

Mediating effect of emotional exhaustion on the relationship between abusive supervision and budget slack of the agro-industrial cooperatives

Efeito mediador da exaustão emocional na relação entre supervisão abusiva e folga orçamentária das cooperativas agroindustriais

Efecto mediador del agotamiento emocional en la relación entre la supervisión abusiva y la holgura presupuestaria de las cooperativas agroindustriales

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Abstract

This study analyzed the mediating effect of emotional exhaustion on the relationship between abusive supervision and budgetary slack in agro-industrial cooperatives. At the same time, the moderating effect of moral identity on the relationship between emotional exhaustion and budgetary slack was analyzed. This research is characterized as descriptive, survey, and quantitative approach using Structural Equation Models (SEM) and Partial Least Squares (PLS) regression. Eighty-eight middle managers responsible for preparing the budget in large Brazilian agro-industrial cooperatives participated. The results show that abusive supervision had no direct effect on budgetary slack. However, when subordinates suffer from abusive supervision, they present emotional exhaustion and, as a form of self-protection, which is an unethical behavior of organizational disengagement, they would be generating budgetary slack. Although these subordinates have a high moral identity, this did not influence the relationship between emotional exhaustion and budgetary slack. As a theoretical contribution, this research introduces the discussion of new variables related to budgetary slack into the Brazilian environment, and also that in agro-industrial cooperatives there is a low relationship between abusive supervision and slack. The practical and managerial implications are that there is a significant mediating effect of emotional exhaustion on budgetary slack, and therefore, managers can act to reduce emotional exhaustion and consequently on budgetary slack, thus achieving managerial effectiveness in cooperatives. Regarding social contribution, no evidence of high abusive supervision was found in the relationship between supervisor and subordinates in cooperatives. However, emotional exhaustion can arise, thus highlighting the need to strengthen cooperative principles and offer adequate emotional support.

Keywords: Abusive Supervision; Emotional Exhaustion; Moral Identity; Budgetary Slack; Agro-industrial Cooperatives

Resumo

Este estudo analisou o efeito mediador da exaustão emocional na relação entre supervisão abusiva e folga orçamentária das cooperativas agroindustriais. Simultaneamente, analisou-se o efeito moderador da identidade moral na relação entre exaustão emocional e folga orçamentária. Esta pesquisa é caracterizada

como descritiva, *survey*, abordagem quantitativa com uso de Modelos de Equações Estruturais (MEE) e regressão por Mínimos Quadrados Parciais – *Partial Least Squares* (PLS). Houve a participação de 88 gestores intermediários, responsáveis pela elaboração do orçamento em cooperativas agroindustriais brasileiras de grande porte. Os resultados mostram que a supervisão abusiva não teve efeito direto sobre a folga orçamentária. No entanto, quando os subordinados sofrem com a supervisão abusiva, apresentam exaustão emocional e, como forma de autoproteção, que é um comportamento antiético de descomprometimento organizacional, estariam gerando a folga orçamentária. Embora esses subordinados possuam alta identidade moral, esta não influenciou na relação entre exaustão emocional e folga orçamentária. Como contribuição teórica, esta pesquisa insere no ambiente brasileiro a discussão de novas variáveis relacionadas a folga orçamentária, e ainda, que em cooperativas agroindustriais exista baixa relação da supervisão abusiva com a folga. As implicações práticas e gerenciais são que existe o representativo efeito mediador da exaustão emocional na folga orçamentária, com isso, os gestores podem atuar na redução de exaustão emocional e consecutivamente na folga orçamentária, assim alcançar a eficácia gerencial das cooperativas. Quanto a contribuição social, não se encontrou indícios de elevada supervisão abusiva na relação entre supervisor e subordinados nas cooperativas. Contudo, a exaustão emocional pode surgir, assim destaca-se a necessidade de fortalecer os princípios cooperativistas e oferecer suporte emocional adequado.

Palavras-chave: Supervisão Abusiva; Exaustão Emocional; Identidade Moral; Folga Orçamentária; Cooperativas agroindustriais

Resumen

Este estudio analizó el efecto mediador del agotamiento emocional en la relación entre supervisión abusiva y holgura presupuestaria en cooperativas agroindustriales. Paralelamente, se analizó el efecto moderador de la identidad moral sobre la relación entre agotamiento emocional y holgura presupuestaria. Esta investigación se caracteriza por ser descriptiva, de encuesta, de enfoque cuantitativo utilizando Modelos de Ecuaciones Estructurales (SEM) y de regresión utilizando Mínimos Cuadrados Parciales – Mínimos Cuadrados Parciales (PLS). Participaron 88 mandos intermedios, responsables de la elaboración del presupuesto en grandes cooperativas agroindustriales brasileñas. Los resultados muestran que la supervisión abusiva no tuvo un efecto directo sobre la holgura presupuestaria. Sin embargo, cuando los subordinados sufren una supervisión abusiva, experimentan agotamiento emocional y, como forma de autoprotección, al ser un comportamiento poco ético de desvinculación organizacional, estarían generando holgura presupuestaria. Aunque estos subordinados tienen una alta identidad moral, esto no influyó en la relación entre el agotamiento emocional y la holgura presupuestaria. Como contribución teórica, esta investigación inserta en el entorno brasileño la discusión de nuevas variables relacionadas con la holgura presupuestaria, y también que en las cooperativas agroindustriales existe una baja relación entre supervisión abusiva y holgura. Las implicaciones prácticas y gerenciales son que existe un efecto mediador representativo del agotamiento emocional sobre la holgura presupuestaria, con esto los gerentes pueden actuar para reducir el agotamiento emocional y consecutivamente sobre la holgura presupuestaria, logrando así la efectividad gerencial de las cooperativas. En cuanto a la contribución social, no hubo evidencia de alta supervisión abusiva en la relación entre supervisor y subordinados en las cooperativas. Sin embargo, puede surgir agotamiento emocional, destacando así la necesidad de fortalecer los principios cooperativos y ofrecer un apoyo emocional adecuado.

