2014

The Reality of Counterproductive Work Behaviours

White Paper

Christine Yu
The University of Auckland
Email: cyu063@aucklanduni.ac.nz
Phone: +64 21 263 4479

Table of Contents

EXECUTIVE SUMMARY

This white paper is concerned with counterproductive work behaviours (CWBs). The effects of CWBs are detrimental to organisations. Therefore, this paper begins by defining CWB, the result of these behaviours and what are associated with it.

Key predictors associated with counterproductive work behaviours include

- Personality

- Breach of psychological contract

- Unfair reward allocation

- Performance evaluations from the supervisor perspective

Suggested ways to reduce counterproductive work behaviours are

- Personality-based integrity tests

- Clearly expressed psychological contract

- Unbiased reward systems

- 360° feedback

WHAT IS COUNTERPRODUCTIVE WORK BEHAVIOUR?

Counterproductive work behaviours (CWBs) are often something we do not think about in business and in organisations, but the reality is that these are everywhere. CWB is any intentional unacceptable behaviour that has the potential to have negative consequences to an organisation and their employees within the organisation.[1] These may take form as theft, destruction of property, misuse of time, information and resources, drug and alcohol use, inappropriate verbal or physical actions, and poor attendance.[2]

CWBs can range in severity from minor offences such as stealing a pen to serious offences such as embezzling millions from an organisation.[3] These can occur either at the interpersonal or organisational level. Counterproductive behaviours at the interpersonal level include acts on employees within the organisation such as gossip, bullying and harassment. At the organisational level, these are behaviours directed towards the organisation; these include behaviours such as absenteeism and misuse of organisation assets.[3]

WHY IS IT IMPORTANT TO ADDRESS COUNTERPRODUCTIVE BEHAVIOURS IN THE WORKPLACE?

CWB is damaging to business and organisations. It is not surprising that the prevalence of these behaviours pose a serious economic threat to organisations. Up to 89% of employees have engaged in counterproductive behaviours at work.[4] Various studies have shown that between 35% and 75% of all employees have admitted to stealing from their employers at least once, [5] which resulted to approximately $50 billion of business related losses to organisations in the States. This figure is thought to be growing at a rate of 15% annually. [4]

Due to the large potential losses to an organisation from CWBs, it is very important these behaviours are not overlooked. Measures need to be taken to reduce the risk of potential loss due to CWB because these not only affect the organisation but the well-being and performance of employees, i.e. the whole workforce.

WHAT CAUSES COUNTERPRODUCTIVE BEHAVIOURS?

There are many different factors that can lead to CWBs. These range from individual factors such as personality to

organisational factors like unfair reward allocations and the work environment. The stressor-emotion model is a useful model to explain the causes of counterproductive behaviours. It states that CWB is a product of personality and how this interacts with organisationalstressors.[6] For example, individual characteristics such as an individual's personality type and an organisational stressor such as unfair reward allocation may result in greater likelihood of carrying out CWBs.

INDIVIDUAL CHARACTERISTICS

It has been found that employees who engage in one act of CWB are more likely to engage in other counterproductive acts. Males are significantly more likely to engage in CWBs such as alcohol abuse and violence and younger employees are more likely to engage in theft compared to older employees.[7]Certain personality traits have also been found in research to affect employees' likelihood of engaging in CWBs.

PERSONALITY.

The research into CWB and personality has been extensive. However, most has focused on the Big Five personality traits of openness (individual's ability to accept new experiences and ideas), conscientiousness (individual's ability to plan, organise tasks and have self-control), extraversion (a keen interest in other people and external events), agreeableness (the individual's compatibility and how to get along with others), and neuroticism (an individual's ability to regulate their mood).[8]

It is still unknown which of these personality traits predict which CWB, however research has shown all five traits predict counterproductive behaviour in some way. The strongest predictor has been found to be conscientiousness.[8] [9]Highly conscientious employees are more likely to show greater productivity because they spend more time on the task(s) they are assigned to, set goals autonomously, go beyond the task requirement, and avoid counterproductive

behaviours compared to low conscientious employees.[9]

ORGANISATIONAL STRESSORS

Functions and work systems within an organisation may affect the degree to which an employee engages in CWBs. Some common organisational stressors include a breach of the psychological contract, unfair reward allocation and conducting performance evaluations from the supervisor. These approaches are mentioned because they are the easiest to change.

