

**COUNTERPRODUCTIVE WORK BEHAVIOR
(CWB) ANTECEDENTS AND THE MODERATING
EFFECT OF HIGH PERFORMANCE WORK
SYSTEM: A STUDY OF BANKING INDUSTRY
IN MALAYSIA**

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Introduction and Background of the Problem

Counterproductive work behavior has been defined as any behavior that violates organizational norms in a way that is harmful to either the organization itself, to the members of the organization, or to both (Robinson & Bennett, 1995). Some of these behaviors include theft (Hollinger and Clark, 1983; Wimbush and Dalton, 1997), absenteeism (Johns, 1997), and various forms of aggression (Folger and Baron, 1996; Greenberg and Alge, 1998;). Robinson and Bennett (1995) have developed taxonomy of deviant workplace behavior categorizing interpersonal deviance and organizational deviance. From their point of view, organizational deviance includes a) forms of production deviance which are behaviors that violate organizational norms regarding the minimal quantity and quality of work to be accomplished and b) property deviance, which is defined as instances when employees acquire or damage the tangible property or assets of the work organization without authorization and other behaviors such as stealing from the company and/or sabotaging equipment. Interpersonal deviance includes acts of political deviance, which are behaviors defined as social interaction that puts other individuals at a personal or political disadvantage.

According to Rotundo and Sackett (2002), there are three categories of job behaviors that contribute to overall job performance and these include task, citizenship and counterproductive behaviors. Of all these job behaviors, counterproductive behavior has received the least attention. Numerous studies report both the costliness and pervasiveness of CWBs to the extent that they can directly affect an organization's very survival. For example, while estimates vary greatly, the collective damages to companies due to acts of employee theft and fraud may reach as much as \$400 billion dollars a year in the US alone (Wells, 1999), with similar

evidence from outside the US (Coyne & Bartram, 2000; Lambdorff, 2007; Wimmer, 1999), indicating that CWB is a problem for labor economies around the world.

In addition to the tremendous costs and damages associated with CWBs, these behaviors are also remarkably common. According to some estimates, between 33% and 75% of employees will have engaged in at least some form of deviant behavior (Harper, 1990), and these behaviors may be responsible for as much as 30% of all business failures (Murphy, 1993). In addition, recent survey evidence indicates that CWBs are becoming increasingly prevalent, with a 10% increase from 2003 to 2007 in the percentage of employees who observe violations in company ethics standards, policy or the law (Ethics Resource Center, 2007). Finally, and perhaps even more shocking than these figures is the assumption that many deviant employee behaviors go undetected, and thereby leaving the actual frequency and value of CWBs largely unknown (U.S. OTA, 1990). Clearly, CWB should be a major concern for organizations around the world.

Perhaps not surprisingly, most of the research has focused on predicting counterproductive work behaviors (Robinson, 2008) in an attempt to understand why individuals would engage in these behaviors and how they might be prevented. Thus, theory and research on counterproductive work behaviors has largely held a managerial perspective that focuses on the dysfunctionality of this type of behavior (e.g., Bies & Tripp, 2005; Robinson, 2008). In contrast, this study examines the flip side of this view, and considers the occupational pressure and collective functionality, namely the job demand-resources as antecedents to "counterproductive" behavior with high performance work system (HPWS) as the moderator. Moreover, in Malaysia, women's participation in the workforce, though low, has increased 37% in 1970 to 43.5% in 1995 and 44.5% in 2000 (Eighth Malaysia Plan, 2001-2005) then 47.3 per cent in 2004. (UNICEF Malaysia, 2005) Initiatives by the Government and CSOs¹ and improvement in access to higher learning have helped empower a larger percentage of Malaysian women, and more are seen moving into higher-paying occupations. According to statistics from the Mid-term review of the 8th Malaysia Plan, the proportion of women who are legislators, senior officials and managers has increased from 5 per cent in 2000 to 5.3 per cent in 2002. (UNICEF Malaysia, 2005). Efforts to quantify unpaid work had found that women carried out a larger portion of "care work" (75 per cent of women compared to 24 per cent of men).

It is crucial that the public and private sector human resource management to consider the fact that woman are and will play a major

role in economic activities. As their increase in number is at a rate much higher than men, their issues must be given due attention.