Palabras clave: Supervisión abusiva; Agotamiento emocional; identidad moral; Recorte presupuestario; Cooperativas agroindustriales

1 Introduction

Often the aggressive and demanding attitude of supervisors is perceived as destructive and triggers unethical workplace practices (Nguyen et al., 2018). Mannan and Kashif (2019) understand that, this aggression can be non-physical by supervisors in relation to subordinates, in the form of abusive supervision. In this sense, supervisor styles involve negative behaviors resulting from actions that an employee may consider unfair by the manager or the organization (Vaezi et al., 2016). Yean and Yusof (2016) says that is the behavior of managers who shape in their subordinates the sense of justice or injustice, especially in the contexts of leadership or abusive supervision.

Research on abusive supervision focuses on its negative consequences, Tepper (2000) found that, when subordinates perceive the abusive supervision of their superiors, they usually reduce their emotional commitment to the organization. Harvey et al. (2007) showed that abusive supervision exists in different ways in organizations, perceived through negative leadership behavior, which has unfavorable effects on subordinates' attitudes and behavior. Khalid et al. (2018) assert that the abusive behaviors of supervisors cover issues such as: intimidation, sharing critical resources with other members of the organization, ridicule, criticism, and damage of employee perceptions of the psychological contract. In this context, studies show that abusive supervision also causes emotional exhaustion, conceptualized by Maslach (1998), as a dimension of Burnout syndrome, which consists of a sense of emotional exhaustion.

Emotional exhaustion can be influenced through interpersonal conflict and chronic aggression to feelings, the self-esteem, and self-efficacy of subordinates (Moore, 2000; Tepper, 2000). In addition, it can influence work exhaustion and even increase blood pressure (Zellars et al., 2000). Emotional exhaustion indicates a negative psychological state of the individuals that influences work, such as: performance, turnover rate, job satisfaction, and individual behavior, among others (Mitchell et al., 2018).

For Kren (1992) and Gao and Peng (2009), the essence of budgetary slack is an adverse moral selection, which can arise from unethical or morally justifiable decisions, such as manipulation of numbers or questionable accounting practices, rather than legitimate and transparent budgets. In this logic, the behavior of the supervisor, characterized by abusive supervision and emotional exhaustion, affects the behavior of subordinates, leading them to cheat or protect themselves, overestimating costs, underestimating revenues, and omitting information on the production process that impairs organizational effectiveness, such self-protection would cause budgetary slack in the context of budget management (Tong & Prompanyo, 2021a).

Thus, if there is the behavior of cheating or self-protection of individuals, these violates moral, justice, and honesty values (Kavussanu et al., 2015). However, for people with a high moral identity, decisions with this value are relevant in their choices, and they are likely to act in the same way (Hurst et al., 2022). In addition, employees with high moral identity can reduce the effect of emotional exhaustion on budgetary slack (Tong & Prompanyo, 2021a).

Therefore, abusive supervision and emotional exhaustion relate to individual behavior, reflect the moral identity of the individual, and consequently influence the use of management control systems (MCS), such as the budget. These systems influence employee behavior, motivating them to improve processes through interactive or facilitating use (Mucci et al., 2016). However, despite the advantages of using budgets, Merchant (1981) reported that researchers identified budget inaccuracies such as budgetary slack. In this sense, De Baerdemaeker and Bruggeman (2015) assert that budgetary slack is one of the themes commonly investigated in business budget research. Budgetary slack is conceptualized by Merchant (1985) as a situation where the value of the budget allocated in an area is higher than necessary; and for Dunk (1993) and Yuen (2004) it is revenue underestimation, cost overestimation, and underestimation of performance capacities to make budget goals easily achievable. In this context, scholars believe that budgetary slack leads to waste of resources, company value destruction, and inefficient companies (Tong & Prompanyo, 2021a).

Research has evidenced factors that affect budgetary slack, such as: (i) trust (Gago & Naranjo, 2016); (ii) culture (Lestari, 2020); (iii) working pressure (Kahar et al., 2016); (iv) the quality of the information system (Yang et al., 2009); (v) honesty (Blay et al., 2018); (vi) the genre (Johansson & Wennblom, 2017); (vii) the leadership style (Islami & Nahartyo, 2019); (viii) people's individual values (Putra et al., 2019); and (ix) organizational commitment (De Baerdemaeker & Bruggeman, 2015). Specifically, Protection Motivation Theory (PMT) of the Rogers (1975) addresses that external stimuli, such as stress (abusive supervision and emotional exhaustion), can induce subordinates to develop mechanisms resulting from cheating or self-protection behaviors, which can influence the generation of budgetary slack. For Dom (2019), the abusive supervision from supervisors can also lead to the behavior of cheating or self-protection of subordinates. When subordinates are exhausted emotionally and seek to avoid punishments for poor performance, they tend to self-protect or cheat, generating unethical information in their reports, including budgets (Golparvar, 2015).

In addition, the study of Tong and Prompanyo (2021a; 2021b) in the Chinese industrial context reported that there was the effect of (i) abusive supervision, (ii) emotional exhaustion, and (iii) moral identity on the generation of (iv) budgetary slack. However, in the Brazilian context no studies have been developed involving the four variables together. It is noteworthy that emotional exhaustion is one of the three dimensions of Burnout syndrome (Maslach et al., 1986).

Schlup (2018) and Schlup et al. (2021) had already identified the influence of Burnout syndrome on budgetary participation. Evidence found in the literature suggests that budget processes also have stress situations that affect management performance (Zonatto et al., 2019). In addition, Chow et al. (2001) and Efferin and Hopper (2007) analyzed how Chinese culture influences management control, and confirmed previous studies that reported that Chinese managers prefer group rewards than individual. Therefore, we sought to reapply the studies of Tong and Prompanyo (2021a; 2021b) in a similar environment in Brazil, thus defined as the cooperative sector, in which people are valued by group rewards. The agro-industrial sector of cooperatives was defined because it is the most representative compared to others (Embrapa, 2022).

