ORGANISATION RESTRUCTURING: THE INFLUENCE OF INTERPERSONAL CONFLICT, ANOMIE, AND TRUST IN MANAGEMENT ON COUNTERPRODUCTIVE WORK BEHAVIOR

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ABSTRACT

Employees’ reaction to organization restructuring varies as some react positively towards change but others refuse to accept it. Those who react negatively may engage in counterproductive work behavior. Since the existing studies are scarce in addressing this issue especially during organization restructuring, the present study is meant to investigate the influence of interpersonal conflict, anomie and trust in management on employees’ counterproductive work behavior. Data were collected from 215 non-managerial staff of a company offering maritime related services, which is undergoing restructuring exercise. Using a multiple regression analysis, it was found that trust in management and interpersonal conflict negatively influence counterproductive work behavior while anomie or feeling helplessness or hopelessness positively influences counterproductive work behavior. The implications of the study are discussed in the paper.

Contribution/Originality: This study contributes in the existing literature by providing empirical evidence on the role of trust in management, interpersonal conflict and anomie in influencing counterproductive work behavior. These three factors are significant predictors of counterproductive work behavior.

1. INTRODUCTION

Employees commonly spend more than eight hours at their workplace in which interactions become critical among organizational members. Such interactions generate opportunities for the exhibitions of various forms of individual behaviors. As individuals, employees are unique as they may exhibit both the positive and negative work behaviors due to their contacts with varieties of situations and circumstances. Scholars and researchers argued that understanding employees’ work behavior is deemed critical as it is the key for any organizational success. In an
attempt to improve our understanding on employees’ work behavior, researchers argue that counterproductive work behavior (CWB) that is conceptualized as negative work behavior has been one of the significant current discussions. CWB (e.g. (Abdul et al., 2012; Fox et al., 2012; Klotz and Buckley, 2013; Abas et al., 2015; Marcus et al., 2016; Courtois and Gendron, 2017; Harvey et al., 2017)) continues to be a world-wide phenomenon and common problems facing today’s organization that demands more investigations for identifying its root causes and appropriate solutions as a way to minimize, if not to eradicate such negative work behavior that will deplete individual and organizational performance.

CWB refers to any form of behaviors that diverge from norms or negative, that can be ranging from gossiping, moral disengagement, workplace retaliation, to sabotaging organizational property, to name only a few (Robinson and Bennett, 1995; Bennett and Robinson, 2000; Aubé and Rousseau, 2014; Abdul et al., 2016; Zaghini et al., 2016). This undesirable behavior has been argued to negatively influence individual and organizational performance such as low productivity, up-surging company’s insurance costs, lost and damage property, increasing dissatisfaction, absenteeism, and negativity (Bennett and Robinson, 2000; Henle, 2005; Bhatti et al., 2016; Chung and Yang, 2017).

In the Malaysian context, cases of CWB, including fighting at workplace, insubordination, theft, bribery and fraud are common cases in the Malaysian Industrial Courts (Malaysian Law Journal 2010 – 2017; KPMG Malaysia Fraud, Bribery, and Corruption Survey 2013) as well as in national and international media. Regrettably, no formal statistics on the incidences of CWB was documented by the Malaysia Labor Department (Sharizan et al., 2013). Due to this alarming condition that has a negative impact on organization, local researches (such as (Alias et al., 2013; Abas et al., 2015; Iqbal and Hassan, 2016; Raja et al., 2017)) argued that further investigations are essential as to rectify the roots of the problems. Based on the suggestion from literatures (e.g. (Tsahuridu, 2009; Javed et al., 2014; Bhatti et al., 2016; Chung and Yang, 2017)) in comparison with past local studies, this study aims to investigate the influence of interpersonal trust, anomie and trust in managing employee CWB.

Specifically, this study aims to study the relationship between interpersonal conflict, anomie, trust in management and CWB among employees of a service industry, currently, in the midst of restructuring exercise. Employees who participated in this study consist of non-management staff of a company that provides technical services in the central region of Malaysia which is in the process of organizational restructuring. Using the theories of psychological stress at work, it is expected that this empirical evidence will aid the practitioners to develop appropriate strategies to minimize the occurrences of CWB by managing interpersonal conflict, anomie, and trust in management among employees in a stressful event. This study will start with literature review on CWB, interpersonal conflict, trust in management and anomie. Findings of the study will be presented using quantitative methods using tested measurement instruments. Lastly, this paper will share the conclusion and recommendations that could be adopted by practitioners at large.

