



## INDIVIDUAL, ORGANIZATION AND OPPORTUNITY FACTOR IN THE RELATION TO EMPLOYEE MISCONDUCT IN WORKPLACE: A REVIEW

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### *Abstract*

*There are several significant variables that leading to employee misconduct in workplace: individual factor, organization factor and opportunity factor. This paper will examine those significant factors, followed by a brief introduction of these sets of factors. A case will be presented to illustrate and demonstrate the model in evaluating ethical misconduct in workplace. The main causes of misconduct of employees will be evaluated and overcoming the obstacle will be exposed. Employee misconduct might be common in public and private sector; however, an appropriate action should be imposed to determine the minimal consequences towards employee performance and organizational development.*

**Keyword:** *Individual, organization, opportunity, employee, misconduct*

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### INTRODUCTION

There are various types of people in an organization either from private or public sector, some individual will behave differently based on their sociological and psychological background. Hence, employee misconduct will only manifest dysfunctional and threatening to the well-being of an organization as a whole, Edralin (2015). In recent years, there has been an increasing amount of cases on employee misconduct which is motivated by

individual, organizational and opportunity factor. Employee misconduct happen when organizational Human resource practises being misused or being over productive. Following sets of variables are connected internally because it is involved personality and psychological traits of an individual. So, it is vital to recommend an effective method of solutions in order to provide balanced environment in workplace and at the time being to create harmonious state of mind among employees.

The issues of employee misconduct had whistle blow within organization either in public or private sector. Historically, research investigating the factors associated with employee misconduct has focused on demographic variables that encompasses gender, personality traits and psychological development, Werbel & Balkin, (2010). However, the fundamental factors have not been studied in dept involving the main factors such as individual factor, organization factor and opportunity factor. There are connected each other, whereby the individual traits and personality based on organization norm. Moreover, organization rules and Human resource practices that create opportunity give space to the employee to be counter-productive that leads to misbehaviour.

While acknowledging the significant of previous research as core factors that influencing workplace misconduct, the paper also responsible to proposes a similar cases of workplace deviance that involving individual, organization and opportunity factors. Accordingly, the primary contribution of this paper is to have in-depth studies of primary factors and to propose the measures to avoid or to reduce minimal impact on organization as a whole. Meanwhile, Vardi and Weitz (2004) had proposed two major types of elements that cause misconduct in workplace. First, individual factor (e.g., dissatisfaction, personality and moral development) and organizational factor (e.g., goals, climate and authority). The studies reveal that individual behaviour is strongly influenced by the organization norm and practices, Vardi (2001).

## **LITERATURE REVIEW**

### **Concept of Misconduct**

Misconduct consists of several types of behaviours that are counterproductive towards organization: an action which is absolutely illegal, actions that breach formal organizational norm, steps that is not violating the rule but against the spirit of rule and actions that are counterproductive, Larkin & Piere (2015). Moreover, according to Ministry of manpower; Singapore Government (2017) misconduct is the failure to fulfil the conditions of employment in the contract of service, examples absenteeism, dishonesty or immoral conduct in workplace.

According to Bennet and Robinson (2000) misconduct can be separated into two primary categories: organizational misconduct and interpersonal misconduct. Organization misbehaviour refers to deviant behaviours directed toward the organization, for instance including theft, absenteeism, and tardiness. Meanwhile, interpersonal misconduct refers to misbehaviour that focus on abusing other employees, examples consist of gossiping, sexual harassment and stealing from co-workers, Liao, Joshi & Chuang (2004). Moreover, deviant behaviour is disturbing yet common in reality nowadays, previous studies had categories several types encompasses antisocial behaviour, counterproductive behaviour, dysfunctional behaviour and organizational misbehaviour, Kidwell & Martin (2004).

### **Concept of Employee Misconduct**

Nevertheless, a study by Werbel and Balkin (2010) found that employee misconduct or misbehaviour have been used to described unethical behaviour in organizations that includes severe behaviour such as aggression, violent,

bullying, assault and harassment. Even, Kidder (2005) define employee misconduct as another category of research of unethical behaviour in organization that closely related to corporate that often appears as headlines in media.