According to the Human Resources Ministry, Malaysia has an untapped latent workforce of 1.2 to 1.6 million in women (NST, 2009). In response to this, the study attempts to fill the existing gap by considering women engagement toward counterproductive work behavior study especially in banking industry at Malaysia. In addition, this study will focus on women managers, their superiors and peers as the target population due to the issues of some supervisors who have been described as petty tyrants (Ashforth, 1997) or abusive supervisors (Tepper, 2000) because of their hostile treatment of employees. Therefore, this study tries to discover the counterproductive work behavior among women managers, superiors and peers such as abusive supervisors who are said to be “engaged in the sustained display of hostile verbal and nonverbal behaviors, excluding physical contact” (Tepper, 2000, p.178) towards subordinates.

In conjunction to this, a recent population-based study in Quebec, Canada provides us with an illustration of how widespread the problem can be and the relative likelihood that supervisors are involved. This study found that 32% of employees reporting psychological harassment at work identified their boss/es as the perpetrator relative to 41% of the abuse coming from peers, 30% from subordinates and 15% from clients, allowing for some overlap between the categories (Brun, 2004).

Besides that, the reason this study attempts to fill a gap by exploring the factors that might contribute toward counterproductive work behavior in banking environment is by considering the issues of fraudulent practice that impact negatively on the stability of an organization but is highly rewarding for the individuals that perpetrate it. The Financial Training Centre (1990) defined fraud as the general manipulation or retention of information with criminal intent to deprive another party or parties of *bonafide* privileged, rights, or materials possessing. The nature of fraudulent activities in the banking industry may appear a bit peculiar because of the nature of business operations in these institutions. This is especially so for banking organizations and other financial institutions. Because their business centers on money transaction, bank workers appear to have a high proneness to fraudulent activities. With the frightening distress fever that is going through the banking sector as a result of unwholesome behavior of some bankers, increase in fraud committed through A.T.M. cards in conjunction with bankers and the impact that these may have on the economy, there is a pressing need to investigate factors that may make bank workers prone to fraud.

On the other hand, situational or workplace factors that lead to employee thefts can include wanting to be accepted by a worker-related gang, an apathetic work group, or an influential peer. Overwhelming workplace pressures, wanting to satisfy immediate needs or desires, feeling left out or abused, and conforming to or tolerating dishonest group behavior can lead employees to commit or participate in thefts. Employees can be motivated to steal by watching their leaders and peers break the rules or because they feel somehow abused or overlooked. In other cases, employees steal to acquire prestige or notoriety. Research explains that workplace deviance results from the interaction between misguided individuals and their workplace.

Furthermore, committing crimes against an employer can also partially result from feelings of anger toward a supervisor, coworker, or the company as a whole. To underscore this point, research has shown that managers may contribute to unacceptable workplace behaviors because they influence the following business practices and attitudes (Litzky et al., 2006, etc.): hence, persons prone to negativity, unable to control impulses, with a perceived need for money, surrounded by uncaring or dishonest peers, under pressure, believing theft is acceptable under certain conditions, believing their boss is a jerk, and with access to unguarded assets are likely to steal (Hayes, 2007).

In response to these concerns, the researcher was interested to study the level of counterproductive work behavior construct by women managers, their superiors and peers in banking due to the occupational pressure and the element of job demand-resources as counterproductive work behavior antecedents as well as take into account the moderating effect of high performance work system.

Talking about occupational pressure or job stress, although there have been few studies on job stress in Malaysia (Sadhra et al., 2001), they have focused on similar stressful workplace experiences reported in developed countries. In Malaysia, for example, employees reported that they experienced stress that is provoked by several factors such as workloads, organizational politics and a lack of autonomy in the workplace (Aziah et al., 2004; Edimansyah et al., 2008; Huda et al., 2004; Manshor et al., 2003; Poon, 2003). Recent data reported that disputes between employees and employers have led to a rising number of cases being referred to the Industrial Court, from 3,100 cases in 2001 to 6,979 in 2007 (Labour Bulletin, 2008). This is parallel with the study of Lazarus and Folkman (1984) definition of stress as a relationship between a person and his or her environment in which the person perceives or appraises

an environmental stimulus “as taxing or exceeding his or her resources and endangering his or her wellbeing” (p. 21).

