0.53) indicated that the customer took out anger, made insulting comments, spoke aggressively, and showed they were irritated compared with those in the control condition (M = 1.67, SD = 0.87, $F_{1,562} = 6636.95$, $p < 0.01$).

H_1 and H_2 were supported as forgiveness (indirect = 0.09, SE = 0.02, LCI = 0.05 and UCI = 0.14) and vengeance (indirect = 0.47, SE = 0.06, LCI = 0.36 and UCI = 0.58) were found to mediate the effect of customer incivility on customer-oriented behavior and dysfunctional employee behavior respectively.

We performed a moderated mediation analysis (PROCESS Model 7) with 10,000 bootstrapped resamples (Hayes, 2013). Since the moderator (organizational culture) is a multi-categorical variable, four dummy variables were created representing clan culture, adhocracy culture, market culture, and hierarchy culture with the control condition as the baseline. The results of the moderated mediation analysis are presented separately for each organizational culture type.
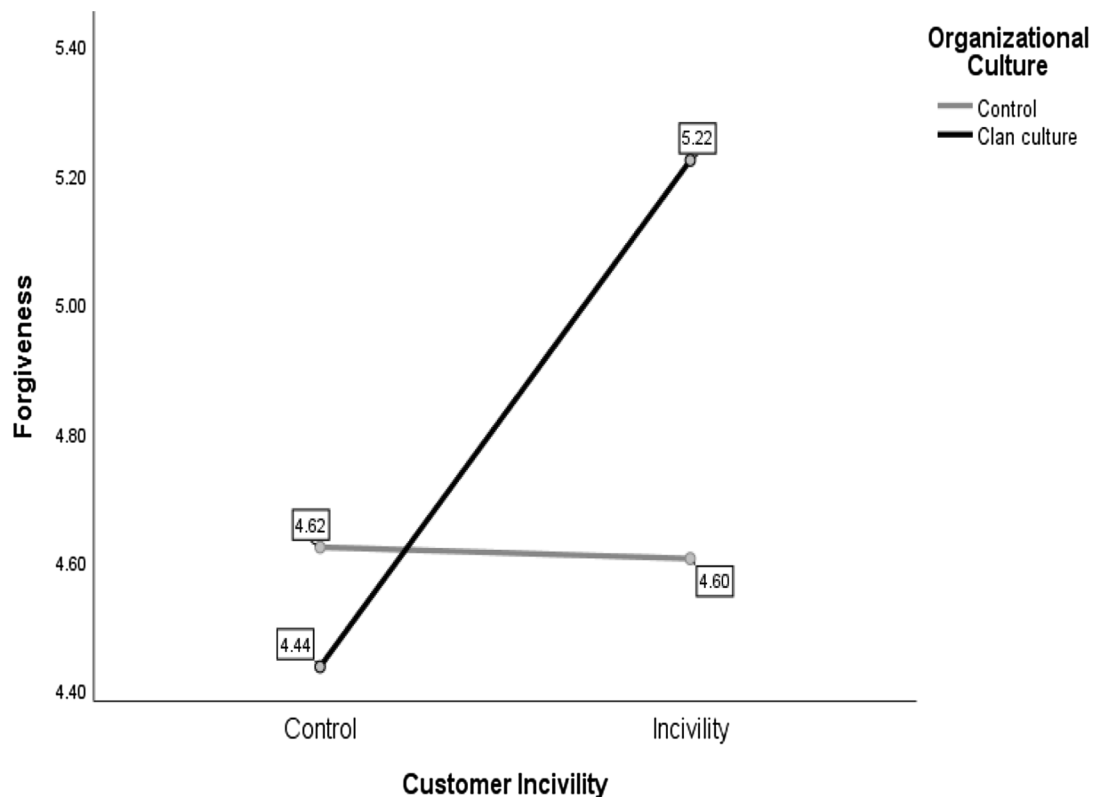
Fig. 2. Study 2. Interaction of customer incivility and clan culture on forgiveness.

