Moderating Effect of Self-Regulatory Efficacy on the Relationship between Organizational Formal Controls and Workplace Deviance: A Proposed Framework

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Abstract

Several studies in the field of industrial and organizational psychology (I/O) have reported that workplace deviance is related to organization/work variables, such as organizational politics, perceived organizational support, job satisfaction, job stress, and organizational justice among others. However, relatively few studies have attempted to consider the relationship between organizational formal controls and workplace deviance. Even if any, they have reported mixed findings. Hence, a moderating variable is suggested. This paper proposes a moderating role of self-regulatory efficacy on the relationship between organizational formal controls and workplace deviance.

Introduction

Over the past three decades, industrial and organizational psychologists have devoted considerable amount of effort trying to better understand employee behaviors that violate significant organizational norms as well as threatening the well-being of individual employees and the effective functioning of organizations (Aquino, Galperin, & Bennett, 2004; Bordia, Restubog, & Tang, 2008; Dunlop & Lee, 2004; Fox & Spector, 1999; Marcus & Schuler, 2004; Robinson & Bennett, 1995; Skarlicki & Folger, 1997). Some of these may include falsifying documents such as cash receipt to get reimbursement for more money than actually spent on business expenses, unnecessarily yelling or shouting at the workplace and stealing at the workplace among others (Barling, Rogers, & Kelloway, 2001; Bennett & Robinson, 2000;
Hollinger & Clark, 1983). Researchers have conceptualized and designated such behaviors in different ways such as organizational misbehavior (Ackroyd & Thompson, 1999), antisocial behavior (Giacalone & Greenberg, 1997) and workplace sabotage (Analoui, 1995; Harris & Ogbonna, 2006), among others. In essence, such behaviors have been most frequently referred to as workplace deviance.

Workplace deviance is a pervasive phenomenon and costly to organizations (Aquino, et al., 2004; Lawrence & Robinson, 2007). For example, it has been estimated that in 2010, about 45% of the U.S. retailers' inventory shortage, representing approximately $15.9 billion, was attributed to employee theft (Hollinger & Adams, 2010). In another related survey, Zogby International (ZI), a leading polling firm in the United States was commissioned by the Workplace Bullying Institute (WBI) to conduct an online survey on workplace bullying involving 4,210 adult Americans. One of the key findings of the survey was that in 2010, 35% of adult Americans experienced workplace bullying (Workplace Bullying Institute, 2010). In different studies, workplace deviant behavior was also found to be negatively related to both corporate profitability and customer satisfaction (Detert, Treviño, Burris, & Andiappan, 2007). Thus, workplace deviant behavior is costly to organization and its stakeholders. In Nigeria, the issue of workplace deviance has gained considerable media attention in recent years. For example, issues concerning poor attitude to work (Ilozue, 2011; Obinna, 2011), bribery cases (Jimoh, 2012; Olufowobi, Chidozie, Adetayo, Adepegb, & Okpi, 2012), deceit and dishonesty (Idehen, 2012; Oke, 2012) have been frequently reported in the news media.

Several factors have been suggested to explain why employees engage in deviant behavior at the workplace. One of the key determinants of employee deviant behavior is organizational factors. Organizational factors are factors that are related to the organization that may influence workplace deviance. According to Robbins and Judge (2010), organizational factors are an important consideration in understanding employee attitude and behavior at work because they are able to shape the way employees think, feel, and behave. Given the theoretical significance, numerous organizational factors have shown to be good predictors of workplace deviance. To date, some of the organizational-related factors that have been considered include perceived organizational politics (Bashir, Nasir, Saeed, & Ahmed, 2011; Davis & Gardner, 2004; Zettler & Hilbig, 2010), perceived organizational justice (Ambrose, Seabright, & Schminke, 2002; De Lara & Verano-Tacoronte, 2007; Devonish & Greenidge, 2010), perceived organizational support (Colbert, Mount, Harter, Witt, & Barrick, 2004; Eisenberger, Huntington, Hutchison, & Sowa, 1986; Ferris, Brown, & Heller, 2009), psychological contract breach (Jensen, Opland, & Ryan, 2010; Kickul, Neuman, Parker, & Finkl, 2001; Restubog, Bordia, & Tang, 2007), and leadership style (Avey, Palanski, & Walumbwa, 2011; Chullen, Dunford, Angermeier, Boss, & Boss, 2010) among others. Despite these aforementioned empirical studies, however, it is surprising that less attention has been paid to the influence of organizational formal control on workplace deviance, when formal controls put in place in organizations are designated to regulate behavior at work (Wilkes, Srinivasan, & Flamholtz, 2005). To fill in this gap, this paper proposes formal control as an antecedent of workplace deviance. Specifically, this paper will attempt to argue why formal controls are theoretically...
important in reducing workplace deviance, thereby contributing to the existing literature on the role of organizational factors in affecting negative job outcomes.

