# The Effects of Supervisory Power and Organizational Politics on Employee Compliance within Belizean Organizations

by

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# **ABSTRACT**

Compliance is an integral part of any business and its operations. The adherence to rules, policies and processes can aid in mitigating the risks organizations have to face in paying fines and legal fees. In developing nations, the fight against non-compliant behavior has been ongoing over the years. As such this research undertook a quantitative study to ascertain what roles power and organizational politics play when it comes to employee compliance in terms of adhering to policies and procedures within Belizean organizations. This study collected data from 399 employees from both the private and public sectors in Belizean organizations. These participants were able to provide the best insight into how well policies and procedures are implemented and adhered to within their organization. After the data was collected, it was analyzed by being inputted into the Statistical Package for the Social Sciences (SPSS) 23 software to produce results. The results revealed that each base of power, coercive, legitimate, reward, expert, and referent power, have a different effect on employee compliance. The findings also revealed that organizational politics can have a moderating effect on the relationship between the use of personal based power and employee compliance. The findings of this research explain the importance of supervisors using the bases of power appropriately. It also highlights some key reasons contributing to noncompliance by employees due to the use of power and organizational politics.

Keywords: employee compliance, supervisory power, organizational politics, Belize



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# CHAPTER I INTRODUCTION

This section will provide a general description of the research topic. It is comprised of the problem statement, research objectives, research questions, significance of the study, and definition of key terms.

# **Background of the Study**

In an age of increased global interconnectedness, access to more resources, technological advancements, and stricter penalties, it is crucial for organizations to maintain a high degree of compliance. Upholding a high degree of compliance is crucial since there are detrimental effects on organizations. Examples of detrimental effects of business process non-compliance include a loss of control over business processes (Sadiq et al., 2007), reduced productivity (Bagayogo et al., 2013), or even financial penalties imposed by authorities (Lu et al., 2008). As such, organizations must ensure that they adhere to international and local laws and policies to avoid facing adverse consequences.

Root (2019) stated, "Compliance refers to a firm's effort to ensure that it and its agents adhere to legal and regulatory requirements, industry practice, and the firm's internal policies and norms" (p. 205). Compliance, therefore, can be instrumental in preventing illegal and unethical behaviors within and outside of organizations. Hence, ethics and compliance trainings should, in theory, help minimize the risk companies are exposed to in becoming involved in undue business practices (Adam & Rachman-Moore, 2004). Compliance training has become customary in trying to minimize the risks for organizations.

Despite the increasing number of companies implementing ethics and compliance training, the corporate world continues to be rife with breaches of responsible management conduct, ethical failures, and scandals (Hauser & Kronthaler, 2014; Schembera & Scherer, 2017). Irrespective of the implementation of training, many organizations are still constantly faced with issues of non-compliant behaviors by employees at various levels. Deviations from prescribed work practices are part of the reality of many organizations (Lalley & Malloch, 2010; Röder et al., 2014). Organizations have implemented a variety of policies and procedures to safeguard their businesses as well as employees, but employees still stray from the guidelines, which constitutes non-compliance. Non-compliant behavior can manifest itself in different manners, such as skipping

work activities, performing additional activities, or performing activities without proper authorization (Andrade et al., 2016). Such behaviors are viewed as being risky since they can expose the company to an array of undesirable implications.

Employee compliance can aid in addressing a range of other problems including workplace safety, wages, and harassment. A report conducted by the International Labor Organization (2015) stated that "These regulations and standards apply to a wide range of issues, including occupational safety and health (OSH), wages, working time (including overtime), discrimination and harassment, maternity protection, employment contracts and paid leave, and the definition of decent work" (p. 1). Compliance programs aim to protect the organization as well as employees' well-being. The policies and procedures that constitute employee compliance function as a safeguard from hazards, illegal activities, and unethical actions.

Root (2019) expressed, "because compliance failures continue to occur, scholars, governmental actors, and industry leaders are constantly proposing, implementing, and questioning strategies aimed at improving organizations' compliance programs" (p. 210). Various stakeholders are working to address issues of non-compliance. Workplace compliance helps to ensure that organizations are equipped with the necessary tools they need to mitigate undesirable risks.

The risks associated with non-compliant behaviors by employees are sometimes heightened by the prevalence of power and politics within the organization. Most organizations try to portray themselves as being team or family oriented. Modern organizations often depict themselves as teams or families pulling together for a common goal. While this may be a partial description of organizational dynamics, it is far from complete (Camm, 2013). This portrayal of a family atmosphere is merely one aspect of what it is like in the organization, hence it does not present a complete picture of real work-life in the organization. Its mission is to accomplish organizational goals as a group. However, the utilization of power and politics oftentimes are used for individual gain.

The contemporary workplace is also a political arena in which individuals are constantly faced with situations in which employees must choose how to react to others who exercise power in ways they do not like or support (Camm, 2013). Employees must make daily decisions regarding

whether they will be influenced by other people's exercise of power over them. These people are oftentimes their manager or supervisor.

Power is one person's ability to exert change on another person's way of life and actions. Using power is a valuable means to influence and achieve intended desires and future actions in others (Alapo, 2017). Because organizations are made up of individuals whom each have their own goals, power is utilized to sway others in order for an individual's goals to be accomplished. These goals can be as simple as trying to accomplish a task as quickly as possible, to trying to gain more money for oneself. In short, the definition of power is a person's ability to convince another person to do or not do something (Adler et al., 2014). Each employee in an organization has the capability of possessing some degree of power. The degree may be dependent on each employee's position, access to information, or their ability to control resources. Organizational power also goes hand-in-hand with organizational politics.

Organizational politics is defined as illegitimate, unsanctioned behavior within the workplace that is intended to maximize one's self-interest (Chang et al., 2009). As with the use of power, politics is used with the aim of attaining self-gain. For many employees, organizational politics is an inevitable and unavoidable aspect of their workplace experience (Wiltshire et al., 2014). Organizational politics is unavoidable because each employee is trying to achieve their own objective. This type of behavior usually means that employees will go outside of their job requirements and make decisions that do not align with the organization's policies and procedures.