Control vs. clan culture. We found a significant interaction effect of clan culture and incivility on forgiveness (interaction effect = 0.81, t = 2.10, p < 0.05), supporting H_{3a}. More specifically, participants in the clan culture condition (M = 5.22, SD = 1.21) are more likely to forgive customer incivility than those in the control condition (M = 4.60, SD = 1.28), t = 2.74, p < 0.05 (see Fig. 2).

H_{3b} was not supported as we did not find a significant moderated mediation effect of clan culture and vengeance on the relationship between customer incivility and dysfunctional employee behavior (Index of moderated mediation = −0.03 with 95% confidence internal inclusive of 0 [−0.29, 0.20].

Control vs. adhocracy culture. We found a significant interaction effect of customer incivility and adhocracy culture on forgiveness (interaction effect = 0.47, t = 2.36, p < 0.05), supporting H_{4a}. More specifically, participants in the adhocracy culture condition (M = 5.29, SD = 1.26) are more likely to forgive customers who mistreated them than those in the control condition (M = 4.60, SD = 1.28), t = 3.30, p < 0.01 (see Fig. 3).

We did not find a significant impact of vengeance in the effect of customer incivility and adhocracy culture on dysfunctional employee behavior (index of moderated mediation = 0.20 with 95% confidence internal inclusive of 0 [−0.01, 0.47]). This does not support H_{4b}.

Control vs. market culture. H_{5a} was not supported as no significant interaction effect of customer incivility and market culture was observed on forgiveness (interaction effect = −0.07, t = −0.68, p = 0.50).

A significant interaction effect of customer incivility and market culture was found on vengeance (interaction effect = 0.19, t = 2.04, p < 0.05), supporting H_{5b}. Participants in the market culture condition (M = 2.90, SD = 1.42) are more likely to feel vengeance following customer incivility than those in the control condition (M = 2.36, SD = 0.93), t = 7.16, p < 0.01 (see Fig. 4).

Control vs. hierarchy culture. H_{6a} and H_{6b} were not supported as hierarchy culture did not have a significant interaction effect with customer incivility on forgiveness (interaction effect = 0.15, t = 1.53, p = 0.13) or vengeance (interaction effect = 0.00, t = 0.04, p = 0.97).

5.3. Discussion

Study 2 replicated Study 1 by examining the proposed relationships among students using vignettes. We found that compared to those in the control condition, FLEs in clan culture organizations are more likely to forgive customers who mistreated them. Similarly, FLEs in adhocracy culture are more likely to forgive when they experience customer incivility. Forgiveness was found to influence their customer-oriented behavior toward subsequent customers. This is consistent with our hypotheses and Study 1 results. We also found that FLEs in the market culture are more likely to feel vengeful when they experience customer incivility, and this adversely affects their behaviors toward subsequent customers. We did not find a significant effect of hierarchy culture in either study. A possible reason could be that hierarchy culture is characterized by a very formalized and controlled environment and thus formal rules might determine FLE response to customer incivility.

6. Conclusion and implications

We studied FLE responses to customer incivility by conducting a survey, followed by a scenario-based experiment across four organizational cultures. Specifically, we assessed the moderating role of organizational culture in the mediating effects of forgiveness and vengeance in the relationships among customer incivility, customer-oriented behavior, and dysfunctional employee behavior. Our findings based on the two studies confirm that forgiveness of customer incivility determines FLEs' customer-oriented behavior; whereas vengeance influences FLEs' dysfunctional behavior following customer incivility. Furthermore, we found that organizational culture moderates the effects of customer incivility on FLE responses in both studies. The consistent findings suggest that a strong clan culture increases forgiveness

Fig. 3. Interaction of customer incivility and adhocracy culture on forgiveness.