2. LITERATURE REVIEW

2.1. Counterproductive Work Behaviour

Counterproductive work behavior (CWB) is a behavior intended to hurt the organization or other members of the organization (Bennett and Robinson, 2000). For a simplistic understanding of CWB, researchers has established that the characteristic of CWB consists of two behaviors, namely, CWB-Interpersonal (CWB-I) and CWB-Organizational (CWB-O). CWB-I, such as aggression and hostility, are behaviors directed to individual members of the organization. While CWB-O, such as purposely doing task incorrectly or theft, are behaviors directed to the organization. Other researchers such as (Spector et al., 2006) categorized CWB into five dimensions, namely, abuse against others, sabotage, production deviance, theft, and withdrawal. In addition, researchers such as Bennett and Robinson (2000); Hollinger (1986) and Kelloway et al. (2010) further categorized CWB from its target to the degree of severity, ranging from minor to severe. Gossiping, instead of working, is classified as a minor
CWB, while, fight at work would be classified as severe act (Hollinger, 1986; Bennett and Robinson, 2000). Interestingly, several researchers conceptualized CWB as a construct by itself (Omar et al., 2011).

This study is aware that empirical evidences highlighted several categories and classifications of CWB. Yet, the understanding of the predictors that lead to employees acting undesirably is deemed critical, it enables practitioners develop strategies for managing and preventing occurrences of such negative behavior. Such pervasive behavior would cost a lot to organizations and would project negative company’s image if it has received media attention. Therefore, as indicated earlier, in this study, the three variables namely interpersonal conflict, trust in management, and anomie will be further discussed.

2.2. Interpersonal Conflict

Interpersonal conflict, generally, refers to matters that arise due to differences in goal or interest between each member of group in an organization. For the purpose of this study, interpersonal conflict is conceptualized as the perceived and/or actual incompatibility of needs, interests, and/or goals between two interdependent parties over task related and/or affective issues, and such differences influence their behavior at work. Conflict, either the interpersonal or organizational conflict, needs to be managed or it will destructively bring dislocation and polarization of the organizational members with reduction in productivity and job performance (Akanji, 2005). Researches such as Cohen et al. (2013); Hershcovis et al. (2007) and Longe (2015) further argued that conflict can influence employees’ attitude and behavior negatively. In similar note, Riaz and Junaid (2012) conceptually summarized the consequences of interpersonal conflict, among others, it influences employees’ attitude negatively, such as trust deficit and damaged management credibility. Riaz and Junaid (2012) further argued that interpersonal conflict would also negatively affect employees’ work behavior such as reduced productivity, excessive turnover and undesired work behavior. Empirically, it was also shown that interpersonal conflict demonstrated a significant and positive relationship with job stress (Ullah and Naeem, 2012) dissatisfaction and low self-monitoring (Ohbuchi and Fukushima, 1997). Interestingly, Yao et al. (2014) empirically demonstrated a negative and significant relationship between work stressor and employees’ negative work behavior. Hence, this study postulated that interpersonal conflict that arises during the restructuring process will demonstrate a positive and significant relationship with CWB (CWB-I & CWB-O).

2.3. Anomie

Anomie has been conceptualized as an individual’s lack of integration in social life (Srole, 1956). It is related to helplessness or hopelessness that causes an individual to experience lack of purposes and values that lead to a breakdown of the norms that rule the conduct of people (Tsahuridu, 2006). The study on anomie has been extensively attracted researchers in sociology and psychology discipline to explain various forms of deviant behavior that include criminal behavior, alcoholism, and dishonesty (Caruana et al., 2001). However, the link between anomie and workplace counterproductive behavior appears to be scarce. Christ (2015) indicated that an individual who is said to be anomie, tends to create his/her own world and behaves towards it as he/she pleases without integrating with others that leads to a CWB behavior. In a restructuring exercise, due to uncertainty, worker’s work behaviors appear to depend heavily on the level of adherence by organization to basic normative standards of employment. Moreover, restructuring exercise is a top down instruction, where employees feel helpless and hopeless to sequentially going through the restructuring exercise.

If an employee perceives that the level of employment relationship adherence is violated by the employer or faced by an unconventional impediment towards his/her goal achievement, an individual will feel a sense of frustration (Berkowitz, 1962) dissatisfaction, and pressure. At work, frustration would increase employees’ feelings of negative emotion, job stress, and would motivate them to act in a counterproductive manner (Merton, 1968). Being anomie, an employee tends to engage with behavior in relation to work instead of non-work context.
Such engagement may influence employees’ ethical behavior at work (Martin et al., 2009) where they tend to seek an alternative immoral means to achieve the unsuccessful prescribed objectives. Johnson et al. (2011) empirically demonstrated that a competitively fierce working environment demonstrated strong influence on anomie in organizations. Ntayi et al. (2010) empirically revealed a positive and significant relationship between anomie and public procurement officer’s deviant act in Uganda. They also empirically demonstrated that anomie acts as a mediator on the relationship between moral disengagement and deviant behavior. As such, this study argues that anomie will be positively related to counterproductive work behavior.