The theory of regulatory compliance and the power basis theory are used in this study to help to better understand the relationship between supervisory power and employee compliance. The theory of regulatory compliance focuses on choosing the best rules, regulations, and standards to be used within the organization. Meanwhile, the power basis theory is founded on the rational that power is utilized in order to fulfill one's need for survival.

#### **Problem Statement**

Root (2019) found that organizations from all over the world, out of fear of sanction, harm, retribution, or ridicule, initiate programs aimed at making certain that their employees and management team maintain compliance with external and internal norms and requirements.

Despite the concern of undesirable consequences, organizations are still battling issues of non-compliance.

As of recent, there have been concerns over organizations that have employees working from home due to the COVID-19 pandemic. It has been found that some organizations have been failing to update their policies and some are even failing to implement existing policies. Slingo (2021) revealed that, firms are placing clients and staff at significant risk by failing to pay attention to the impact working from home could have on compliance, a survey of 3,500 firms has found. Such failures can have severe ramifications for organizations.

Parsons et al. (2013) suggested that without intervention or clearly and consistently applied consequences for non-compliance, users are likely to repeat risky behaviors. Organizations need to pay attention to compliance procedures in such uncertain times. When the global community sees that there is a lack of policy enforcement in countries, such as Belize, they take advantage of the loopholes or refuse to do business with them because the risk is too high. The issues of whether non-compliance is punished and what penalties are levied, why the existing laws are not being adhered to, and how to properly implement the existing laws then arise.

In developing countries, limited resources are being invested into ensuring that organizations adhere to relevant local and international policies. Hence, organizations are facing adverse consequences of policy violations. One prime example of such consequences has been the de-risking of several banks operating in Belize. According to the Financial Action Task Force on Money Laundering (FATF) and the Wolfsberg Group (2014), de-risking refers to financial institutions terminating or restricting their relationships with customers or categories of customers that are deemed to be too risky to conduct business with. Financial institutions undertake a measure such as de-risking with the objective of making their organization safer by reducing the possibility of losing money due to doing business with criminals. Financial institutions, such as banks, have cut ties with customers or entities that are deemed as being too risky to do business with. The problem of de-risking has become problematic for many Belizean businesses. Other developed countries see Belize's financial sector as being unsafe due to non-compliance.

Vasquez (2017) highlighted that due to the issue of de-risking, there have been adverse impacts on the financial sector which spilled over to the personal and business activities of customers. De-risking due to non-compliance does not only affect those within organizations but

can have a ripple effect on the wider society. The study finds that transactional costs have (i) increased, with an adverse impact on Belize's financial institutions, their clients, and importers; and (ii) impacted the availability of some services (Vasquez, 2017). Any adverse impact on Belize's economy spreads to all areas of society. Resources are already limited, and it is already difficult for such a small, developing nation to compete in global markets without the added challenges of restrictive financial relationships.

Belize is not the only Latin American country facing such difficulties with compliance. Other Latin countries also face similar challenges. There has been a noticeable increase in the implementation of compliance policies in Latin American countries. Jorge and Basch (2013) found that the implementation of such compliance programs are aimed at diminishing instances of corruption and other unethical behavior in private and public sectors. Such programs not only help to deter non-compliant behavior in the private sector but in the public sector as well.

In aiming to deter non-compliant behavior within Belizean organizations this research must explore what factors contribute to non-compliance by employees. "Organizations are social entities where employees make efforts individually and in groups for valued resources, the struggle for power and positions, involve in conflicts and its resolution and execute different influential tactics to get the benefits and serve their self" (Ogwuche, 2014, p. 2). This makes it nearly impossible for organizations to be completely free from the use of power and politics by employees. As such, power and politics will be the factors that this research will focus on to ascertain how they affect employee compliance.

# **Research Objectives**

There have been quite a few studies conducted in reference to compliance and even more done on power and politics. Despite the existence of such previous studies, there are limited ones conducted about how power and politics can affect employee compliance. As such, this research aims to fill that gap. This research further expands on the topics of power and politics while delving deeper into how those variables affect employee compliance. This research also aims to fill the gap of a lack of previous studies conducted in Latin or Caribbean countries, of which Belize is a part of. It aims to empirically investigate what effects power and politics have on employee compliance specifically in Belizean organizations.

# **Research Questions**

As a means for the researcher to be able to outline what this research will investigate, the below research questions were formed.

- 1. Does the exercise of supervisory power have an effect on employee compliance?
- 2. Does organizational politics have an effect on employee compliance?

## **Significance of the Study**

This study examined the factors that affect employee compliance, as such, the results of this study help to bring to the forefront some of the causes of employee non-compliance in developing countries, such as Belize. This research can aid in ascertaining what can be done to address the issue of employees not adhering to organizational policies and procedures due to the use of supervisory power. It can also provide insight in understanding the role of power and politics in achieving compliance by employees. Since compliance is especially important in a globally connected world, this study can be beneficial in helping organizations from making common mistakes that can be detrimental to its growth and success. The findings from this study can potentially help managers and subordinates to avoid some pitfalls that impede how well policies, procedures, and laws are followed to safeguard the organization.

#### **Delimitations**

This study is bounded by the responses provided by Belizean employees only. It is also bounded by three specific variables. These are employee compliance, supervisory power, and organizational politics. These variables were measured using closed ended questions only.

# **Definition of Key Terms**

#### **Employee compliance**

Compliance is the set of processes an organization uses to ensure that employees and the organization as a whole abide by internal rules of conduct and external rules and regulations (Bilich, 2015).

Another key definition that can also be employed is "Compliance to a business process, software usage procedure, or business rule is performing activities in conformance with whatever specification is meant to guide those activities" (Alter, 2015, p. 2).