following the incident of customer incivility. In addition, adhocracy culture increases forgiveness following customer incivility. Finally, market culture increases FLE vengeance following customer incivility. These findings reveal that organizational culture internalized by FLEs govern their responses to customer incivility. Our results are consistent across different methods (survey and experiment), samples (FLEs and students), and service types (a range of services and the fast-food restaurant).
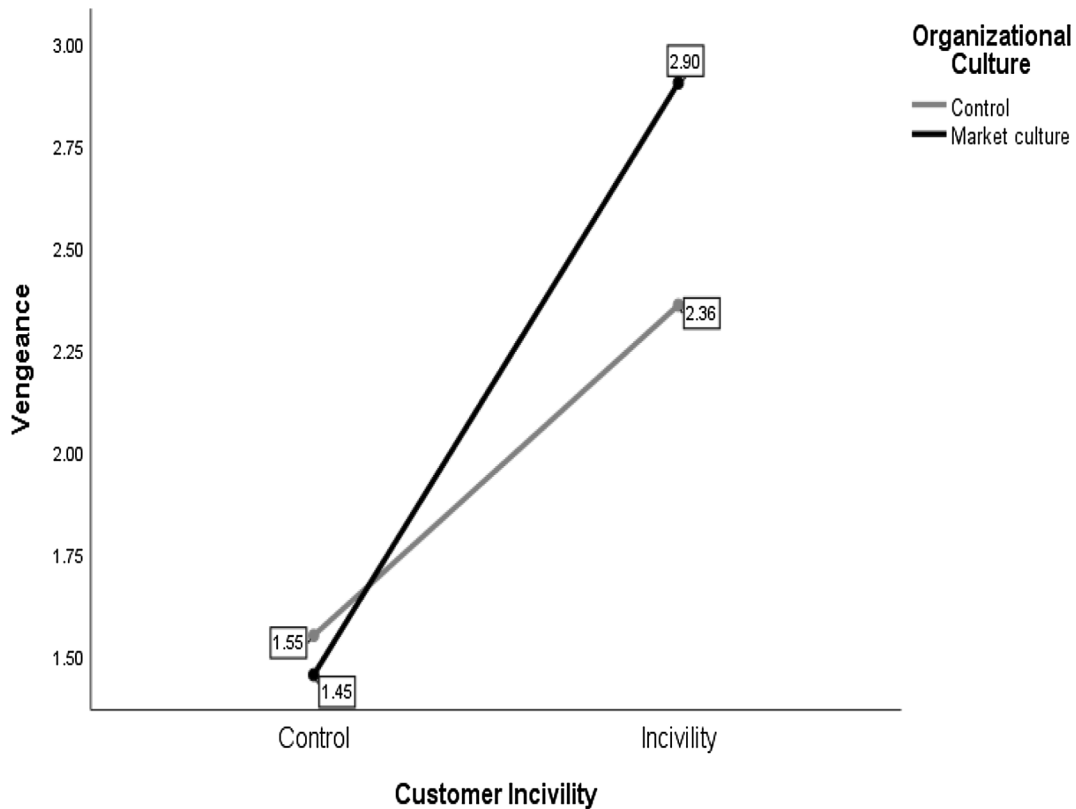

Fig. 4. Interaction of customer incivility and market culture on vengeance.

Our findings present interesting insights for managers in handling customer incivility. While prior studies focus on employee mindfulness and training to deal with customer incivility, this study suggests that organizations should promote favorable FLE responses such as forgiveness. More specifically, service-oriented organizations should not only rely on these trainings, but also develop a strong organizational culture that is understood, accepted, and operated by all employees. A strong organizational culture can provide a framework that guides employees' responsibilities, expectations, and behaviors. Besides, it will guide their appropriate behaviors toward customers.