In addition to proposing the potential effect of formal control, this paper offers theoretical explanation on the role of self-regulatory efficacy in moderating the relationship between formal control in the organization and deviant workplace behavior. The paper also contends that even if there have been previous works conducted on the role of organizational control on employee deviant behavior, the findings are inconclusive, suggesting that a moderator may be likely to help explain better the relationship.

The remainder of the paper will be organized as follows. Next, a discussion on the important concepts in workplace deviance is highlighted. In particular, the concepts of workplace deviance, formal organizational control, and self-control are explored. Then, previous works that relate the concepts are presented toward the development of a model that explains the relationships. To link these relationships, stimulus response theory and social cognitive theory are used as a basis. Hence, elaborations of these theories are also offered.

**Workplace Deviance**

Workplace deviance is defined as a voluntary behavior engaged by employee that is contrary to the significant organizational norms and it is considered as a threat to the well-being of an organization and/or its members (Robinson & Bennett, 1995). Behaviors such as employee using organization’s phone to make personal calls, coming to the office very late and leaving early, using organization’s vehicle for personal use, taking unnecessary breaks by employee, delivering poor quality work, employee engaging in sick leave even though they are not, and employee falsifying receipts in order to get reimbursed for more money than the actual amount he spent are considered as workplace deviant behaviors (Bechtoldt, Welk, Zapf, & Hartig, 2007; Robinson & Bennett, 1995).

Deviant behaviors vary in nature, form, and extent. For example, Robinson and Bennett (1995), whose works have been primarily used to extend theoretical development in this field, classify deviant workplace behaviors on the basis of its severity and target, namely, minor versus serious, and interpersonal versus organizational. On the basis of these two dimensions, they further classify deviant workplace behaviors’ into four categories, namely, production deviance, property deviance, political deviance, and personal aggression. Production deviance relates to employee’s voluntary behavior that violates significant organizational norms in terms of quantity and quality of work to be carried out in the organization, such as, wasting of company’s resources and taking excessive breaks. Property deviance refers to employee’s voluntary behavior that violates significant organizational norms by possessing or damaging the organization’s physical properties. For instance, stealing or damaging organization’s assets are examples of such behavior. Political deviance refers to employee’s voluntary behavior that that causes other employees a political disadvantage. For example, showing favoritism and gossiping about co-workers are behaviors’ that fall within this category. Personal aggression relates to
employee’s voluntary behavior in terms of hostility toward other employees within the organization including sexual harassment.

**Formal Control And Workplace Deviance**

Formal control has typically been defined from at least three different perspectives, namely, marketing perspective, accounting perspective, and human resource management perspective. From the marketing perspective, formal control is defined by Jaworski (1988) as a series of activities designed to ensure that specified plans are well implemented and desired outcomes are actually achieved. From the accounting perspective, Merchant (1998) defines organizational formal control as “all the devices managers use to ensure that the behaviors’ and decisions of people in the organization are consistent with the organization’s objectives and strategies”. From the resource management perspective, formal control refers to mechanisms put in place by management such as rules and regulations, disciplinary measures and auditing with the aim of monitoring, detecting, punishing and minimizing the occurrence of improper conduct (Vardi & Weitz, 2004). While other perspectives of organizational formal control are equally important in controlling behavior, this paper adopts resource management perspective because the focus of the paper is on human resource management practices.

