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Theorizing the Role of Exchange Ideology in Moderating the Link between Organisational Justice and Counterproductive Work Behaviour

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Abstract

The purpose of this paper is to propose a framework for moderation effects of exchange ideology on the relationship between organisational justice and counterproductive work behaviour. Counterproductive work behaviour has negative consequences on both employees and organisations and this has attracted a large number of studies among the researchers. The paper discusses the likely antecedents that determine counterproductive work behaviour and proposes a conceptual framework based on equity theory, social exchange theory and comprehensive literature on Counterproductive work behaviour.

Keywords: Counterproductive work behaviour, exchange ideology, organisational justice

1. INTRODUCTION

Counterproductive work behaviour (CWB) 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). Research on counterproductive work behaviour started about three decades ago when Hollinger and Clark (1982) published their seminal work titled “Formal and informal social controls of employee deviance”. Since that time, a lot of studies have been carried out on counterproductive work behaviour (De Lara & Verano-Tacoronte, 2007; Jones, 2009; Pzuffer, 1987; Reisel, Probst, Chia, Maloles & König, 2010; Robinson & Bennett, 1995; Robinson & O'Leary-Kelly, 1998; Shamsudin, Subramaniam, & Ibrahim, 2011).

Furthermore, many surveys have highlighted the financial consequences of CWB in organisations. For example, Hollinger and Adams (2010), reported that in 2010, U.S. retailers attributed about 45% of their inventory shortage, which was representing approximately $15.9 billion to employee theft. They further reported that employee theft was the first largest source of inventory shrinkage in the year 2010. In Nigeria, the Financial Institutions Training Centre (FTTC) [2010] reported that during the first quarter of 2010, 119 bank employees lost their jobs the grounds of financial scandals they had committed. The report further indicated that these financial scandals committed by bank employees represents an increase of 1,090%, compared to last quarter of 2009.

Previous studies have also examined various predictors of workplace deviant behaviour including perceived organisational variables, personal variables, work constraints variables and environmental factors among others (Kura, Shamsudin, & Chauhan, 2013a; Kura, Shamsudin, & Chauhan, 2013b; Kura, Shamsudin, & Chauhan, 2015; Rahim & Nasurdin, 2008). Perceived organisational variables include perceived organisational justice,
organizational citizenship behaviour, psychological contract, perceived organisational support and leadership behaviour. For example, Ambrose, Seabright & Schminke, 2002; Bechtoldt, Welk, Hartig, & Zapf, 2007; Bordia, Restubog & Tang, 2008; Brown & Trevino, 2006; Chullen, Dunford, Angermeier, Boss & Boss, 2010; Dunlop, & Lee, 2004). The personal variables includes personality traits and attitudes. For example (Henle, 2005; Mount, Ilies & Johnson, 2006; Wu & Lebreton, 2011). On the other hand, the work constraints variables includes job stressors and negative emotions (Gholipour, Saeidinejad & Zehtabi, 2009; Fox, Spector & Miles, 2001; Reisel, Probst, Chia, Maloles & König, 2010) and lastly, and environmental factors include ethical climate and location. For example, (Appelbaum, Deguire & Lay, 2005; Sarwar, Awan, Alam & Anwar, 2010).

Organisational justice researchers have largely focused on retaliatory behaviours such as using organisation’s resources for personal use without permission or coming to the office very late and leaving early as common response to organisational injustice (Robinson & Bennett, 1995; Bidder, Chang & Tyler, 2001; Brebels, Cremer & Sedikides, 2008; Holtz & Harold, 2010; Skarlicki & Folger, 1997). Furthermore, within the context of this study, the relationships between employees’ perceptions of organisational justice and CWB have been documented in the previous studies. However, the findings of these studies were inconsistence. For example, many studies have shown significant negative relationship between employees’ perceptions of organisational justice and CWB (Ambrose, Seabright & Schminke, 2002; Devonish & Greenidge, 2010; Henle, 2005; Jones, 2009). On the other hand, many other many studies have shown insignificant negative relationship between employees’ perceptions of organisational justice and CWB (Ahmadi, Bagheri, Ebrahimi, Rokni & Kahreh, 2011; Blau & Andersson, 2005; De Lara & Verano-Tacoronte, 2007).

However, in spite of the individual and organisational costs associated with workplace deviant behaviour as well as the large number of studies that have been carried out on workplace deviant behaviour for almost three decades ago, to the best of our knowledge, little is known on the moderating effects of exchange ideology on justice-deviant relationship. Therefore, the purpose of this study is to examine the moderating effects of exchange ideology on the relationship between organisational justice perception and workplace deviant behaviour. Therefore, this study integrate exchange ideology as a moderator variable in line with Hastings’ (2011) recommendations, who argued that in order to better examine the effects of employees’ perception of justice and workplace deviant behaviour, exchange ideology should be a moderator so that it can influence the strength of the relationship between employees’ perception of justice and workplace deviant behaviour. Because of the negative consequences of CWB on both employees and organisations, a large number of studies have been carried out to examine its antecedents and consequences so that preventive measures can be taken by policy makers and practitioners. A number of antecedents of CWB have been found in the literature. These antecedents can be grouped into four major classifications, namely; perceived organisational variables, personal factors, work-related variables, and environmental factors (Rahim & Nasurdin, 2008).