Thus, this study aims to analyze the mediating effect of emotional exhaustion on the relationship between abusive supervision and budgetary slack in agro-industrial cooperatives. Furthermore, it aims to analyze the moderating effect of moral identity on the relationship between emotional exhaustion and budgetary slack. To achieve this proposed objective, PMT of the Rogers (1975) was used. Thus, a model was developed based on the research by Tong and Prompanyo (2021a), which addressed the mediation of emotional exhaustion in the relationship between abusive supervision and slack. And also on the study by Tong and Prompanyo (2021b), which addressed the moderation of moral identity in the relationship between emotional exhaustion and slack. With the structured theoretical model, intermediate managers who work in the preparation and management of the budget in Brazilian agro-industrial cooperatives were researched.

This study is justified by the approach to abusive supervision, emotional exhaustion, and moral identity inherent in PMT of the Rogers (1975), which tends to provoke a change in the behavior of middle managers in cooperatives, in this case, non-collaborative and unethical behavior. This topic becomes relevant in cooperatives, as it verifies whether there really is a collaborative and associative environment among managers, or whether they are competitive, as occurs in non-cooperative organizations. According to PMT, the self-protective behavior of managers reflects in the generation of greater slack. It is justified to replicate the studies by Tong and Prompanyo (2021a; 2021b), which were applied in Chinese industries where collectivist organizational culture prevails, in a similar Brazilian environment, being the agro-industrial cooperatives sector.

This research contributes to the management literature by expanding the empirical base of previous studies on budgetary slack and considering abusive supervision, emotional exhaustion, and moral identity together. It contributes to the discussion of one of the three dimensions of Burnout syndrome, namely emotional exhaustion in promoting budgetary slack, filling the gap in these antecedents in Brazilian agro-industrial cooperatives. The practical contribution of the study is the identification of ways to reduce or eliminate slack, as it represents the misuse of financial resources of cooperatives, and impairs their managerial effectiveness. As a social contribution, the proposal maps the relationships between supervisors and subordinates, diagnoses possible behaviors of stress, cheating and fear, and mainly identifies the work the environment of cooperatives.

2 Theoretical Framework

2.1 Abusive supervision and budgetary slack

Budgetary slack, according to Schiff and Lewin (1970), is the difference between the amount budgeted by the manager when preparing the budget and the amount that was actually necessary to carry out the activities. This difference is caused by an overestimation of the expenses that were foreseen and that generates excess resources, which could be made available and better used in other areas. Furthermore, Merchant (1985) defines budgetary slack as the excess of the budgeted amount in an area, more than necessary. Dunk (1993) already defines budgetary slack as the increase in values in the budget to facilitate it.

Onsi (1973) highlights that there are two reasons that can generate failures in this budgetary system, the first is the possibility of errors in the data collected and the second is the creation of budgetary slack by managers. Zenker (2010) shares the same idea and adds that not only economic factors are involved in the creation of slack, but there are also behavioral aspects involved in its constitution, reaffirming the need for this study.

Abusive supervision was defined by Tepper (2000) as verbal, nonverbal, and nonphysical hostile behavior directed at subordinates, such as: (i) yelling at someone; (ii) threatening someone for job security; (iii) antagonistic eye contact; (iv) embarrassing someone (Harvey & Keashly, 2003). In addition, abusive supervisory behavior has included ridiculing subordinates in front of others, hiding relevant information, and the use of derogatory language, threats, and intimidation tactics (Zellars et al., 2002). In this context, Vogelgesang et al. (2021) assert that abusive supervisors degrade, belittle, and exhibit hostile behaviors toward subordinates. Additionally, abusive supervisors have little relationship and aim to demean and criticize their subordinates in a hostile manner (Khalid et al., 2018), and when subordinates suffer from abusive supervision, they have unpleasant experiences and are dissatisfied with their work (Pan et al., 2018). Sun (2019) empirically demonstrates that the increase in abusive supervision perceived by subordinates increases the occurrence of cheating or self-protective behavior. In view of this, Dedahanov et al. (2021) show that individuals who work under abusive supervision have a reduced level of self-efficacy and are likely to not share information about the management process, as they believe it will harm them in the work environment. Hiding or withholding information that may be valuable to the organization is a choice made by subordinates, as they are subjected to supervisory abuse (Gul et al., 2021). As a result, the subordinate exposed to abuse displays behavior of hiding knowledge as a means of protecting themselves (Arunachalam, 2021).

In this sense, PMT of the Rogers (1975), has as its main objective “relating fear appeals to changes in attitudes” (Rogers, 1975, p.93). PMT reveals that the motivation to protect oneself from threats is the basis for individuals’ decisions to perform preventive risk behaviors (Janmaimool, 2017). That said, Floyd et al. (2000) conceptualize protection motivation in PMT as any threat that has an effective solution that can be accomplished by the individual. PMT is a model for understanding how attitudes and behaviors can be changed when individuals are faced with a threat. For Anderson and Agarwal (2010), using the PMT as a theoretical lens provides an understanding of the protective intentions and behaviors of subordinate individuals when they are faced with a threat.

Therefore, subordinates who experience negative emotions for a long time show a reduction in their ethical values and morality (Kouchaki & Desai, 2015). Thus, unethical behavior and reduced morality can induce budgetary slack, since the core of budgetary slack is a divergent moral selection (Kren, 1992; Gao & Peng, 2009). Bourgeois (1981) and Kren (1992) report that there is a positive correlation between

information asymmetry and budgetary slack. For Zhang et al. (2004), information asymmetry between superiors and subordinates is the prerequisite for the tendency toward budgetary slack.