BREACH OF PSYCHOLOGICAL CONTRACT.

Employees form psychological contracts with their employers from the moment they have their first interview in the recruitment phase and this stays with them throughout their time at the organisation. The psychological contract refers to the employees' belief regarding the terms and conditions of a reciprocal exchange agreement between themselves and the organisation.[11]This contract is often assumed and is not explicitly made.

Often, psychological contracts are not fully understood by both parties. Therefore when an employee perceives a discrepancy between what they were promised by the organisation and what they received, they are more likely to

eliminate or reduce the imbalance through CWBs. Common examples include abuse, production deviance, sabotage, theft and withdrawal.[10]

UNFAIR REWARD ALLOCATION.

Employees are more likely to engage in CWBs such as sabotage when they perceive the organisation is distributing rewards unfairly.[10] When the rewards are not consistently given based on performance, individuals are more likely to modify their performance to restore equity through counterproductive acts in order to match the outcome.[11]

PERFORMANCE EVALUATIONS FROM THE SUPERVISOR.

When performance evaluations are only conducted through the perspective of the supervisor, this can create information asymmetry between the supervisor and employee.[11] Information asymmetry may lead to conflict between the organisation's management and the organisation's shareholders and tempt employees to behave in opportunistic ways that can lead to counterproductive acts. For example, supervisors are unable to monitor employees at all times, this lowers the employees' expectations of being caught when engaging in CWBs. Therefore, these

acts are more likely to occur and allow behaviours to go unnoticed.[11]

WHAT CAN WE DO ABOUT THESE COUNTERPRODUCTIVE BEHAVIOURS?

It is clear that CWBs have a major negative effect on organisations and their employees, and therefore many contributing factors. It is vital for employers to recognise these factors and begin to be critical about their practices that may be fostering the behaviours. The question remains, what can we do about these CWBs?

PERSONALITY-BASED INTEGRITY TESTING

The most logical place to start reducing CWBs is during the selection phase. This refers to not only hiring new candidates into the organisation but also when deciding on which employee to promote to a supervisory or managerial role. Ideally, if we are able to select individuals who are less likely to engage in CWBs then we can reduce the frequency of occurrence.

There are two types of integrity tests: overt integrity tests and personality-based integrity tests. Overt integrity tests are best used to predict CWBs such as theft and personality-based integrity tests have shown to predict a range of

dishonest behaviours such as disciplinary problems and absenteeism.[12] Research has shown overt integrity tests can only determine the likelihood of theft making the use of personality-based integrity tests more effective. However, to be cost-effective, employers should decide which CWBs are most prevalent and detrimental in their organisation before determining which type of integrity test to use.

CLEAR PSYCHOLOGICAL CONTRACT

It is important for employees to understand the psychological contract and its relationship with CWBs. More specifically, organisations should communicate clearly and be careful of what their fulfilled promised obligations to the employee are. Employees are more likely to feel a breach in their psychological contract when promises are broken without explanations thus resulting in counterproductive behaviours. At the end of the day, it is most important for organisations to make promises they can follow through with. Exceeded promises have a much more positive impact on employees than broken promises.

FAIR REWARD SYSTEM

An organisational reward system should ensure that employees are paid

based on a predefined criterion and written into the employment contract. Rewards should be given based on individual and group performance rather than just one or the other. This makes it harder for individuals to engage in CWBs because more attention is paid on what each employee is doing and making it less appealing to carry out in counterproductive acts.[11]

360° FEEDBACK

Employee performance evaluations should be given from multiple perspectives to remove biases between the supervisor and employee. 360° feedback evaluates an employee's performance from ratings by their manager, supervisor, subordinates, peers and selves.[11] For example when evaluations are conducted by customers, peers and supervisors this gives more information on an employee's performance thus may decrease the appeal of acting in counterproductive ways.