2.4. Trust in Management

Trust, as a valuable resource within organizations has been conceptualized as an attitude and is believed to be an important determinant of individual and organization performance. Although scholars of human resource management have not paid much attentions as those of the organizational behavior scholars (e.g., Shahid and Azhar, 2013; Brown et al., 2015) more human resource management researchers (e.g., Dietz and Den Hartog, 2006; Bakon and Hassan, 2013) have begun to take notice of its value. Trust is conceptualized as an individual belief in the truthfulness, benevolence and sincerity of others. When an individual trusts someone, he/she will reciprocate positively which can be considered as some forms of cooperation with the others. This will enable better cooperation and will reflect how employees view their relationship with management. In similar note, trust in management can create atmosphere in which employee is willing to build a truthful relationship with management. However, in stressful events, such as in a restructuring exercise, employees’ trust towards management would probably deteriorate. This is due to the perception on management’s inability to fulfill their perceived psychological contract; for being defined as an organizational asset. As argued by Mineo (2014) trust is seen as an investment overtime that will allow success of individual and organizational objectives. Trust is a strong component in employee-employer relationship. Trust has a positive and significant relationship with organizational support and organizational citizenship behavior. In contrast, if employees’ trusts towards management or organization were belittled, their conduct at workplace could be in a negative behavior. Conceptualizing CWB as contrasting form of behavior from OCB (Fox et al., 2012) this study postulated that there will be a negative and significant relationship between trust in management and CWB.

3. METHODOLOGY

3.1. Procedure and Sample Characteristics

Data were collected from a company specializes in maritime-related services with a population of 403 employees. Due to the new company’s direction and vision, employees were made aware of the restructuring exercise. It was expected to be implemented in the 4th quarter of year 2017. Based on this phenomenon, permission from the company’s management for this study to be conducted was requested and approval was granted in mid-year of 2017. The Human Resource Manager being the contact person assisted in the distribution of the questionnaires. Participation was on a voluntary basis. Eventually, there were 215 valid responses after 11 were rejected due to incorrect completion of the questionnaire. The sample comprised 64.7% males (139) and 35.3% (76) females. 87.4% were 45 years old or younger, while the remaining 12.6% were older than 45 years of age. All respondents were non-management staffs who were in normal working hours (64.2%) and shift working hours (35.8%). In terms of organizational tenure, 80% (172) of the respondents had been with the company for less than five (5) years, while the remaining 9.8% and 10.2% respondents’ organizational tenure was between 5 - 7 years, while the latter was more than 7 years. A total of 131 respondents had either a diploma or a degree level of education. While 13.9% had a professional certificate and 25.6% were secondary school leavers.
3.2. Measures

All items were scored on a 6-point Likert scale ranging from 1 = Strongly Disagree to 6 = Strongly Agree. Cronbach’s alphas representing the reliability value was within acceptable limits as shown along the diagonal of the correlations table (Table 1).

Counterproductive work behavior: We used the 10 items to measure counterproductive work behavior. However, all items were reversely stated into positive statements. For instance, the original statement of “purposely wasted my employer’s material or supplies” was restated as “never purposely wasted my employer’s materials and supplies”. All data for this variable was reverse-coded before conducting the data analysis process.

Anomie: In this study, anomie was measured using the 8 item measure proposed by Tsahuridu (2006) to measure work related construct. Sample items include “I get the feeling that life at work is not very useful” and “People in this company don’t really care what happens to the next person”.

Interpersonal conflict: Spector and Jex (1998) 4 items scale which explored areas of interpersonal conflict at work among employees were adopted for the purpose of this study. Sample items include “I always get into arguments with others at work” and “Other people are often rude to me at work”.

Trust in management: Trust in management reflects the level of employees’ trust towards their management. Trust in management was measured using responses to the following sample survey items. “My Company’s management always tries to treat me fairly and makes me feel more confident in my work” and “My Company’s management would never take advantage by deceiving the workers”.

Reliability Analysis: Hair et al. (2006) conceptualized reliability as a measure of the degree to which a set of indicators of a latent construct is internally consistent in their measurement. The reliability for each measure was examined by computing its Cronbach’s alpha. Table 1 provides the reliability coefficients of the measures. It shows that all studied variables have Cronbach’s alpha values higher than 0.7. Hair et al. (2006) indicated that a very good reliability level is when the alpha value is 0.7 and above. Therefore, the internal consistency of the measures used in this study is considered acceptable.