Furthermore, Tong and Prompanyo (2021a) show that abusive supervision has a positive impact on subordinates' budgetary slack in Chinese industries. Furthermore, they found evidence that due to fear and threats from their supervisor, combined with emotional exhaustion, subordinates begin to practice self-protection actions, specifically generating budgetary slack. Thus, they aim to reduce the daily pressure to achieve budgetary targets. These behaviors indicate antecedents of budgetary slack in Chinese organizations. In this context, where abusive supervision affects subordinates' behavior, it is relevant to identify the relationship between abusive supervision and budgetary slack. Thus, the hypothesis to be tested is: **H1: Abusive supervision has a positive impact on subordinates' budgetary slack.**

2.2 The mediating effect of emotional exhaustion on the relationship between abusive supervision and budgetary slack

Burnout syndrome was conceptualized by Maslach (1986) as a type of work stress as a response to chronic sources of emotional and interpersonal stress. It was composed of: a) emotional exhaustion; b) personal decline; and c) reduced personal fulfillment, which can occur among people who work in a given environment (Maslach & Jackson, 1981). There is evidence that emotional exhaustion indicates a negative psychological state of the employee (Tong & Prompanyo, 2021a), a state of emotional and physical exhaustion (Cropanzano et al., 2003), and can lead to unsafe employee behavior (Ju et al., 2016), job Burnout (Cropanzano et al., 2003; Zellars et al., 2000) and depression (Street et al., 2001).

Long-term work stress leads to emotional Burnout among employees and triggers negative emotions such as depression, anger, and irritability, so that employees cannot devote themselves to work or may even leave work, thus reducing their engagement and performance at work (Golparvar, 2015). When work consumes employees' emotional energy and cannot be replenished, a feeling of emotional exhaustion arises and negatively affects their behavior (Ho & Tsai, 2017). Furthermore, when employees encounter a negative event and develop emotional exhaustion, they may choose to remain silent to alleviate the psychological discomfort associated with emotional exhaustion (Chou et al., 2019). Lawrence and Kacmar (2017) explain that the negative emotional state of emotional exhaustion can reduce employees' self-management ability, contribute to the relaxation of their own high standards, and lead to unethical behavior among employees.

In this context, abusive supervision can influence emotional exhaustion. Studies related to abusive supervision are based on psychology literature, such as: Ashforth (1997), and also Tepper et al., (2001), who assert that abusive supervision affects the work attitude and mental health of subordinates, and includes emotional exhaustion, a tendency toward high turnover, work-family conflict, job satisfaction, organizational commitment, among others. Kim et al. (2008) says that, when subordinates are emotionally exhausted, their capacity for self-control decreases and affects their spontaneous impulse control, and leads to cheating behavior.

Therefore, when subordinates are emotionally exhausted, they dispense with their commitment to honesty and prefer instant rewards (Mazar et al., 2008). Lee et al. (2018) show that the emotional exhaustion of subordinates who are victims of abusive supervision mediates the relationship between abusive supervision and knowledge-sharing behaviors. Tong and Prompanyo (2021a) report that emotional exhaustion mediates the relationship between abusive supervision and budgetary slack. Thus, a mediating effect of emotional exhaustion on the relationship between abusive supervision and budgetary slack is proposed. Thus, it is possible to propose the hypothesis **H2: Emotional exhaustion mediates the relationship between abusive supervision and budgetary slack.**

2.3 The Moderating effect of moral identity on the relationship between emotional exhaustion and budgetary slack

Moral identity is a type of self-concept based on a series of moral characteristics (Aquino & Reed, 2000) and has been described as a type of self-regulation mechanism that motivates moral action (Erikson, 1964; Hart et al., 1998). In this context, Erikson (1964) proposed that an identity is rooted in the core of being, is true to itself, and is associated with understanding reality. In this sense, Hart et al. (1998, p. 515) corroborate that identity is like "a commitment to the sense of self with lines of action that promote or protect the well-being of others". For Kihlstrom and Klein (1994), moral identity is linked to specific moral traits, and may be favorable to a distinct mental image of what a moral person probably thinks, feels, and does. For Aquino and Reed (2002), defining moral identity around specific moral traits has several advantages over other ways of describing social identity.

Consequently, measuring moral identity does not require discovering the entire universe of traits that make up a person's unique moral identity (Aquino & Reed, 2002). Instead, what is needed to designate and measure the self-relevance of a person's moral identity is to compile a subset of moral traits that are linked to other moral traits that may be more central to a given person's self-concept (Kihlstrom & Klein, 1994). Furthermore, the stronger an individual's moral identity, the less likely they are to choose negative behavior (Reynolds & Ceranic, 2007) and the more likely they are to conduct moral cognition toward their moral self (Lee et al., 2016).

According to Aquino and Reed (2002), moral identity is a force that motivates ethical behavior and inhibits unethical behavior. Similar results had already been found by Bryant and Merritt (2019), when demonstrating that employees with a greater internalized moral identity are less likely to engage in unethical behavior. In this context, Kennedy et al. (2017) state that individuals with a high level of moral identity tend not to engage in unethical opportunistic behavior compared to those with a low level.

Negative unethical behavior of individuals can be moderated by moral identity (Tong & Prompanyo, 2021b). Ormiston and Wong (2013) argue that moral identity can negatively moderate individuals' negative unethical behavior, that is, employees with high moral identity, even when feeling exhausted, based on their own moral cognition, think rationally and eliminate unethical behavior. Hobson et al. (2011) explain a significant negative correlation between moral identity and budgetary slack because, with moral identity, budget executors would renounce their personal interests to improve budgetary targets and reduce budgetary slack. Furthermore, Aquino and Reed (2000) state that honesty is one of the characteristics of moral identity. There is evidence to indicate that budgetary slack is related to an issue of honesty (Busch, 2002), and if managers use idle resources for their own interest, this can affect honesty (Church et al., 2019). Furthermore, Tong and Prompanyo (2021b) found evidence that moral identity tends to negatively moderate the relationship between emotional exhaustion and budgetary slack. Thus, it is suggested that moral identity attenuates the effects of emotional exhaustion on budgetary slack. Therefore, it is possible to propose the hypothesis **H3: Moral identity negatively moderates the relationship between emotional exhaustion and budgetary slack**. Based on the evidence presented and the hypotheses outlined, the theoretical model proposed in this research is illustrated, as shown in Figure 1.