#### **Supervisory Power**

"Organizationally, supervisory power has been described as the ability to make something happen. Achieving desired organizational results are dependent on one's capacity to influence others' points of view. The application of power is also a process of bringing in a desired change in the behavior or the attitudes." (Mir et al., 2016, p. 52).

#### **Expert Power**

Expert power is defined as the perception of a person that another person has special knowledge or expertise (Raven et al., 1998).

#### **Referent Power**

The ability to influence by using one person's identification with another (French et al., 1959).

# **Organizational Politics**

Organizational politics has traditionally been defined as behavior that is "self-serving, contradictory to organizational objectives, and premeditated to cause individuals, groups or entities harm" (Hochwarter & Thompson, 2010, p. 1372).

It has also been said that organizational politics "involves actions by individuals that are directed toward the goal of furthering their own self-interest without regard for the well-being of others or their organization" (Kacmar & Baron, 1999, p. 4).

#### **Theory of Regulatory Compliance**

"The Theory of Regulatory Compliance deals with selecting the right rules and standards that have predictive validity and do no harm" (Fiene, 2016, p. 2).

#### **Power Basis Theory**

This theory "argues that the necessity of power arises from the requirements humans have for survival" (Pratto et al., 2011, p. 191).



## CHAPTER II LITERATURE REVIEW

This section will provide relevant empirical information necessary for understanding the terms used throughout this study. Each variable, employee compliance, supervisory power, and organizational politics are explained using relevant literature.

# **Theoretical Support**

Throughout the analysis of previous data, it became evident that the majority of organizations employ ethics and compliance training primarily with the intention of raising awareness and transferring knowledge (Hauser, 2019). Information is merely shared with employees; however, measures are not taken to ascertain whether the right policies are being implemented, and to actively enforce and put into practice what is shared. Brouer et al. (2011) concluded that gaps between process specifications and practical requirements are inevitable and non-compliant behavior occurs to bridge this gap. Policies are often drafted with the intention of being employed. However, those that are put in place are sometimes ambiguous and are not the best policies to be implemented.

#### **Theory of Regulatory Compliance**

The theory of regulatory compliance (TRC) seeks to address the importance and impact of abiding by the rules, policies, and regulations of the organization. This compliance theory places emphasis on selecting the right rules rather than having more or even less rules being enforced within the organization (Fiene, 2016). It not merely about the existence of policies and procedures but also about having the right ones that can make a difference within the organization. Fiene (2016) has also found that all rules and standards are not created equal and have varying effects on employee compliance. Employees may perceive some rules as being unduly harsh when being utilized in their everyday tasks. In response to such same rules, others may say that the rules are reasonable. Each perception will have a different effect on compliance.

Policies that are put in place must be written and implemented in such a way that they are transparent, easy to understand, and realistic. Wood (1997) argued that if rules and procedures cannot be implemented, they will be little more than dressings on windows. Simply put, it makes no sense to create policies if they are not the best fit for the organization and if they will not be followed and enforced. It is ineffective to spend valuable time drafting policies that will serve no

purpose if organizations do not ensure that they are adhered to. Hauser (2020) voiced that, in a workplace dilemma situation, professionals tend to act intuitively without considering the full implications of their actions, only rationalizing their behavior afterward. Policies that are ambiguous and not easily understood does not help and in turn lead to non-compliance. Often times employees cannot see or do not think about the effects of non-compliance.

#### **Power Basis Theory**

The concept of power has been in existence for decades. In order to achieve organizational goals and to keep employees in line, those in managerial positions must utilize power. This is done in consideration to the fact that the use of power is an influential tool to make others follow what they are told and to achieve desired outcomes (Faiz, 2013). Hence, the practice of power and even politics have become a norm in the daily operations of most organizations. This is primarily because each individual has his or her own goals, motives, and drive separate from that of the organization's. These individual divergences can give rise to increased conflict and competition.

The power basis theory states that the use of power is founded on the human need for survival. According to Pratto et al. (2011), "the kinds of power and desires that recur in human life do so because those kinds of power and motivations address particular basic needs" (p. 192). Humans use power to try to fulfill their needs and desires. One aspect of power is getting others to do certain things in order to get what you want. It is innate within humans to desire things and as living beings, humans have needs that must be met for survival. The universalism of these needs and desires allows people to provide for or anticipate other people's, which creates the possibility of social influence (Pratto et al., 2011). The presence of these needs and desires makes it possible for people to convert one means of meeting a need into another.

# **Employee Compliance**

The era of increased interconnectedness has also meant an increase in non-compliance and ethical issues. It has been found that competition created by globalization leads organizations to ignore or fail to adhere to labor standards, policies, and procedures in efforts to cut costs (Harrison et al., 2003). This may also be attributed to the lack of inspections, inadequate resources, issues of bribery, and little or no penalties. This is especially true for organizations in smaller, developing nations. Organizations may lack the resources needed to enforce policies that have been put in

place. There is usually little or no budget for the monitoring of policies to ensure that they are adhered to.

A report conducted by the (ILO), the (AICESIS), and the (SER) of Netherlands (2015) found that:

Compliance is the concrete result that workers, employers, and governments seek to achieve together through a set of strategies, actions, and policies to improve working conditions, productivity, competitiveness, and social development, whilst considering the diverse development levels of all countries. (p. 2)

The commitment of governments and organizations to maintaining a high standard of employee compliance can help to lessen the negative impacts on employees and on the organization as a whole.

Employee compliance serves an important function within organizations of ensuring that local and international laws and policies are followed. Alina (2014) proposed that, in the case of multinational companies, the behavior must be adapted to each country in which it operates, because what is accepted in some parts of the world, in others it is forbidden; but a company must always respect international regulations. Compliance sets the standard and creates an environment of respect for laws and policies. Compliance also creates an environment of safety for local and international employees and stakeholders.