The perceived organisational variables include perception of organisational justice, organisational citizenship behaviour, psychological contract, perceived organisational support and leadership behaviour (Ahmadi, Bagheri, Ebrahimi, Rokni & Kahreh, 2011; Ambrose, Seabright & Schminke, 2002; Bechtoldt, Welk, Hartig, & Zapf, 2007; Bordia, Restubog & Tang, 2008; Brown & Trevino, 2006; Chullen, Dunford, Angermeier, Boss & Boss, 2010; Dunlop, & Lee, 2004). The personal variables includes personality traits and attitudes (Henle, 2005; Mount, Ilies & Johnson, 2006; Wu & Lebreton, 2011). On the other hand, the work related variables includes job stressors and negative emotions (Gholipour, Saeidinejad & Zehtabi, 2009; Fox, Spector & Miles, 2001; Reisel, Probst, Chia, Maloles & König, 2010) and lastly, and environmental factors include ethical climate and cultural differences. For example, (Appelbaum, Deguire & Lay, 2005; Sarwar, Awan, Alam & Anwar, 2010). Organisational justice perception is among the many factors that was found to influence CWB. When employees feel that organisation is not treating them fairly they may likely reduce their cooperative behaviors in order to avoid being exploited by the organisation. (Lind, 2001). This in turn, may lead to CWB. On the basis of equity theory (Adams, 1963; Adams, 1965), when employees experience inequity or injustice at workplace, they will strive to restore balance using different mechanisms at their disposal such as reduction of task behaviours (Spector & Fox, 2002).

Past research have also identified several variables that moderate the effects of organisational justice perception on CWB. For example, emotional intelligence (Devonish & Greenidge, 2010), personality (Henle, 2005) and group cohesion (Ferguson & Barry, 2011) among others have been identified as variables that that moderate the effects of organisational justice perception on CWB. Exchange ideology has been identified as an important variable that moderate the relationship between perceived organisational variables and employee attitudes and behaviour (Eisenberger, Huntington, Hutchison & Sowal, 1986; Redman & Snape, 2005; Scott & Colquitt, 2007; Witt & Broach, 1993; Witt, Kacmar & Andrews, 2001). A consistent finding of these studies is that employee with higher exchange ideology are likely to be more responsive to their exchange perception of how favourably
they are being treated by the exchange parties. On the other hand, those employees with lower exchange ideology are less likely to be more responsive to their exchange perception in terms of the manner they are being treated by the exchange parties (Eisenberger et al., 1986; Redman & Snape, 2005; Scott & Colquitt, 2007; Witt & Broach, 1993; Witt, Kacmar & Andrews, 2001).

A recent study suggests that exchange ideology may be a moderating variable on the relationship between organisational justice perception and CWB. To the best of our knowledge, little is known on the moderating effects of organisational justice perception–CWB relationship. Therefore, the present study shall attempt to fill in this gap by examining the moderation effects of exchange ideology on the relationship between organisational justice and counterproductive work behaviour.

2. LITERATURE REVIEW
2.1 Counterproductive Work Behaviour

Counterproductive work behaviour 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 (Fox, Spector & Miles, 2001; Sackett, 2002; Robinson & Bennett, 1995). Behaviours such as employee using organisation’s phone to make personal calls, coming to the office very late and leaving early, using organisation’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 (Becholdt, Welk, Hartig & Zapf, 2007; Robinson & Bennett, 1995).

Previous studies have assigned different names to the term deviance. For example, it was called anti-social behaviour (Giacalone & Greenberg, 1997; Robinson & O’Leary-Kelly, 1998), workplace deviance (Robinson & Bennett, 1995), dysfunctional work behaviour (Griffin, O’Leary Kelly & Collins, 1998), employee deviance (Sackett & Devore, 2001; Warren, 2003), non-complaint behaviour (Puffer, 1987), organizational misbehaviour (Ackyrod & Thompson, 1999; Vardi & Weiner, 1996) and Organizational retaliation behaviour (Skarlicki & Folger, 1997) among others. However, the definitions of these terms also vary (De Lara & Verano-Tacoronte, 2007).