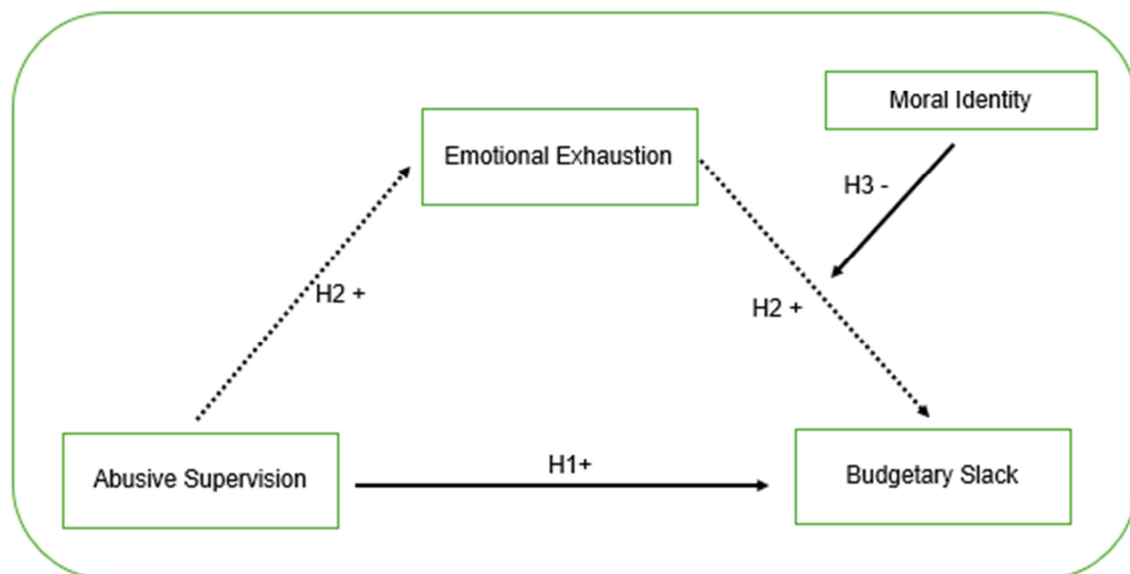


Figure 1. Theoretical model of this study

3 Methodological Procedures

This is a descriptive, quantitative research study conducted through a survey. Thus, data collection procedures were carried out using structured questionnaires in Google Forms®. Before sending the questionnaires, a pre-test was carried out, and after the changes were made the questionnaires were sent via LinkedIn®, from August to October 2022.

Regarding the population, according to the OCB (2022), in Brazil there were 18.8 million members gathered in 4,880 cooperatives, distributed across all units of the federation. These cooperatives are active in the seven branches of cooperativism, (i) agriculture; (ii) consumption; (iii) credit; (iv) infrastructure; (v) health; (vi) labor, production of goods and services; and (vii) transportation; and they offer the market and the population quality products and services, generating more than 493,277 jobs. According to Embrapa (2022), agro-industrial cooperatives account for approximately 5.9 % of Brazil's Gross Domestic Product (GDP), making them the most relevant type of cooperative.

The sample was defined by accessibility and convenience, through acceptance of a connection on LinkedIn®, which was an invitation to participate in the survey and sending of the questionnaire. The questionnaires were sent to 487 subordinate managers of large Brazilian agro-industrial cooperatives, in descending order of revenue. The response rate was 131 individuals, or 26.90 %. In the first stage, invalid responses and responses from subordinates who did not work directly with the budget were identified, resulting in 88 valid questionnaires. This quantity met the minimum number for use of SmartPLS®, which is 74 respondents. For this calculation, G*Power 3.1.4.9 software was used, in which, according to Ringle et al. (2014), when calculating the sample, it is necessary to note that there are two parameters: the power of the

test and the effect size (f^2); for Cohen (1998) and Hair et al. (2013), they recommend using the power as 0.80 and median $f^2 = 0.15$.

This research was carried out in accordance with Resolution nº 466/2012 of the National Health Council and Resolution nº 510/2016 which establishes the standards in Human and Social Sciences (Brasil, 2012, 2016), being approved by the Research Ethics Committee (*Comitê de Ética em Pesquisa - CEP*) of Unioeste, University and upon approval it received the CAAE number 59441922.6.0000.0107 (Certificate of Presentation for Ethical Assessment).

Based on the research by Tong and Prompanyo (2021a; 2021b), the questionnaire consists of 40 questions distributed in four blocks and on a five-point Likert scale, as per the constructs in Table 1. Additionally, five questions of a socioeconomic nature were included as control variables.

Table 1
Research constructs

Variables	Operational Definitions	Scale	Authors
Abusive Supervision (AS)	Assesses the supervisor's abusive influence on the subordinate.	15 Indicators 5-point Likert	Tepper (2000)
Emotional Exhaustion (EE)	Assesses the individual's emotional exhaustion related to work.	9 Indicators 5-point Likert	Maslach and Jackson (1981)
Moral Identity (MI)	Assesses the moral identity of individuals for decisions involving moral issues.	10 Indicators 5-point Likert	Aquino and Reed (2002)
Budgetary Slack (BS)	Assesses the incidence of slack in budget preparation.	6 Indicators 5 point-Likert	Onsi (1973)

The MI and BS variables considered the scale as: 1 - totally disagree; 2 - partially disagree; 3 - neutral; 4 - partially agree; and 5 - totally agree. The AS variable considered: 1 - "I don't remember him/her using this behavior with me"; 2 - "He/she rarely uses this behavior with me"; 3 - "He/she occasionally uses this behavior with me"; 4 - "He/she uses this behavior moderately with me"; and 5 - "He/she uses this behavior often with me". For the EE variable, the respondent highlighted the frequency of each assertion in relation to emotional exhaustion: 1 - never; 2 - annually; 3 - monthly; 4 - weekly; and 5 - daily. Control variables were also applied, such as: a) gender; b) position; c) what is your role in relation to the budget; d) how long have you been in your role; e) the cooperative's revenue.

For data analysis, Structural Equation Models (SEM) and Partial Least Squares (PLS) regression were used, operationalized through SmartPLS® software version 3.3.9. The script for data analysis followed the assumptions according to Hair et al. (2017). Therefore, to estimate the model, five steps were followed: (i) specification of the structural model; (ii) construction of the measurement model; (iii) estimation of the path model; (iv) evaluation of the measurement model, which includes Cronbach's Alpha (α), Dillon-Goldstein Rho, composite reliability (CR), convergent validity, discriminant validity by the Fornell-Larcker (FL) criteria, cross-factor loadings; and finally, (v) the evaluation of the structural model which includes the internal (R^2) and external (F^2) variance inflation factor (VIF), β values of the structural model, and p-values, i.e., to verify the confirmation of the hypotheses of this study.