Madigan et al., (2004) have said:

Effective policy enforcement involves assuring that the policies are understood by all interested parties, regularly checking to see if the policies are being violated, and having well-defined procedure guidelines to deal with incidents of policy violation. The ability of the end-user of an institution to understand its policy is paramount to ensuring that the policies are followed (p. 48).

It is much more effective to be proactive rather than having to spend time and money remedying violations. Employees must be trained and educated to properly adhere to the policies that are put in place. It is also important for policies to be revisited so as to make amendments when necessary.

When confronted with ethical dilemma situations, many practicing professionals feel on an intuitive level that they do not have the option to act responsibly, particularly when business interests or personal welfare are at stake (Uhl-Bien & Carsten, 2007). Employees make decisions and act in ways that will get tasks done the quickest way. They also employ behaviors that they believe will produce the best outcome.

When it comes to training Hauser (2020) stated that, trainees should learn to identify and select appropriate courses of action that are in line with the prevailing legal and ethical norms as well as the internal policies and procedures adopted by the company. It must become a standard for employees to make decisions that are in line with organizational policies and procedures.

Regardless of the training programs implemented by organizations, research has found that employees are greatly influenced by their co-workers when it comes to non-compliant behavior. Hwang et al. (2017) found that when peers are non-compliant, employees adopt the intention to act similarly. If they see other co-workers being non-compliant it is likely that they will also adopt this behavior. Employees often take actions based on the actions of their peers; thus, employees' non-compliance is often motivated by peer behavior (Herath & Rao, 2009). This only attributes to one of the possible causes of noncompliance.

Research has shown that employees can pose a great threat to organizations. In fact, human agents inside an organization could be more dangerous than those outside the organization because of their intimate knowledge of the organizational information systems and access to data in the course of their routine work activities (Bulgurcu et al., 2010; Herath & Rao, 2009; Johnston & Warkentin, 2010; Siponen & Vance, 2010). Employees are privy to sensitive information regarding their organizations. When business processes, specified policies, and procedures are disregarded, the associated risk of non-compliant behavior increases. This situation indicates a knowledge–practice gap among professionals, meaning that discrepancies might exist between professionals' knowledge of responsible management principles and their behavior in day-to-day business life (Hibbert & Cunlife, 2015; Nonet et al., 2016). Employees are knowledgeable of the policies and procedures but in completing their daily tasks they fail to follow such policies and procedures.

#### **Organizational Power**

Organizational power and politics are widely accepted since both concepts facilitate the influence over others in the organization. The concepts of power and politics are often used synonymously, however, each concept have differing definitions and hence have differing sway over individuals.

There are numerous definitions that exist for power. Some of the definitions of power listed by (Omisore & Nweke, 2014) in Table 2.1 are:

**Table 2.1**Definitions of Power

Definition	Year	Author
Power is the probability that a person can carry out his or her own will despite resistance	1947	Weber
Power is defined as a force that results in behaviour that would not have occurred if the forces had not been present	1962	Mechanic
Power is the ability of persons as groups to impose their will on others despite resistance through deterrence either in the form of withholding regularly supplied rewards or in the form of punishment inasmuch as the former, as well as the latter, constitutes in effect negative sanction	1964	Blan
Power is the ability of one person or group of persons to influence the behaviour of others, that is, to change the probabilities that others will respond in certain ways to specified stimuli	1964	Kaplan
Power is the ability to employ force and mobilize resources, energy, and information on behalf of a preferred goal	1996	Gbadamosi
Power is a capacity that 'A' has to influence the behaviour of 'B' to do things he or she would not otherwise do	2003	Obisi

*Note*. Adapted from "The Influence of Power and Politics in Organizations (Part 1)," by B. Omisore and A. Nweke, 2014, *International Journal of Academic Research in Business and Social Sciences*, 4(7), p 166. Copyright 2018 by the Human Resource Management Academic Research Society.

These definitions make it clear that power has an element of coercion. It is the use of one's dominion over others to get them to take certain actions or to make certain decisions. Pfeffer (1981) explained that "organizational power is a function of the structure. Power inheres in one's structural position, which provides access to people, information, and financial resources (budgets). Those in power stay in power by reinforcing the existing structure of the organization" (p.102). Where an employee is situated in the organizational structure, can determine how much access they will have to information and how much influence they will have when it comes to the formulation of policies. Power is also defined as the "capacity of social actors [organizational members] to achieve desired objectives or results" (Astley & Sachdeva, 1984, p. 104). Employees who possess the power within the organization can control resources and affect how decisions are made. This may inadvertently affect employees' likelihood of adhering to compliance policies and procedures. It is also important to understand the changing behavioral patterns of employees due to increased competition caused by globalization. Power equivalences have changed which have affected the organizational dynamics. Therefore, understanding power and its implications across the organization is quite imperative (Mir et al., 2016).

# **Supervisory Power**

Yukl (2009) discussed the different types of power. These are coercive power, legitimate power, reward power, referent power, and expert power. When reward power is used an employee complies in order to obtain rewards while coercive power is when the employee complies in order to avoid punishments. When it comes to legitimate power employees comply because he or she believes that he or she has an obligation to do what he/she is told to do. When expert power is utilized, an employee complies because he or she believes that the manager is knowledgeable and has experience on the best way to accomplish a task. With referent, power employees comply to gain approval from their manger or supervisor usually because they see him/her as a role model.

Supervisory power is utilized when staff are assigned tasks, goals are to be established, resources are to be distributed, information is to be shared, and employees' performance is expected to be improved. The objective when utilizing organizational power is to achieve the behavior and outcomes desired from employees. According to Mossholder et al. (1998) depending on employee's perception of their manager's power base their organizational commitment, job

satisfaction, turnover and burnout will be affected. Managers and supervisors' use of power ultimately has an effect on all areas in the organization.