These findings are supported by the findings of, Buckley et al., (2001) whereby, employee misconduct relates to the perceptions of how people will react in fulfilling professional standards for doing business. This can involve committing corruption in order to reveal the methods or formula of a product to the outsiders that lead to the revolutionary reverse engineering of the product. In this matter, employees are willing to betray the company policies and norms in order to have personal satisfaction rather than organization benefits. However, organization itself motivates employees to over-productive that lead to the pay for performance context which is lead to the deviance.

Base on previous studies of misconduct, Noel & Hatron (2014) propose that fundamental teaching on ethics in early stages, for instance in higher institution could predict ethical awareness among students. Moreover, ethical training and courses might ensure minimal impact towards organization which involves a bunch of factors who encourage employee misconduct in workplace. Even, the studies open opportunity to identify the gaps for future research by measures ethical and deviance behaviour in workplace.

According to Moore & Moore (2014) perceived that ethical climate among employee is depends on employees commitment on organization objective. Moreover, organization commitment also is based on gender differences which play a crucial role in contribute themselves into organizational commitment. Thus, organization Human resource policies should encourage teamwork among employee to increase responsibilities towards their organization goals and objective. So, by practising teamwork regardless gender and ethnicity an organization could create harmonious ethical climate among themselves.

### **Organization Factor**

In contrast, Werbel & Balkin (2010) had stressed that human resource practices in deciding performance management and compensation policies is closely related on employee misconduct. Hence, organization and its policies play a vital role in determining a rational performance appraisals and compensation benefits, which is a starting point to the employee to react accordingly in achieving organization objectives.

Meanwhile in public sector, organizational factors influence employee evaluations of unethical conduct in federal agencies. According to Brewer and Selden (1998) shows that public servant with higher regard for the public interest are more likely to involve in illegal or wasteful activities within their agencies. Moreover, several studies indicate that frequent amendments of leadership practices and code of conduct are prone to effects on employee ethical behaviour in public organization, Cowell, Downe, and Morgan (2014). Hence, organizations exist to coordinate resources, including actions of employees to organise the resources in appropriate manner.

### **Individual Factor**

Individual factor is likely to be fundamental variable to determining the influence of employee misconduct in an organization. according to Vardi (2001) based on individual motivation framework, at the individual the sub-factors includes personality, organization added value, generalized values of loyalty, personal circumstances and lack of personal satisfaction in an organization. In addition, age factor also correlated with employee misconduct, with younger generation have greater chances in engaging workplace misconduct, Huiras, Uggen and McMoriss (2000). This individual factor involves most likely younger generations due to the demand of organization and the

performance evaluation that directed to step such a conduct.

However, misconduct in organization also associated with an individual difference with moral and integrity Werbel & Balkin (2010). Nevertheless, employee who are perceived higher moral and integrity are less likely to engage in misconduct despite their organization pressure, Ashkanasy, Windsor & Trevino (2006). Nowadays, less awareness was given to develop the moral value perspective that directed younger generations to easily reverse to the unethical conduct in organization. Even, it is common in business field rather than in organization because they are free from code of conducts in organization and have more chances to react in certain environment and situation.

### **Opportunity Factor**

Opportunity factor is among the curious factor that influence employee to involve in misbehaviour in workplace. Opportunity is only come one in a million for someone in certain period of time, so employee has a choice whether they going to use it in proper manner instead of misuse the opportunity given. Furthermore, opportunity factor is influenced by the strength of policies and norms which guideline the workplace. Moreover, the strength of the policies that determining punishment and rewards by enforcing those policies and procedures, Davis, Read & Powell (2014). Other than that, people with strong monetary background, positions and seniority might be one of crucial element in involving misconduct activities such as, embezzlement or misuse of power in organization.

## **RESULTS AND DISCUSSIONS.**

Among the plausible explanations for these finding is that misconduct in workplace is fundamentally occurs when less attention was given on organization, individual and opportunity factors. Hence, these sets of factors had been identified as crucial field of studies that should be looked in-depth. Moreover, further studies should be conducted in order to regulate an effective measure to minimize workplace misconduct and to create harmonious working environment.