4 Results and discussion of the data

4.1 Descriptive analysis of the data

In the descriptive analysis of the socioeconomic of the 88 respondents, it was identified that they are all responsible for the preparation of the budget in their units of the cooperative. Additionally, it was found that 17 respondents are female and 71 male and mostly act in positions of: supervision (28), managers (34), person in charge (9), process analysts (8), and leaders (9). Regarding the time of office, 40.91 % of respondents have been in the same function between 1 and 3 years, 15.91 % between 4 and 6 years, 14.77 % between 7 and 10 years, and 28.41 % more than 10 years. Regarding the role of budget respondents, 52.27 % of respondents participate in budgeting and 47.73 % of them both create the budget and manage it, i.e. monitoring and control. Thus, it is inferred that responding intermediate administrators are mostly managers and middle managers, who mostly participate in the preparation of the cooperative budget, and would have representative budget participation, and consequently influence on budgetary slack.

Regarding the characterization of cooperatives, specifically in what concerns the states where they are located, Paraná was the state that presented the highest participation, of about 82.95 %, followed by 10.23 % from Santa Catarina, and 6.82 % from Rio Grande do Sul. Silva and Nunes (2022) explain that in the southern and southeastern regions of Brazil, there is a higher concentration of cooperatives and their expansion was due to European immigrants who, due to their knowledge of cooperativism, shared it in the colonization process. Regarding the number of employees, 30 respondents belong to cooperatives with more than 10,000 employees, followed by 24 from 5,000 to 10,000 employees, 27 from 2,000 to 5,000, and only 7 with from 500 to 2,000 employees, which indicates that the sample is qualified and has mostly large cooperatives, and their managerial controls are structured accordingly. Regarding revenues, 90.90 % of respondents work in cooperatives who earn over R\$3 billion per year, followed by 4.55 % between 2 and 3 billion and 4.55 % between 1 and 2 billion. With this information, it is inferred again that cooperative

respondents make up a qualified sample, which in addition to so many other relevant activities, elaborate, follow, and control available resources to provide organizational effectiveness and allow better results.

Regarding the theoretical model, initially the abusive supervision variable presented an overall average for all questionnaire questions below 2; this would indicate that intermediate managers rarely suffered abusive supervision or do not remember that their superiors had abusive behaviors. In turn, emotional exhaustion presented questions between 2 and 3 and indicates that respondents monthly feel emotionally exhausted with their work, exhausted at the end of the day, tired to get up in the morning and face another day of work. This is because they would be working hard on agro-industrial cooperatives, which tend to present a lean workforce, thus requiring exacerbated commitment from their managers. Next, the variable moral identity presented answers between partial agreement and total agreement, which shows evidence that intermediate managers are concise in their values and maintain ethics in the workplace. Regarding the budgetary slack variable, there was an average close to neutral, which would be indicative that the surveyed managers did not reach a consensus on the existence or absence of slack in the surveyed cooperatives.

The results are representative and reveal typical characteristics of intermediate managers, being favorable to agro-industrial cooperatives. In contrast to the results of the research of Tong and Prompanyo (2021a; 2021b), in Brazilian cooperatives no evidence of high indicators of abusive supervision, emotional exhaustion, and budgetary slack and low percentages of moral identity were found. Perhaps this was explained by the fact that the reference study was conducted in Chinese private companies and the current study was conducted in cooperatives, which have a high load of associative values, which emphasize collectivism and cooperation between people, divergent from existing competition in private organizations.

4.2 Data processing and evaluation of the measurement model

In the first stage, the estimation method of the measurement model measures the latent relationship associated with the observed variables. In this context, Hair et al. (2013) state that the β paths between the latent and observable variables must have values greater than 0.70. After validating the observable variables, it was decided to extract variables, in which the initial model did not meet the assumptions, since the factor loadings were less than 0.70 and their average variances extracted (AVEs) were less than 0.5. Seven variables were excluded: (i) two for abusive supervision, (ii) three for moral identity; and (iii) two for budgetary slack.

Hair et al. (2017) assert that it is necessary to evaluate the measurement model, that is, use criteria to test the reliability and validity of the research construct. Table 2 presents the results of the Cronbach's Alpha, Rho_A, composite reliability, and average variance extracted (AVE) tests.

Table 2
Construct reliability and validity

Construct	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)
Emotional Exhaustion - EE	0.915	0.922	0.930	0.600
Budgetary Slack - BS	0.703	0.704	0.818	0.530
Moral Identity - MI	0.858	0.903	0.888	0.535
Abusive Supervision - AS	0.918	0.937	0.930	0.533
Minimum Expectations =>	> 0.70	> 0.70	> 0.70	> 0.50

Cronbach's Alpha presented a satisfactory reliability index, since according to Hair et al. (2009), the minimum acceptable value is 0.70. Composite reliability (CR) allowed us to verify the internal consistency of the indicators that do not have the limitations of Cronbach's Alpha in relation to sensitivity to the number of items on the scale. The results presented satisfactory values, since according to Hair et al. (2009), the minimum acceptable value would be 0.70, and all were above 0.80. The Dillon-Goldstein index (Rho) is intended to verify the sample without considering possible interferences and to infer the reliability of the findings. For Tenenhaus et al. (2005), the index presented must be greater than 0.70 and, therefore, when analyzing the results, it is concluded that all the values were higher, therefore, confirming the reliability of the model. Regarding the indicators of convergent validity (measured by the average variance extracted - AVE), they allow us to verify whether the items that make up the theoretical proposition of each construct have the capacity to represent the latent variable that is being measured. For Cohen (1988), the results must be greater than 0.50 and, thus, it is observed that the model converges to a satisfactory result for all latent variables.