Managers and supervisors' use power over employees in various ways such as making promises to give rewards or incentives, threatening to detract rewards, and threatening punishment. Nedaee et al. (2012) found that "utilizing the appropriate and effective power base and timely use of power will automatically lead the subordinates towards fulfilling the organization's objectives" (p. 384). Whichever power base managers and supervisors decide to use, it will have an effect on employees.

#### **Coercive Power**

Coercive power uses punishment, and taking away rewards and privileges if employees are not producing desired outcomes. Hinkin and Schriesheim (1994) defined coercive power as a supervisor demonstrating the behavior of forcing compliance from employees through the use of threats, confrontation, and punishment. It is the ability of supervisors to assign tasks to employees that they do not desire and to take away things which they desire and deem as being valuable.

Zameni et al. (2012) determined that if a manager or supervisor abuse his/her use of coercive power, employees will be least committed and satisfied with their job and with the organization as a whole. Less satisfied employees may mean less employees who are willing to be compliant. Withholding resources, promotions, information, and access to benefits are all common uses of coercive power. According to Faiz (2013) the use of coercive power produces a high level of resistance and disobedience in employee's behavior.

The utilization of coercive power tends to be widespread in many organizations. It is a negative form of power which aims to get employees to do or not do certain things by instilling fear in them. Coercive power does not encourage or motivate desired performance, but it does discourage undesired actions (Goncalves, 2013). This type of power forces employee compliance. In many organizations, managers continue to instill fear in their employees by threatening them with consequences such as being fired or demoted. Goncalves (2013) has also found that "Many workers, though they may not admit it, carry some level of fear with them into the workplace, from fear of reprisals to sabotage of their efforts" (p. 2). This is particularly the case when managers hold a great deal of power over employees and can withhold rewards.

The abuse of coercive power can have a detrimental effect on employees. This base of power has been found to involve intentionally causing harm or discomfort to employees through the use of physical contact, verbal abuse, exclusion, or other negative actions (Forsyth, 2010). The abuse of coercive power can be seen in behaviors such as aggression, criticism, or hostility. The root of this base of power is grounded on punishment due to employees' failure to conform.

#### **Legitimate Power**

This type of power is the ability of a manager or supervisor to make employees feel a sense of obligation and responsibility. It is the authority of a formal position, and stems from the concept of ownership rights. Legitimate power can be based on formal organizational position, organizational assignment, or due to age or the number of years of experience. It can also be obtained through assignment, election, or informal recognition (Camm, 2013).

The use of this type of power includes being able to control decision processes and resources. Legitimate power is grounded on the willingness of employees to comply with supervisor's expectations (Sorm & Gunbayi, 2018). It is usually based on an employee's acceptance of common beliefs and practices within the organization.

Legitimate power comes from the position that persons hold in an organization. where These persons have the authority to make demands also to assign tasks to others. Prior research has revealed that legitimate power increases reason-based trust, a service climate, and voluntary cooperation from employees (Hofmann et al., 2017). The proper utilization of legitimate power by manager and supervisors can foster increased employee compliance.

#### **Reward Power**

This is one of the most frequently used power bases. This type of power is used for attaining desired outcomes from employees by giving them rewards which are perceived as being meaningful and valuable (French et al., 1959). Reward power is used by managers and supervisors to give employees things that they desire. From an employee's point of view, reward power is the ability of his/her supervisor to provide him/her with benefits like a pay raise, a promotions, personal approvals, praise, and respect (Rahim, 1989; Raven, 1990). Those in managerial positions who can provide resources, whether in the form of money, information, expertise, prestige, or time off are considered to possess reward power.

When utilizing reward power, it is effective when there is the perception of all of the following: "An ability to provide a positively valued outcome; control of the reward; and willingness to provide or withhold the reward at the discretion of the one using the reward" (Camm, 2013, p. 1). Employees must perceive the reward as being valuable and beneficial to them.

Reward power results in employees doing what they are asked to because they desire valuable benefits. For example, one of the most important reasons employees go work is for the salary that they receive at the end of the payroll cycle. As such, reward power is the ability to give employees what they desire while at the same time being able to ask them to do things that the employers want. Employees consider reward power as positive use of power source, therefore are more likely to respond in a positive way and have greater compliance (Faiz, 2013).

## **Expert Power**

It has been proposed that power bases of referent and expert power can have a positive effect on employee's (Etzioni, 1965). This may be because these bases of power are derived from those who are knowledgeable, experienced, and who employees look up to.

"Organizational problems such as absence, turnover, nonparticipation, and disobedience emerge when an employee is dissatisfied with his/her job or supervision, therefore, utilizing the right type of power is a challenge for managers as it directly influences the employee's job satisfaction" (Faiz, 2013, p. 384). To keep employees on the right track of achieving organizational goals, and to minimize instances of dissatisfaction, managers and supervisors use power as a tool to influence the employees in order to achieve the desired outcomes. One such 'power tool' is the utilization of expert power.

Expert power is described as being attributed to individuals who possess technical skills, experience, expertise, and knowledge in certain areas. These are individuals who are usually promoted to managerial positions because they have succeeded at an outstanding level in their technical functions (Goncalves, 2013). These individuals are highly valued and respected since they are usually more difficult to replace within the organization.

Yi et al. (2014) found that when expert power is used by managers it can have a positive effect on employee's relationship with supervision. As such, those in managerial positions should emphasize more on this type of power to gain employee's acceptance on supervision. Expert power

can result in a positive managerial-subordinate relationship, thus can assist in increasing compliance.

#### **Referent Power**

Referent power is described as one's ability of providing others with the feeling of approval, acceptance, and value. Employees who respect and admire managers or supervisors will do what they say, based on their regard for the person (Schwalbe, 2010). Referent power is seen as being able to influence others. This is accomplished due to other's belief in them. When employees comply with policies and procedures it usually means that they believe and share the same viewpoints as those in managerial positions.