Many researchers have acknowledged the importance of formal control in organization and its purported role in controlling employee behavior (e.g. Chi-Ko, Wing Tung, & Ho, 2005; Flamholtz, Das, & Tsui, 1985; Khakwani, Aslam, Ashraf, Javad, & Shabbir, 2012). Particularly, extant empirical studies have found evidence in support of the effects of formal control on workplace deviance. For example, de Lara et al. (2006) examined the relationship between formal control strategies and cyberloafing, defined as any voluntary act of using companies’ Internet facilities by employees during working hours to browse non-job related web sites including sending and receiving emails for their personal use (Lim, 2002). The study included 758 non-teaching staff from public university in Spain. Using Structural Equation Modeling (SEM), the study found that perceived organizational control was negatively related to cyberloafing. Similarly, Hollinger and Clark (1982) study 9,175 employees of 47 different business corporations in the United States and reported a significant negative association between output control and employee theft.

Robertson and Anderson (1993) also examined the effects of control system and sales task environment on behavior. The study utilized two samples: 301 salespeople and 145 sales managers in the United States. The study employed projective vignettes and sales scenarios in order to elicit candid response from the respondents. The study reported conflicting findings. Firstly, sales force control, defined as process of monitoring, supervising and compensating employee was found to be a significant predictor of salespeople’ ethical behavior. Secondly, the study found that sales force control was not a significant predictor of sales managers’ ethical behavior. The authors justified the result of insignificant relationship to the fact that sales managers are the governors, not the governed. In other words, it is only salespeople who are subject to sales force governance mode of behavior control not sales managers.
From theoretical perspectives, formal control mechanisms benefit organization by fostering collaboration among members of the organization thereby improving the overall performance of the organization (Ouchi, 1979). Furthermore, from the stimulus-response perspective, when the individual learns that in his/her organization, control mechanisms have been put in place and are being implemented, he/she is less likely to engage in deviant act (Pavlov, 1927). Hence, the present study proposes the following:

Proposition 1: Organizational formal control is negatively associated with workplace deviance.

Self-Regulatory Efficacy As Potential Moderator

Formal control instituted by an organization should theoretically able to regulate employee behavior at work (Ouchi, 1979). Discipline and punishment, for instance, are meant toward such purpose. However, empirical results on the effects of formal control on employee behavior particularly in reducing deviant behavior at work appear mixed (e.g. de Lara, et al., 2006; Detert, et al., 2007; Dineen, Lewicki, & Tomlinson, 2006; Hollinger & Clark, 1983; Jaworski & Maclnnis, 1989; Parilla, Hollinger, & Clark, 1988; Robertson & Anderson, 1993; Vardi, 2001). For example, Hollinger and Clark (1982), and Chi-Ko et al. (2005) demonstrated a significant negative relationship between formal control, defined as supervisor’s reactions towards employees’ deviant behaviors and workplace deviance. Similarly, Evans et al. (2007) reported a significant association between input control, defined as method of imparting skills needed for the job and job-related outcomes. Conversely, Robertson and Anderson (1993), who examined the effects of control system and sales task environment on behavior, found that sales force control was not a significant predictor of sales managers’ ethical behavior.

On the basis of mixed results reported on the relationship between formal control and workplace deviance, it appears that a moderator needs to be introduced. Hence, this paper proposes that self-regulatory efficacy has the potential to contribute to a better understanding of the conflicting findings concerning the relationship between organizational formal control and workplace deviance. Self-regulatory efficacy is defined as an individual’s belief about his or her ability to attain desirable outcomes and prevent undesirable behaviors such as deviant behaviors (Bandura, 1990; Patrick, Skinner, & Connell, 1993). Additionally, this paper argues that strength of the relationship between formal control in organization and workplace deviance is contingent upon the level of self-regulatory efficacy. It is expected that an individual high in self-regulatory efficacy is less likely to engage in deviant behaviors. Thus, the moderating effects of self-regulatory efficacy implies that organizational formal control should have a stronger influence on workplace deviance for individuals high in self-regulatory efficacy than those low in self-regulatory efficacy.