HOW DO I KNOW THESE SOLUTIONS ARE WORKING?

CWBs are mostly hidden from view. Absenteeism, customer complaints and theft may serve as quantifiable measures of counterproductive behaviours.

However, CWBs in general are not easily measured therefore this highlights the danger of counterproductive behaviours to employees and organisations.

ETHICAL CONSIDERATIONS

Unfortunately, not every solution will work in practice. These are designed to be guidelines of for implementing 'best practice' interventions and reduction strategies based on empirical literature. This means not every solution will work for every organisation, rather these should be tailored to the organisations' strategic goals. Although at the very least, these should have a positive effect on organisations regardless of the presence of CWBs.

The use of personality-based integrity tests is highly contentious. As these are not 100% reliable, this assessment should be used in conjunction with other selection techniques to decide the future of the candidate at selection and for promotion.[12]

CONCLUSION

CWBs occur more often than most individuals think. These behaviours are widespread in organisations and can range from minor to serious, both are harmful to organisations. We should reduce these

CWBs to improve the performance and well-being of our employees and their organisations. It is also important to be aware of the factors that may predict greater CWBs. To reduce and hopefully eliminate these behaviours, we may use personality-based integrity tests, clearly articulate employer and employee obligations, implement fair and equitable reward systems, and 360° feedback can be used for multiple perspectives when evaluating an employee's performance outcomes.

REFERENCES

1. Gruys, M. L., & Sackett, P. R. (2003). Investigating the dimensionality of counterproductive work behavior. *International Journal of Selection and Assessment, 11*(1), 30-42. doi:10.1111/1468-2389.00224

2. Sackett, P. R., & DeVore, C. J. (2001). Counterproductive behaviors at work. In *Handbook of industrial, work, and organizational psychology* (Vol. 1, pp. 145-164). London: Sage.

3. Bennett, R. J., & Robinson, S. L. (2000). Development of a measure of workplace deviance. *Journal of Applied Psychology, 85*(3), 349. doi:10.1037/0021-9010.85.3.349

4. Boye, M., & Wasserman, A. (1996). Predicting counterproductivity among drug store applicants. *Journal of Business and Psychology, 10*(3), 337-349. doi:10.1007/bf02249607

5. McGurn, M. (1988). Spotting the thieves who work among us. *Wall Street Journal, 7*, 16a.

6. Spector, P. E., & Fox, S. (2005). The stressor-emotion model of counterproductive work behavior. In S. Fox & P. E. Spector (Eds.), *Counterproductive work behavior: Investigations of actors and targets* (pp. 151-174). Washington, DC, US: American Psychological Association.

7. Hollinger, R. C., Slora, K. B., & Terris, W. (1992). Deviance in the fast-food restaurant: Correlates of employee theft, altruism, and counterproductivity. *Deviant Behavior, 13*(2), 155-184. doi:10.1080/01639625.1992.9967906

8. Chang, K., & Smithikrai, C. (2010). Counterproductive behaviour at work: an investigation into reduction strategies. *The International Journal of Human Resource Management, 21*(8), 1272-1288. doi:10.1080/09585192.2010.483852

9. Salgado, J. F. (2002). The Big Five personality dimensions and counterproductive behaviors. *International Journal of Selection and Assessment, 10*(1-2), 117-125.

10. Jensen, J., Opland, R., & Ryan, A. (2010). Psychological contracts and counterproductive work behaviors: Employee responses to transactional and relational breach. *Journal of Business and Psychology, 25*(4), 555-568. doi:10.1007/s10869-009-9148-7

11. Werbel, J., & Balkin, D. B. (2010). Are human resource practices linked to employee misconduct?: A rational choice perspective. *Human Resource Management Review, 20*(4), 317-326. doi:10.1016/j.hrmr.2009.10.002

12. Ones, D. S., Viswesvaran, C., & Schmidt, F. L. (1993). Comprehensive meta-analysis of integrity test validities: Findings and implications for personnel selection and theories of job performance. *Journal of Applied Psychology, 78*(4), 679-703. doi:10.1037/0021-9010.78.4.679