"The strength of this power is based on the degree to which the subordinate's own self-identity is enhanced through interaction with the influencer or the desire of the follower to be similar to, or associated with, the influencer" (Podsakoff et al., 2012, p. 363). Employees perceive those with referent power as individuals who they can model themselves. Employees perceive these individuals as those who they can be inspired by.

Nedaee et al. (2012) has suggested that referent power is an accurate predictor for both job performance and job satisfaction. Referent power is deemed as a soft form of power, so it is linked to increased feelings of employee's contentment and in turn productivity.

Each different base of power produces varying reactions from employees. Lee and Low (2012), proposed the power base that those in managerial positions choose to make use of will have a major effect on employees in relation to their attitudes toward accomplishing tasks, feelings, and relationship with managers. Feelings of satisfaction and relationships are dependent on the power bases utilized.

Increased conflict and competition make way for power and politics to be utilized in order to fulfill self-serving interests. Power and politics also come into play when it comes to the distribution of limited resources. Decisions must be made regarding what to spend money on, what products will be marketed, and kinds of machinery to use to produce the products among numerous others. These decisions or choices involve some kind of politics while the person making the choices or decisions uses some power to ensure that his/her choices or decisions are accepted (Omisore & Nweke, 2014). Since these decision-makers are in control of the resources, employees

must look to them for provision. This imparts the decision-makers with the ability to influence others, which is power.

A destructive or negative use of power to fulfill personal ambitions, even to the extent where it sometimes breaks rules, policies, and interests of the organization regarded by scholars as traditional use of power (Child et al., 2010). Breaking rules and not adhering to policies becomes worrisome in relation to compliance. Defiance to rules and policies have serious implications for employees as well as for the entire organization. Power and politics go hand in hand within the realms of organizations. Power creates the upper hand while playing the game of organizational politics. As mentioned before, the utilization of politics in the workplace is a widespread phenomenon.

Hypothesis 1: The use of supervisory power has an effect on employee compliance.

Hypothesis I(a): The use of coercive power has a negative effect on employee compliance.

Hypothesis 1(b): The use of legitimate power has a positive effect on employee compliance.

Hypothesis I(c): The use of reward power has a positive effect on employee compliance.

Hypothesis I(d): The use of expert power has a positive effect on employee compliance.

Hypothesis I(e): The use of referent power has a positive effect on employee compliance.

# **Organizational Politics**

Ogwuche (2014) has stated that:

It is unlikely to have a politics free organization because organizations are social entities where employees make efforts individually and in groups for valued resources, struggle for power and positions, involve in conflicts and its resolution, and execute different influential tactics to get the benefits and serve their self or individual interests (p 2).

While power and politics are related topics, they are believed to be a conceptually and empirically different phenomena. The concept of politics, in contrast to power, refers "to the structure and process of the use of authority and power to effect definitions of goals, directions, other major parameters of the organization" (Wamsley & Zald, 1973, p. 18). Politics uses power

to achieve what each employee chooses to. There are two ways of viewing organizational politics: either as a symptom of social influence processes that benefit the organization, or a self-serving effect that goes against the organizational goals (Gotsis & Kortezi, 2010; Mintzberg, 1985). Organizational politics can be viewed as being either beneficial to the organization or as being harmful when employees use it for the purpose of self-gain.

Organizations are able to function through the recruitment of employees. These employees come with their own personal goals, values, and ways of doing things. Efficient and effective human resource is very important for every organization as the development and productivity of every organization highly depends on its human resource (Faiz, 2013). Employees are required to share resources and are in constant competition with one another. Some are naturally influential and other possess their influence due to their job position. In order to get things done more quickly and easier, and to get what they want, employees engage in organizational politics.

Cacciattolo (2015) said that organizational politics is the pursuit of individual agenda and self-interest in an organization without regard to their effect on the organizations efforts to achieve its goals or objectives, or organizational development and sustainability. When employees act in their own self-interests it may result in the mismanagement of already limited resources, making poor decisions that can harm the organization, and conflict with other employees.

Organizational politics is viewed as a method that employees use in order to have a positive or negative influence over others. Workplace politics are the practices that generally individuals use for the attainment of power, influencing behaviors, activities, for significant decision making (Brouer et al., 2011, Dhar, 2011; Tlaiss, 2013). This influence, whether positive or negative, is often undertaken with the aim of getting things done or for personal attainment.

Organizational politics has its advantages and its disadvantages. Landells and Albrecht (2019) found that organizational politics could encompass both positive and negative perspectives. The advantage is that it can be used to have positive influence over others while the negative can be the converse, it can be used for unethical and non-compliant actions

Negative organizational politics are disapproved of because of the ethical dilemmas encrusted with them and the workplace conflicts that are generated, whilst positive organizational politics results from the amalgamation of shared goals and stimulating collaboration (Drory &

Vigoda-Gadot, 2010; Gotsis & Kortezi, 2010). Negative organizational politics can lead to increased conflict among employees and can be nonproductive. Positive organizational politics, on the other hand, can unite employees whereby they are able to achieve the organizational goals. When used properly, organizational politics have a positive effect on competition. Cacciattolo (2015) has found that, positive organizational politics may provide the basis for competitive advantage, especially when people are appropriately skilled.

## **Supervisory Power, Organizational Politics, and Employee Compliance**

The appropriate use of power leads to the achievement of desired goals and objectives. Ineffective use of power or failure to use power when the need arises has been described as the major cause of defective functioning of a system (Omisore & Nweke, 2014). The use of supervisory power and organizational politics can have adverse effects on employee compliance as well as positive effects.

Several researchers found that organizational politics can have a negative effect on the job performance and organizational commitment, especially to the lower status employees (Drory, 1993; Gotsis & Kortezi, 2010; Vigoda-Gadot & Kapun, 2005). Lower-level employees are the ones negatively affected by political behaviors within the organization. These negative effects mean that employees are less productive and feel less devoted the overall organization and its wellbeing.