During the past three decades, many studies have shown that job characteristics can have a profound impact on employee well being (e.g. job strain, burnout, and work engagement). For example, research has revealed that job demands such as high work pressure, emotional demands, and role ambiguity may lead to sleeping problems, exhaustion, and impaired health (e.g. Doi, 2005; Halbesleben and Buckley, 2004), whereas job resources such as social support, performance feedback, and autonomy may instigate a motivational process leading to job-related learning, work engagement, and organizational commitment (e.g. Demerouti et al., 2001; Salanova et al., 2005; Taris and Feij, 2004). Although these previous studies have produced a long list of possible antecedents of employee well being, theoretical progress has been limited. Anent to the abovementioned reasons, this study attempts to propose occupational pressure and job demand-resources as the factors contributing toward counterproductive work behavior in the banking sector by taking a look at the nature and work environment in banking itself.

However, this study also proposed the moderating effect of high performance work system as designed to increase employee performance by means of higher job demands, which increases job strain (Ramsay et al., 2000). The second explanation expresses the positive contribution of HPWPs to employees. HPWPs provide clear and consistent procedures that result in more feelings of procedural justice, which reduces strain (Elovainio et al., 2001). HPWPs are mostly welcomed as a positive impulse for organizations as well as for employees, although critics warn that the unilateral focus on performance increases the risk of employee exploitation (Godard, 2001a, b; Legge, 1995). HPWPs are comprehensive bundles of practices aimed at motivating employees in such a way that their performance increases and contributes to the competitive advantage of organizations (Combs et al., 2006; Huselid, 1995). The key to the success of HPWPs seems to be the way organizations deal with human capital, because it enables a context in which employees are willing to put in extra effort (Appelbaum et al., 2000). HPWPs consist of a number of coherent practices aimed at managing employees in organizations in such a way that they work together to select, develop, and motivate a workforce that has outstanding qualities and that uses these qualities in work-related activities with discretionary effort, which result in improved organizational performance and sustained competitive advantage for the organization (Appelbaum et al., 2000). Yet, the exact combination of practices (Evans and Davis, 2005; Arthur and Boyles, 2007) and the

mechanisms through which HPWPs increase performance (Boselie et al., 2005; Guest, 2002; Gibson et al., 2007) are still under discussion.

The effects of HPWPs on employees, instead of organizations, received less research attention (Appelbaum et al., 2000; Godard, 2001a, b; Guest, 2002). The mainstream, unitarist view holds that HPWPs have positive outcomes for the organization and for employees (Appelbaum et al., 2000; Paauwe, 2004). HPWPs offer employees external and internal incentives like flexible remuneration, training, teamwork, and autonomy (Appelbaum et al., 2000), which are assumed to be simply “good” for employees (Godard, 2001a, b). Most empirical studies into HPWPs indeed investigate employee attitudes like motivation or satisfaction, which precede extra effort and hence increased performance (Appelbaum et al., 2000; Guest, 2002).

These researches have focused primarily on the roles of counterproductive work behavior affecting employee level of performance and the independence issues relating to each of the antecedents but less attention is given on how occupational pressure and job demand-resources attributes can affect the behavior and performance of women in banking and how the moderating effect of high performance work system may help to reduce counterproductive work behavior, whereby indirectly will help to ensure the future survival of the organization itself. Furthermore, most of this study deals with new approaches to the study of counterproductive behavior antecedents in organizations, including: Occupational pressure; job demand-resources and high performance work system as moderator.

Below is the proposed framework for this study.

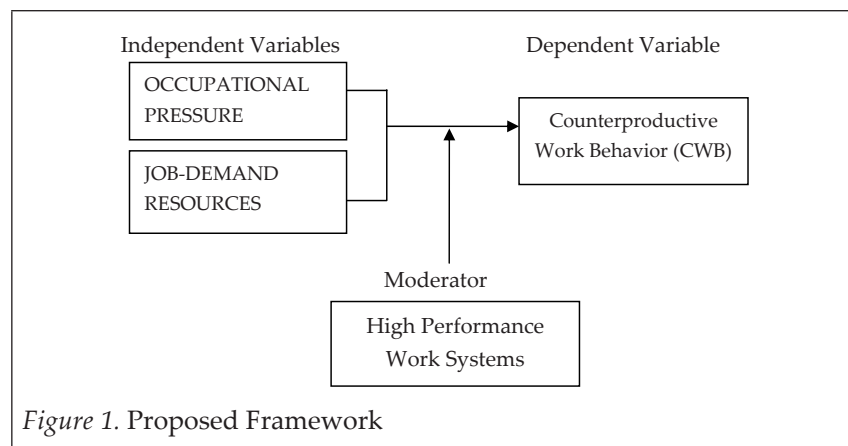


Figure 1. Proposed Framework