These results seem are in agreement with Davis, Read & Powell (2014) findings which showed the case sentencing a former national treasurer of the U.S Episcopal Church. Ellen Cooked had been accused using her position to divert 2.2 million dollars of church fund for her personal use for almost five years' period. Moreover, she even misuses her power in position to systematically fired employees who are train to recover financial shortfall within the church management. So, from these cases we can relate to fundamental sets of factors that directed Ellen Cooke to involve in embezzlement in Church management.

Meanwhile, these findings are somewhat surprising given the fact that other research shows organization policies that somehow could pressure employee to be attached to workplace misconduct. According to economist, Dr Muhammed Abdul Khalid, the current reality especially in our country is that the lack of effective policies in organization was the main contributing factor that gives opportunity to the employee to have disciplinary problems. The formation of an organization must be beginning with 1) organization values, 2) context of work, 3) stakeholders, 4) talents, 5) managements, 6) leaderships, 7) human resource practices and 8) measurements. These eight competencies of strategic human resource management also contribute large amount of reflection to employees. In addition, mismanagement of these competencies might put on tones of pressures on employees that might create employee misconduct.

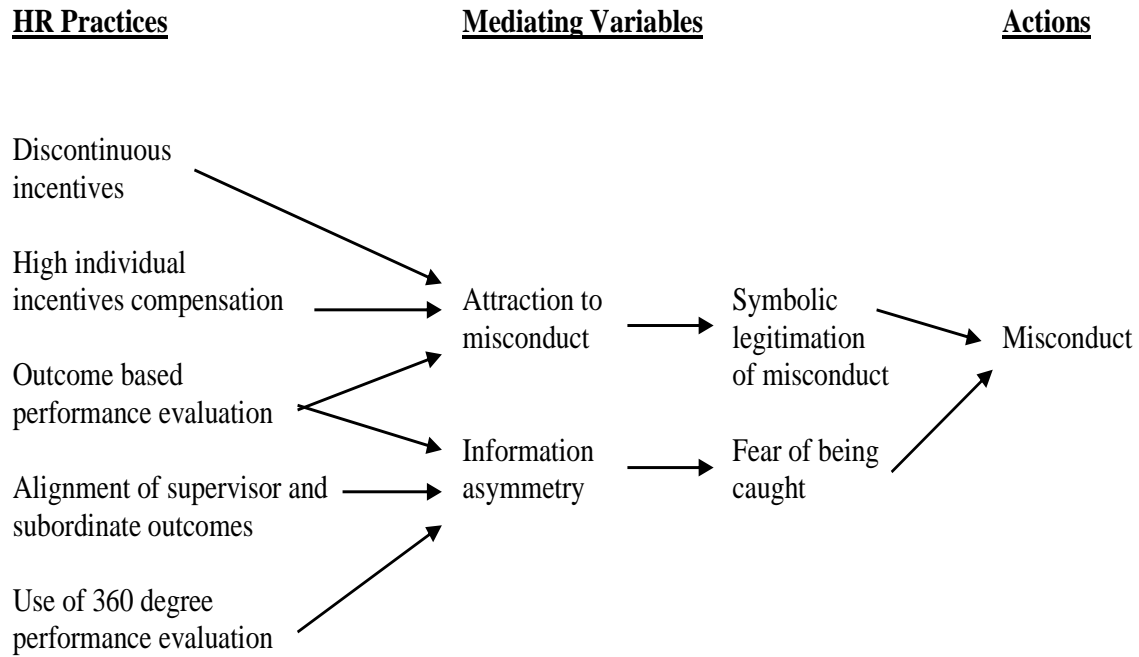


Figure 1: A rational choice model of HR practices and workplace misconduct.