High-powered people also rely less on group norms and more on their individual motives to govern their behavior, and their actions tend to be more variable than those of low-power group members (Brauer, 2005). People who are self-serving and who are at the top of the organization's hierarchy will be more likely to be non-compliant. These people are more likely to take bigger risks because their minds are clouded. They will make important decisions such as where to invest financial resources, what technology will be used, how fellow employees will be assessed. These people will have control over key information and will decide the future of the organization.

Power is also found to make people more likely to engage in moral hypocrisy, applying strict moral standards to others but not practicing them themselves (Lammers & Stapel, 2009). This can cause conflict since those with power and political influence may hold others to an unrealistically high standard while they themselves are not adhering to the rules. When employees

see top managers being non-compliant, they will be more prone to being non-compliant themselves.

The use of supervisory power and organizational politics for selfish gains will more than likely cause resentment, distrust, and conflict within the organization. Lucas and Baxter (2012) have found, "Leading with power breeds resentment and is inefficient. Powerful people are also more oriented toward taking action, particularly action that benefits them, and they are less likely to consider the perspectives of others" (p. 59). Making such decisions clearly utilizes some form of power or politics in order to ensure that the decisions are accepted regardless of whether or not they are beneficial to the organization. The existence of such negative factors, resentment, distrust, and conflict, will have a negative influence on employees.

When there is a lack of trust, and the feeling of resentment employees will be more likely to be non-compliant. Drory and Vigoda-Gadot (2010) noted that when employees feel that they cannot trust other employees and the procedures of an organization, they tend to reduce their dedication, put in less effort, and engage in withdrawal behaviour. Employees will make decisions that will benefit them individually, they will withhold valuable information and they will exclude themselves. These actions all have detrimental effects since they do not benefit or contribute to the organization. Hu et al. (2012) found that "The top management participation strongly influences organizational culture which in turn impacts employees' attitudes towards and perceived behavioral control over compliance with information security policies" (p. 615). This can be true not only concerning security policies but with all policies and procedures within organizations.

Different bases of power yielded by those in supervisory positions affect employee's compliance differently (Junaimah et al., 2015). Employee's attitudes, performance, satisfaction, and compliance are all affected by the type of power utilized by those in managerial positions. The prevalence of the use of organizational politics can also interfere with the relationship between employee compliance and each base of supervisory power. Therefore, managers need to be alert of which base of power they are demonstrating in the workplace and how they directly impact employees. Kim (2004) revealed that organizational politics and power have been regarded as critical factors affecting various organizational systems. As such, it is hypothesized that

organizational politics, due to its negative influence, will weaken the relationship between supervisory power and employee compliance.

Hypothesis 2: The use of organizational politics moderates the relationship between supervisory power and employee compliance.

Hypothesis 2(a): The use of organizational politics weakens the relationship between coercive power and employee compliance.

Hypothesis 2(b): The use of organizational politics weakens the relationship between legitimate power and employee compliance.

Hypothesis 2(c): The use of organizational politics weakens the relationship between reward power and employee compliance.

Hypothesis 2(d): The use of organizational politics weakens the relationship between expert power and employee compliance.

Hypothesis 2(e): The use of organizational politics weakens the relationship between referent power and employee compliance.

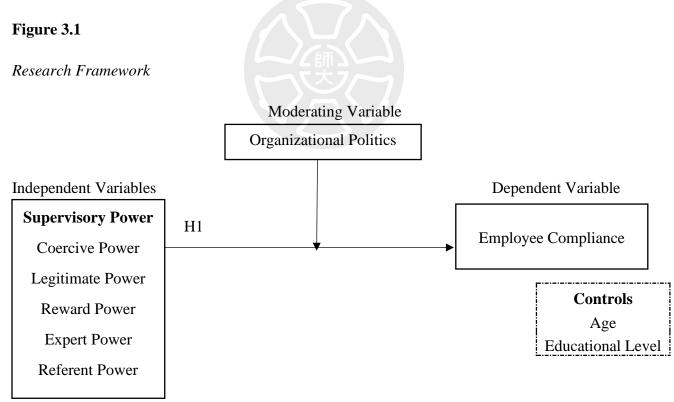


# CHAPTER III METHODOLOGY

This section will discuss the methods that will be utilized to gather the necessary information to acquire results for this research. The conceptual model of the research design, research procedure, research approach sampling and data collection, variables and measurement and reliability and validity are all included in this section.

#### **Research Framework**

The research framework shown in Figure 3.1 was developed by the researcher to depict the relationships between the variables being studied in the research. This framework consists of the independent variable supervisory power, organizational politics as the moderator, and the employee compliance as the dependent variable. The control variables are age and educational level. This design looks at the relationship between supervisory power and employee compliance with organizational politics moderating that relationship.



## **Research Hypotheses**

Based on the literature review, the subsequent hypotheses were developed.

Hypothesis 1: The use of supervisory power has an effect on employee compliance

Hypothesis 1(a): The use of coercive power has a negative effect on employee compliance.

Hypothesis 1(b): The use of legitimate power has a positive effect on employee compliance.

Hypothesis 1(c): The use of reward power has a positive effect on employee compliance.

Hypothesis 1(d): The use of expert power has a positive effect on employee compliance.

Hypothesis 1(e): The use of referent power has a positive effect on employee compliance.

Hypothesis 2: The use of organizational politics moderates the relationship between supervisory power and employee compliance.

Hypothesis 2(a): The use of organizational politics weakens the relationship between coercive power and employee compliance.

Hypothesis 2(b): The use of organizational politics weakens the relationship between legitimate power and employee compliance.

Hypothesis 2(c): The use of organizational politics weakens the relationship between reward power and employee compliance.

Hypothesis 2(d): The use of organizational politics weakens the relationship between expert power and employee compliance.

Hypothesis 2(e): The use of organizational politics weakens the relationship between referent power and employee compliance.