In addition, the result of the cross-factor loading can be confirmed (Table 3), because the indicators presented values higher than the minimum acceptable level of 0.40 for exploratory studies, and exceed the level of 0.70, proposed for confirmatory studies, and also values higher than the other values of the lines, as explained by Hulland (1999).

Table 3*Discriminant validity Cross-factor loadings*

	EE	BS	MI	AS
EE1	0.828	0.172	-0.069	0.490
EE2	0.829	0.348	0.082	0.298
EE3	0.773	0.302	0.018	0.366
EE4	0.742	0.459	-0.051	0.168
EE5	0.874	0.220	-0.012	0.289
EE6	0.733	0.168	0.004	0.194
EE7	0.624	0.288	0.105	0.236
EE8	0.721	0.446	-0.080	0.247
EE9	0.815	0.134	-0.019	0.281
BS1	0.208	0.742	0.163	0.031
BS2	0.293	0.689	0.165	-0.060
BS3	0.294	0.799	0.214	0.040
BS5	0.306	0.674	0.181	0.178
MI1	0.038	0.074	0.513	-0.088
MI2	0.099	0.090	0.696	0.050
MI5	-0.127	0.163	0.685	-0.122
MI6	-0.048	0.184	0.703	-0.056
MI8	0.035	0.147	0.795	-0.048
MI9	0.013	0.257	0.815	-0.076
MI10	0.014	0.241	0.860	-0.148
AS2	0.172	-0.085	-0.164	0.539
AS3	0.168	0.090	0.008	0.617
AS4	0.274	0.139	-0.002	0.821
AS6	0.420	0.155	-0.106	0.757
AS7	0.286	0.082	-0.043	0.543
AS8	0.131	0.005	-0.090	0.845
AS9	0.340	-0.104	-0.201	0.634
AS10	0.191	0.026	-0.080	0.832
AS11	0.185	0.038	-0.138	0.765
AS12	0.307	0.071	-0.004	0.864
AS14	0.211	0.103	0.088	0.694
AS15	0.287	-0.079	-0.194	0.748

Next, Table 4 presents the results of the discriminant validity test using the Fornell and Larcker criterion (FL) (1981). This criterion provides the analysis of correlations between the constructs with the square root of the average variance extracted (AVE) of each construct. In the analysis, the square roots of the AVE values of each construct are compared with the (Pearson) correlations between the constructs (or latent variables). The square roots of the AVEs must exceed the correlations between the constructs.

Table 4*Fornell-Larcker (FL) discriminant validity*

	EE	BS	MI	AS
EE – Emotional Exhaustion	0.774			
BS – Budgetary Slack	0.385	0.728		
MI – Moral Identity	-0.007	0.251	0.732	
AS – Abusive Supervision	0.379	0.065	-0.108	0.730

According to Table 4, the quadratic values of the AVEs of all latent constructs are higher than the correlation values, thus it can be concluded that discriminant validity exists (Fornell & Larcker, 1981). Furthermore, according to the results of the tests presented and the respective analyses, it is evident that all assumptions for the reliability, construct validity, and discriminant validity of the model demonstrate satisfactory values, therefore, it can be stated that the model presents total quality in terms of reliability, construct validity, and discriminant validity.

4.3 Assessment of the structural model

After assessing the measurement model, it was possible to assess the structural model. Initially, multicollinearity analyses were used, through the external and internal variance inflation factor. The external and internal VIF indices presented values above 0.90 and below 5 and indicated the absence of multicollinearity between the items of the scale, as explained by Hair et al. (2017). Next, to test the structural model and verify the significance of the relationships, the Bootstrapping technique (resampling) was applied. Table 5 shows the results of the structural model of this research.

Table 5
Results of the factor analysis - structural coefficients

Variables - Links	Internal VIF	β Coefficient	P-value	R ²	F ²
AS → BS	1,186	-0,068	0,557	0,221	0,005
AS → EE	1,000	0,379	0,000*	0,144	0,168
EE → BS	1,171	0,409	0,000*	0,221	0,183
Moderation effect EE → MI → BS	1,040	0,075	0,530	0,221	0,000
Moderation effect AS → EE → BS	1,171	0,155	0,007*	0,221	0,183

Note 1: AS - Abusive Supervision; EE - Emotional Exhaustion; BS - Budgetary Slack; MI - Moral Identity

Note 2: Significance; * $p \leq 0.01$

According the Table 5, it can be observed that R² presented medium explanatory power (between 13% and 26%) for the variables emotional exhaustion and budgetary slack, that is, the variable abusive supervision has medium power to explain the variables EE - emotional exhaustion and BS - budgetary slack. Cohen (1988) shows that for the area of social and behavioral sciences, R² of 2% to 13% has a small effect, R² of 13% to 26% has a medium effect and R² = 26 % and above has a large effect.

The β path coefficients show a positive relationship with H2, and significance at a level of 1 %, therefore, the mediation of emotional exhaustion in the relationship between abusive supervision and budgetary slack was confirmed. However, hypotheses H1 and H3 did not demonstrate significance and indicate non-confirmation. These results diverge from the literature that points to a direct effect of abusive supervision on budgetary slack (H1) and a negative moderating effect of moral identity in mitigating the relationship between emotional exhaustion and budgetary slack (H3). They even contradict the findings of Tong and Prompanyo (2021a, 2021b), who, at the time, investigated 400 managers of manufacturing industries in China and confirmed all hypotheses.

4.4 Discussion of results

The first hypothesis proposed a positive relationship between abusive supervision and budgetary slack. However, given the results ($p > 0.05$), it was not possible to confirm this hypothesis. In other words, for the sample of agro-industrial cooperatives used, abusive supervision did not demonstrate significance in relation to budgetary slack. Thus, it can be said that abusive supervision does not have any influence on subordinates to create budgetary slack when preparing the budget for their unit or cost center. For Eschleman et al. (2014), abusive supervision can create an unethical work environment. However, organizational norms can influence employees' perceptions of what behaviors are permitted in organizations (Li et al., 2010). Thus, it can be inferred that, on average, the work environment in cooperatives presents low abusive supervision, with supervisors and middle managers interacting without significant abuse. Furthermore, there is little indication of budgetary slack by managers.