Our study shows that clan culture and adhocracy culture play a positive role in increasing forgiveness in FLEs who are mistreated by customers. Thus, firms should invest in cultivating a culture of mentoring, nurturing, risk-taking, and creativity. Involving employees in the decision-making process and providing them with autonomy and freedom could encourage their morale and make them focus on customer satisfaction. Also, the focus on human resource development and empowerment can promote helping and supportive behaviors in a service organization. Furthermore, service firms should avoid focusing on short-term effectiveness through a results-oriented approach, as we found that market culture increases vengeance when FLEs experience customer incivility, which might result in dysfunctional employee behavior. Organizations should emphasize flexibility and discretion in organizational processes and develop a harmonious internal culture. They should also optimize their internal resource allocation by paying close attention to external market opportunities.

There are many strengths of the present study, the most significant being the examination of organizational culture in FLE response to customer incivility. We used a survey among FLEs and an experiment among students to draw strong inferences about the moderating role of organizational culture, which is generalizable to different samples and service interactions. However, the results are not without limitations. First, this study examined FLE response to customer incivility when only one customer was present. Future studies should examine whether FLEs react in the same way to customer incivility when other customers are present. Second, the present study examined the FLE response in terms of forgiveness and vengeance. However, FLEs might engage in other responses such as calling the supervisor, disengagement, surface acting, or refusing to serve the transgressor. Future research should examine how different FLE responses influence customer-oriented behavior and dysfunctional behavior. Third, this study examined customer-oriented behavior and dysfunctional behavior from the FLE's perspective, future research could use data from supervisors to reduce the possible common method bias and self-reporting bias. Finally, the study measured and controlled for the FLE's agreeableness trait in examining their response to customer incivility. As several variables might influence response to incivility including other personality traits and individual difference variables, future studies could examine their effects on FLE response to customer incivility.

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Dr. M.S. Balaji is an Associate Professor of Marketing at the University of Nottingham Ningbo China. His research focuses on services failure, word-of-mouth communication on social media, sharing economy, and customer-employee interaction. His research work has appeared in several journals such as *Journal of Business Research, European Journal of Marketing, Information & Management, Technological Forecasting and Social Change, Journal of Services Marketing, Services Industries Journal, Services Business, and Internet Research* among others.

Dr. Yangyang Jiang is an Assistant Professor of Marketing at the University of Nottingham Ningbo China. Her research focuses on value co-creation, customer experience, customer incivility, and services marketing. Her research work has been published in journals including *Journal of Travel Research, International Journal of Hospitality Management, International Journal of Contemporary Hospitality Management, Cornell Hospitality Quarterly, Tourism Analysis, and Journal of Hospitality Marketing and Management.*

Gurbir Singh is pursuing his PhD in the marketing area at IIM Indore. He holds a Bachelor degree in commerce and an MBA in Marketing. He is a Fellow of Insurance Institute of India. He is having a work experience of 9 years in the financial and education sector. His research interest lies in the area of compensatory consumption behavior, consumer incivility and consumer ethics. He is a recipient of "Early Career Asia/Asia-Pacific Country Scholar Scholarship" during ANZMAC 2018 and "Best Paper Award" from Emerald during IIM Indore-NASMEI Summer Marketing-IS Conference 2019. He has attended many national and international conferences in recent past.

Dr. Subhash Jha is an Assistant Professor of Marketing at College of Business in Purdue University Northwest (PNW). He has published over 20 peer-reviewed research papers in a number of leading journals, including *Journal of Retailing, Journal of Service Research, Journal of Business Research, European Journal of Marketing, Industrial Marketing Management, Service Industries Journal, Journal of Consumer Marketing, Journal of Business and Industrial Marketing, Marketing Intelligence and Planning, Services Marketing Quarterly and Asia Pacific Journal of Marketing and Logistics.* His article "Effects of frontline employee role overload on customer responses and sales performance," published in the *European Journal of Marketing,* has been selected as a highly commended paper in the 2018 Emerald Literati Awards for Excellence. He currently serves on the editorial review board for the *Journal of Business Research* and the *Journal of Service Theory and Practice.*