2.2 Organisational Justice and Counterproductive Work Behaviour

Organisational justice refers to as employee’s perceptions of fairness within his or her organizational setting (Greenberg, 1990). Three dimensions of organisational justice have been identified in the organisational justice literature. The first is distributive justice, which refers to employee’s perception about the extent to which different work outcomes such as level of pay, work schedule, work load and job responsibilities, among others are allocated in an equitable manner (Niehoff & Moorman, 1993). Second, procedural justice, which refers to perceptions of fairness of the manner in which policies and procedures are implemented (Bakhshi, Kumar & Rani, 2009; Folger & Konovsky, 1989). Third, interactional justice, which focuses on the quality of interpersonal treatment received by employees in the course of implementation of organizational policies and procedures (Bies & Moag, 1986).

Substantial amount of past studies on counterproductive work behaviour have shown that counterproductive work behaviour is also related to different dimensions of organizational justice. For example, Ahmadi, Bagheri, Ebrahimi, Rokni and Kahreh (2011) conducted a study to examine the relationship between perceived organizational justice and deviant work behaviour, specifically cyber-loafing among 147 employees of an automobile company in Tehran. The study also established that organizational control do not have a moderating effect on the relationship between perceived organizational justice and deviant work behaviour. Likewise, Fox, Spector and Miles (2001) found that job stressors, including employees’ perception of injustice were negatively related to counterproductive work behavior. The study also found that the relationship between independent and the dependant variables was partially mediated by emotions. Henle (2005) conducted a study to examine the effects of organisational justice on workplace deviance. The study included 151 employed undergraduate students of business and psychology in United States. The study added employee personality (impulsivity and socialization) as moderating variables. After controlling for gender, age and tenure, the findings of the study revealed that employees with low socialization and low interactional justice perception are likely to engaged in workplace deviance and vice versa. The study also revealed that only when employees impulsivity was higher and perception of interactional justice was low, then frequencies of deviance was also high.

Devonish and Greenidge (2010) conducted a study to examine the effects of three forms of organisational justice, namely; distributive justice, procedural justice, and interactional justice on contextual performance, task
performance and CWBs. The study included 211 employees from nine different organizations including privately owned manufacturing firms, financial, services and the public sectors in Barbados. After controlling for gender, age and tenure, the findings of the study revealed that all the three forms of organisational justice had significant positive effects on both task performance and contextual performance. The findings of the study also revealed that the three forms of organisational justice had significant negative effects on CWBs. In another study, Jones (2009) found that among the three dimensions of organisational justice, interpersonal and informational justice are the strongest predictors of counterproductive work behaviours directed at supervisors, while procedural justice was the only significant predictor of counterproductive work behaviours directed at supervisors organisation. Jones (2009) also found that a negative effect of interpersonal justice on counterproductive work behaviours directed at supervisors and it was partially mediated by the revenge desired behaviour against employee’s supervisor.

2.3 Exchange Ideology

Exchange ideology is defined as “the strength of an employee’s belief that work effort should depend on treatment by the organization” (Eisenberger, Huntington, Hutchinson, & Sowa, 1986, p. 503). Redman and Snape (2005) argued that those employees with stronger exchange ideology are likely to be more responsive to their exchange perception of how favourably they are being treated by the exchange parties. On the other hand, those employees with lower exchange ideology are less likely to be more responsive to their exchange perception in terms of the manner they are being treated by the exchange parties. Prior studies have highlighted that exchange ideology moderates the relationships between perceptions of the work environment and behaviours. The findings of these studies suggested that the relationships between perceptions of the work environment and behaviours are stronger for those employees with stronger exchange ideology (Eisenberger et al, 1986; Scott and Colquitt, 2007; Witt & Broach, 1993; Witt, Kacmar & Andrews, 2001).

3. RESEARCH FRAMEWORK

The proposed research framework for this study is a product of extensive review of the literature by the researcher and it is based on social exchange theory and equity theory. Thus, the proposed research framework for this study as depicted in Fig. 3.1 shows the moderating role exchange ideology, on the relationship between the independent variable (organisational justice) and the dependent variable (organisational deviance). Based on social exchange theory (Blau, 1964; Greenberg, 1990), when employees perceive that they are being treated with justice by their employer, they will in turn reciprocate by showing positive behaviour to their co-workers and the organization as well. Equally, when employees experience injustice or inequity from their employer, they will reciprocate to employer’s injustice by engaging in negative behaviour such as deviance behaviour.

4. CONCLUSION

The foregoing discussion has highlighted a number of antecedents of counterproductive work behaviour. Having highlighted these antecedents postulated to explain the causes of counterproductive work behaviour, next is validate the framework depicted in Figure 1 using scientific method. This is because in spite of the individual and organisational costs associated with workplace deviant behaviour as well as the large number of studies that have been carried out on workplace deviant behaviour to our knowledge, little is known on the moderating effects of exchange ideology on justice-deviant relationship. Therefore, the proposed study will enable the policy makers and practitioners to take corrective preventive measures in order to minimize the occurrence of counterproductive work behaviour.
Organisational Justice

Counterproductive work behaviour

Exchange ideology

Figure 3.1 Research framework

REFERENCES