Based on the model in Figure 1, the research had been done on the contributing factors that boost performance of subordinate. The model shows that, human resource policies that endorsed by the organization is creating opportunity to the employee to perform misconduct in workplace. Hence even good individual incentive compensation also may lead to employee to attracted to misconduct because these policies creates high competition among employees, Smith, Simpson & Huang, (2007). Moreover, the competition may become unhealthy mainly because of individual traits that even may slashed other people who are in the way in the sake of achieving the highest rewards. Other than that, fears among employees also a factor when they trying to skip or being over-productive to prove themselves and to get best rewards. Eventually, we can clarify that individual, organization and opportunity are chain together that responsible establish unhealthy working environment.

According to Smith (2015), there are several steps that can implement by following consistent procedure to avoid further problems. Meanwhile, handling and reacting to employee misconduct can be a very stressful situation for a human resource professional. So, several strategies can have implemented for effective dealing with misconduct when a situation arises. Firstly, employers have their right to dismiss employee when misconduct happens in organization however there should be a proper procedure to do. Hence, employer may need to gather all the fact about an incident by taking some time for a conversation to make good disciplinary actions. Moreover, immediate counselling to the employee should be conducted to avoid major misconduct among employee which is huge liability to organization.

In addition, employer should not make termination decisions alone but it should be aligned with Employment Act 1955 and Industrial Relation Act 1967, Ashari & Mahmood (2013). The Law of Malaysia as follow should take as a guideline to avoid inappropriate dismissals. The decisions must be taken by involving human resource officers and senior member of management. Moreover, this internal review will ensure adequate discipline and minimize the risk of a discrimination claim. Other than that, human resource department must have

comprehensive records of every incident from employee so that department have record of up to date. This record keeping method may avoid unfair decision making on the employee and likely to be fairer. For instance, public servant in Malaysia will have their own record system wherever department they move or shifted till the day of retirement arrives.

Then, the human resource department or administration is responsible to take immediate actions without any delay. They might have to deal with the situation as soon as possible to prevent questions arise about the motive of delaying the process. So, we have to make sure to disciplining consistently so that the response will teach immediate lessons to the accused. Moreover, every single decision which is taken should be bear in mind the goals and objective of an organization. The decisions that had been made is not only to punish the employee alone, hence it should be by modifying the existence behaviour and traits that lead to wrongdoings. Last but not least, maintaining all those documentations related to employee misconduct in workplace will helpful in handling similar incident when it is occurring. Hence it will be helpful to make disciplinary action by keeping the copies of interview transcripts and evidence that will be a pillar that backs up the decisions.

## **CONCLUSION**

The findings from this study make several contributions to the current literature. First, we find that organization, individual and opportunity factor is mainly contributing factor to employee misconduct in workplace. However, previous research shows only sub content of fundamental variables or intermediate variables that either minimize or maximize the effect of misconduct in workplace. In this review we find out that there are only three vital factors in contributing the misconduct incident in workplace. Firstly, individual factor whereby the gender different between male and female regarding ethical behaviour. Hence, we found that women are more likely to be ethical than men and they are likely to move forward to be part of whistle blowers in organization, (Kaplan, 2009).

Secondly, organization factor which also a fundamental factor by pressuring employees and employers as well by outdated human resource policies and code of conduct that lead to the employee misconduct. Moreover, it is responsible to create unhealthy condition in workplace and communication breakdown between employee and employees that had been contributing factor of decision making. Failure of human resource policies in organization will lead to poor compensation and reward system that may produce unproductive subordinates. On the other hand, it may also counterproductive employees who are willing to step on among themselves to achieve particular goals. So, it may bring to lack of knowledge sharing among them to have teamwork in order to move forward on organization vision and mission.

In a nutshell, owe might examine the opportunity factor in this article whereby individual factor and organization factor might be creating and leading to the employee misconduct in workplace. The inadequate organization policies and unethical individual behaviour may lead to activities that not harmonious environment in organization. Other than that, opportunity also rises when someone had high positions and seniority in certain field, they tend to misuse the power by involve in embezzlement or take advantage of other people weaknesses. So, employee misconduct might be seen as a common activity in either public or private sector but appropriate and immediate action is necessary to encounter the sign of misconduct among employees to create harmonious environment in workplace.

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