Correlation Analysis. The correlations and directions of the study variables were examined by computing the Pearson (product moment) correlation coefficients (r). The Pearson’s r indicated the coefficient’s estimate of linear associations based on sampling data. However, it does not distinguish the correlation between the independent and dependent variables. Thus, the summary statistics of correlations does not reveal the appropriateness of the data for the model. The negative and positive signs only signify the direction of the association but do not reveal the size of the relationship (Hair et al., 2006). For the purpose of this study, correlations of .30 are considered low level. Meanwhile, correlations of .80 are considered high level. As shown in Table 1, all studied independent variables (trust in management, anomie, and interpersonal conflict) demonstrated a significant correlation with CWB. The direction of the correlation is as postulated, except for interpersonal conflict that demonstrated a negative correlation.

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*Correlation is significant at the 0.05 level (2-tailed).
**Correlation is significant at the 0.01 level (2-tailed).

Note: 1-gender, 2-marital status, 3-education, 4-work schedule, 5-income, 6-org. tenure, 7-trust in management, 8-interpersonal conflict, 9-anomie, 10-CWB.

The numbers in parentheses on the diagonal are coefficient alphas.
Table 2. Regression Results between Independent Variables and Dependent Variables

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*Correlation is significant at the 0.05 level (2-tailed).
**Correlation is significant at the 0.01 level (2-tailed).

4. REGRESSION RESULTS

Table 2 shows the results of the regression analysis between the independent variables (trust in management, interpersonal conflict, and anomie) and the dependent variables (CWB). Gender, marital status, education level, organizational tenure and work schedule were conceptualized as the control variables (Abdul et al., 2012). As depicted in Table 2, the control variable is not significant for the studied model. In step 2, it was demonstrated that the model is significant and the studied variables explain 78.6% of the variation in CWB ($R^2 = 0.786, p < .01$). Trust in management shows a negative and significant relationship with CWB. This indicates a support for Hypothesis 1. Interestingly, interpersonal conflict demonstrated a significant and negative relationship with CWB. It contradicts the initial conceptualization of significant and positive relationship. On the other hand, the positive and significant relationship existed between anomie and CWB, which supported the third hypothesis.

5. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This study has attempted to answer the questions of whether employees’ trust in management, interpersonal conflict and anomie has significant influence on CWB. The regression results revealed that trust in management demonstrated a negative and significant relationship with CWB. As postulated, when employees believe or highly trust the company’s management, the tendency for them to act counterproductively would be low. In contrast, when their level of trust towards the company’s management deteriorates, the tendency for them to get even by acting counterproductively would be higher. In similar note, when their level of anomie is high, they tend to be more counterproductive at workplace (Christ, 2015). These suggest that when employees feel helpless and hopeless and experience a lack of purpose and value at workplace, the tendency for them to act counterproductively such as to purposely wasted employer’s materials/supplies and complaining about insignificant things at work would be very high.

Interestingly, the relationship between interpersonal conflict and CWB is significant but in a negative direction instead of positive direction. This finding revealed that when an employee encounters or experiences a conflict with his/her peer, the tendency for him/her to act counterproductively would be lower. This finding opposed the assumption of this study that postulated a positive and significant relationship between interpersonal conflict and CWB. The possible explanation is that the company is in the process of restructuring/reorganizing which eventually will lead to retrenchment exercise. Being retrenched, employees are entitled for termination benefits upon retrenchment. However, if their peers reported the conflict to the management, there will be a tendency that an investigation will be conducted. Such investigation may lead to the setting up of a domestic inquiry panel where the perpetrators or individuals involved in the conflict will be called to defend themselves. If they were found guilty...
of such counterproductive behavior or misconduct and being dismissed, no termination benefits are entitled. As such, employees would try to avoid any incidence that may cause conflict. If they encounter any interpersonal conflict, they would fend away and consolidate the problems among themselves. It should be noted that employees are tactful on their act of counterproductive (Abdul et al., 2012; Sharma and Thakur, 2016). If they are not happy with someone, they would try to avoid any interpersonal conflict but tacitly they will act counterproductively.

In conclusion, organizational restructuring either directly or indirectly would put employees in a stressful condition. Such stressful condition will influence their attitude and behavior at workplace. Interestingly, from this study, it was evident that they were cognitively alert on the consequences of their act to avoid further repercussions. Moreover, in stressful work environment, the association between trust in management, anomie and CWB is high. As such, the company’s management, specifically the managers, needs to develop appropriate strategies to ensure high level of trust among employees and to minimize employees’ level of anomie towards the management. For any interpersonal conflict that arises, actions taken should apply the concept of ‘natural justice’ and to reprimand the problems not as a solution to the company’s problems but to create a ‘win-win concept’. These will further mould greater employees’ trust, respect, hope and value towards the management.

It should be noted that this study is not without limitation. This study was done in a company specializes in a maritime-related services. Future study should extend the study in other service providers such as the banking and communication industry. Moreover, variables studied can be conceptualized as individual factors. Therefore, exploring other constructs will be able to provide better understanding on how to minimize CWB at workplace.

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