Empirical studies have documented the effects of self-regulatory efficacy in minimizing the tendency for an individual to engage in deviant behavior. For example, consistent with the social cognitive theory (Bandura, 1999), Caprara et al. (1998) conducted a study to examine the impact of perceived self-regulatory efficacy on familial communication (open and problematic communication) and antisocial conduct. Three hundred and twenty four adolescents from a
residential community in Rome, who enrolled in various grades of high schools, participated in the study. The results of structural equation modeling (SEM) showed that students who were low in self-regulatory efficacy and academic self-efficacy were more likely to engage in antisocial conduct and substance abuse. Conversely, Caprara et al. (2002) conducted a longitudinal study using SEM to investigate the impact of perceived self-regulatory efficacy on violent conduct among 350 adolescents from high schools in a residential community in Rome. The results of structural equation modeling revealed that students who were high in self-regulatory efficacy were less likely to engage in violent conduct such as fighting, vandalism, or used weapons. Hence, in line with these previous studies, it is reasonable to argue that the extent to which organizational formal control influences workplace deviant behavior vary, depending upon an individual self-regulatory efficacy. Additionally, despite the empirical support for self-regulatory efficacy in overriding the propensity of employee to engage in deviant behavior, relatively little is known on the moderating role of self-regulatory efficacy on the relationship between formal controls and workplace deviance.

The moderating role of self-regulatory efficacy could be explained from the perspective of Bandura’s (Bandura, 1986, 1993) social cognitive theory. Social cognitive theory postulates that all aspects of human life such as health activities and academic activities are influenced by perceived self-efficacy. The stronger individual's self-efficacy beliefs to resist peer pressure the less likely he or she will engage in deviant behaviors. From managerial perspective, it can be argued that formal control alone is not sufficient to reduce deviant behavior because, according to Ackroyd and Thompson (1999), individuals are creative people who will likely find ways on how to beat the formal system. In the context of Nigerian higher educational institution, some of the academic staff learns how to abuse their academic freedom. Akpomi et al. (2008) reported that in some situations academic staff in Nigerian higher institutions of learning abuse their academic freedom by rescheduling their time table outside the approved time table, and fixing tests and examinations at their will to the detriment of many students. Therefore, formal control alone is not sufficient to reduce deviant behavior unless employee possesses certain personality trait in the form of self-regulatory efficacy. Hence, the following proposition is offered:

Proposition 2: Self-regulatory efficacy will moderate the relationship between organizational formal controls and workplace deviance.
Proposed Research Framework

Building on the foregoing discussion and literature review, this paper proposes a conceptual framework as illustrated in Figure 1.

![Proposed research framework](image)

Figure 1: Proposed research framework

The proposed conceptual framework shows the moderating effect of self-regulatory efficacy on the relationship between perceived formal control and workplace deviance. Based on Figure 1, formal control instituted by an organization is to regulate employee behavior. In this case, control mechanisms such as monitoring, detecting, punishing, and minimizing the occurrence of improper conduct (Vardi & Weitz, 2004) are likely to reduce deviant behavior by employees. However, it is also postulated that formal controls alone are insufficient to control the phenomenon of deviant behavior. Hence, whether or not the formal control mechanisms will be effective in reducing deviant behavior depends on the degree of self-regulatory efficacy possessed by individual employees. When employees are high in self-regulatory efficacy, organizational formal control are likely to mitigate further deviant acts at the workplace.

Conclusion And Implications

This paper has presented a model on the potential moderating effect of self-regulatory efficacy on the relationship between formal controls system and workplace deviance as depicted in Figure 1. The proposed model has several critical implications for minimizing deviant behaviors in the workplace. First, if the proposed framework is validated, the finding will provide important insight to managers and practitioners into the significant role of organizational formal control in mitigating workplace deviance. Second, the paper also suggests if the
The proposed framework is validated, the finding will have practical implications for selection and recruitment. For example, the managers and practitioners can reduce the likelihood of workplace deviant behavior among in organization by selecting and recruiting employee high in self-regulatory efficacy using personality-based integrity tests. Third, the proposed model suggests that self-regulatory efficacy may buffer the relationship between organizational formal controls and workplace deviance. This implies that an individual high in self-regulatory efficacy is less likely to engage on deviant behavior, particularly when there is an opportunity for them to engage in such behaviors.

References