The second hypothesis proposed a mediation relationship between the emotional exhaustion variable and the relationship between abusive supervision and budgetary slack. Given the results ($p < 0.05$), it was possible to confirm the hypothesis. Thus, it is evident that in the direct relationship between abusive supervision and budgetary slack, no association was found, but the mediation of emotional exhaustion in the relationship between abusive supervision and budgetary slack resulted in an association. Thus, it is inferred that some subordinate managers who reported the existence of abusive supervision also suffer from emotional exhaustion and practice budgetary slack as a self-protection mechanism, results which are aligned with PMT of the Rogers (1975). Thus, there is evidence that subordinate managers seek ways to minimize their discomfort in creating budgetary slack, and underestimate revenues and overestimate costs and expenses. Furthermore, they omit relevant information about the production process from their supervisors. Therefore, it can be said that these results are in line with studies by Ceribeli et al. (2021); Grandey et al. (2007); Kim et al. (2015); Ashforth (1997); Tepper (2000); Tepper et al. (2001); Prompanyo (2021b), which show that abusive supervision increases subordinates' emotional exhaustion, and this fosters budgetary slack.

The third hypothesis proposed a negative moderation relationship between moral identity and emotional exhaustion and their relationship with budgetary slack. However, given the results ($p > 0.05$), it was not possible to confirm this hypothesis. Thus, for the sample of agro-industrial cooperatives, moral identity did not demonstrate significance in moderating emotional exhaustion in budgetary slack. The results differ from the literature, which points to this moderating relationship. Examples include: (i) Ormiston and Wong (2013), who report that even when feeling exhausted, individuals think rationally and eliminate unethical behavior; (ii) Hobson et al. (2011), who identified a significant negative correlation between moral identity and budgetary slack; and (iii) Tong and Prompanyo (2021b), who confirmed this same research hypothesis and identified that moral identity negatively moderates the relationship between emotional exhaustion and subordinate budgetary slack.

In short, the respondents from the agro-industrial cooperatives contributed to the development of this research. Initially, abusive supervision obtained low rates, indicating a favorable environment without

abusive orders. Consequently, emotional exhaustion presented representative indicators with agreement on its occurrence almost monthly. Furthermore, moral identity with representative rates shows that the team has characteristics relevant to the organization, such as honesty, fairness, and kindness. Finally, budgetary slack, with its neutrality, points to evidence that cooperatives take actions that inhibit the propensity for slack.

5 Final Considerations

This study aimed to analyze the mediating effect of emotional exhaustion on the relationship between abusive supervision and budgetary slack in agro-industrial cooperatives, in addition to analyzing the moderating effect of moral identity on the relationship between emotional exhaustion and budgetary slack. To this end, its operationalization occurred through a survey with 88 subordinate managers, whose data were tested using the Structural Equation Modeling (SEM) technique.

The results indicated the absence of a direct association between abusive supervision and budgetary slack; however, the mediation of emotional exhaustion in the relationship between abusive supervision and budgetary slack was verified. Thus, it can be said that when subordinate managers suffer from abusive supervision, they tend to suffer from emotional exhaustion and may seek self-protection mechanisms or compensation in the budgetary slack. And even if an individual has a high moral identity, when emotionally exhausted, they may design a budget with slack and not care about the moral issue, a result that is in line with PMT of the Rogers (1975).

A representative number of researchers study how to restrict budgetary slack from the theoretical perspective of the agency. However, the creation of slack is not only an agency problem, but also due to the factor of violation of social norms and the opportunistic behavior of individuals. In this sense, in order to understand how people behave in the organizational environment, this study proposed the analysis of budgetary slack, through the theoretical perspective of Rogers's protection motivation (1975). This occurred because researchers proposed that external stimuli (such as stress, emotional exhaustion induced by the behavior of superiors, "abusive supervision") can induce individuals to use the self-protection mechanism and then produce the corresponding unethical cheating behavior (budgetary slack in the budget of their area of responsibility).

Regarding theoretical contributions, first, this research frames the discussion of abusive supervision, emotional exhaustion, and moral identity in the generation of budgetary slack in the Brazilian context. Second, it provides the understanding that, in general, abusive supervision is low and does not generate budgetary slack in agro-industrial cooperatives. However, when the variable of emotional exhaustion is introduced, budgetary slack occurs as a self-protection mechanism for middle managers, based on PMT of the Rogers (1975).

Regarding practical contributions, this study indicates the existence of emotional exhaustion as a variable that generates budgetary slack in agro-industrial cooperatives, and that not even moral identity has a reducing effect on it. Thus, the supervisors of these organizations need to reduce emotional exhaustion in order to minimize the budgetary slack generated by individuals and, consequently, aim for competitive advantage and achieve better performance of the cooperatives.

From a social perspective, the research contributes that abusive supervision is not representative and generates a perverse and hostile work environment, and that this would be the result of cooperative education that would be stimulating a collaborative and associative environment among its employees and cooperative members. However, emotional exhaustion seems to emerge with greater intensity than cooperative principles and leads managers to adopt self-protection actions against the abusive behavior of their superiors.

Regarding the limitations of this research, the choice of the cooperative segment, the intentional sample, although sufficient for the significance of the study, 88 respondents was below expectations when compared with the number of submissions and returns. Therefore, it is not possible to generalize the results to the cooperative segment studied. Another limitation may be related to the use of the construct of this research; if it were applied to companies and not to agro-industrial cooperatives, it could have been different, since cooperatives have different institutional values than private companies. Furthermore, it is observed that the research used the theoretical construct of Tong and Prompanyo (2021a, 2021b), but there are other theoretical models for assessing abusive supervision, emotional exhaustion, and moral identity that could be adopted, and that these could yield different results.

As a suggestion for future research, it is recommended to investigate private companies inserted in highly competitive environments, which may have a higher level of demand for budgetary targets. Another suggestion is to apply the same theoretical proposal in national and foreign industries, since the level of budget maturity could be higher in foreign-owned organizations. Finally, it is suggested that the variable "moral identity" be replaced by the variable "personality traits – Big Five Model" in the model presented in this study.

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