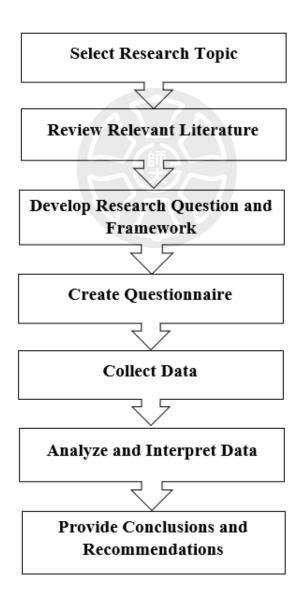
#### **Research Procedure**

All the steps that this research followed are represented in Figure 3.2. It is comprised of eight steps from the commencement of the research to completion. At the beginning of the study the researchers selected the research topic by identifying an existing problem. After the topic was

selected, the relevant literature was reviewed to collect previous empirical studies. The next step was to develop the research questions and the framework. The questionnaire that was issued to respondents was then created. After respondents completed filling out the questionnaires, the data was collected, then analyzed and finally interpreted to give the data meaning. Data analysis was conducted via IBM SPSS Statistics 23 statistical software program. The final step of the research procedure involved providing a conclusion and offering recommendations for future research based on the findings of this research.

Figure 3.2

Research Procedure



## Research Approach

After the research topic was finalized, the researcher begun the data collection process. This process involved the formulation of a questionnaire which was distributed electronically. The targeted respondents were personnel within Belizean organizations who could provide the best insight into how well policies and procedures are implemented and adhered to within their specific organization. Privately operated organizations, public organizations; (i.e., those ran by the government), and quasi organizations; (i.e., those that have private and public characteristics), were targeted. The data gathered from employees within these organizations help to determine what influence power and politics have on employees working in these organizations.

## **Sampling and Data Collection**

As a means of gathering the relevant data to complete this research, primary data was collected from 401 employees. The respondents examined in this research were employees currently employed in various organizations at various levels in Belize. The levels were comprised of entry-level employees, intermediate-level employees, and upper-level employees. Respondents were also grouped according to number of years with their current organization. The ranges that were used were 1 to 5 years, 6 to 10 years, and 11 or more years within their organization. These participants were office employees, both males and females. Participants from the private sector as well as the public sector were targeted. To further breakdown the data and to make it simpler to ascertain which participants were from the private sector and which were from the public sector, they were asked to tick a box indicating such.

A convenience sampling data collection method was utilized to gather the data. This was accomplished via an online questionnaire using Google Forms. A list of questions using a five-point Likert scale ranging from never, rarely, sometimes, often, and always was used. The online data collection commenced on May 26, 2022, and concluded on June 13, 2022. The link to the questionnaire was posted on Facebook, sent to friends and acquaintances. The data collection method then moved into snowball sampling where the initial group of respondents sent it to their friends, acquaintances, and colleagues.

## **Questionnaire Design**

This study undertook a quantitative approach to measure the hypotheses. The researcher adapted a self-report survey questionnaire to collect the necessary data. Since Belize's official language is English, there was no need for the questionnaire to be translated. The questionnaire was divided into four sections. The first section was comprised of demographic questions such as age, gender, educational level, marital status organizational sector, organizational position, and number of years with the current organization. The second section was comprised of five questions relating to compliant behaviors within the organization. Section three was comprised of fifteen questions relating to organizational politics while section four was comprised of eighteen questions relating to supervisory power within the organization.

### **Variables and Measurements**

The relationships between organizational politics, supervisory power and employee compliance were examined through this research. The following section outlines the instruments that were adapted by the researcher to fit the scope of this study.

### **Supervisory Power**

The researcher identified a list of items from previous literature that could best fit the scope of this study. The below questions were adapted from Mir et al. (2016) with the purpose of being applied to measure supervisory power. Table 3.1 shows the adapted questions.

The responses to these questions helped to indicate employees' experience of power being used within their organization. The questions measure five bases of power. These are legitimate, coercive, reward, expert, and referent power. The statements in the questionnaire instructed the respondents to indicate their level of experience with supervisory power in their organization. Sample items include "My supervisor can influence my getting a pay raise", "My supervisor can influence my getting a pay raise" and "My supervisor can help me to recognize that I have tasks to accomplish". These items were anchored by a 5-point Likert scale ranging from 1 = never, 2 = rarely, 3 = sometimes, 4 = often and 5 = always.

The five bases of power were measured so as to collect data that were analyzed to tell which of the five types of power has an effect on employee compliance. The reported Cronbach's

alpha from the previous study reported  $\alpha = .77$  for legitimate power,  $\alpha = .68$  for coercive power,  $\alpha = .79$  for reward power,  $\alpha = .70$  for expert power, and  $\alpha = .76$  for referent power (Mir et al., 2016).

Table 3.1

Employees' Perception of the use of Supervisory Power

#### **Questions**

#### **Reward Power**

- 1 My supervisor can influence my getting a pay raise.
- 2 My supervisor can influence my getting a promotion.

#### **Coercive Power**

- 3 My supervisor can give me undesirable job assignments.
- 4 My supervisor can make work difficult for me.
- 5 My supervisor can make things unpleasant for me.
- 6 My supervisor can make being at work distasteful.

#### **Legitimate Power**

- 7 My supervisor can remind me that I have commitments to meet.
- 8 My supervisor can make me feel like I should satisfy my job requirements.
- 9 My supervisor can give me the feeling I have responsibilities to fulfill.
- 10 My supervisor can help me to recognize that I have tasks to accomplish.

#### **Expert Power**

- 11 My supervisor can give me good technical suggestions.
- 12 My supervisor can share his/her considerable experience and/or training with me.
- 13 My supervisor can provide me with sound job-related advice.
- 14 My supervisor can provide me with needed technical knowledge.

#### **Referent Power**

- 15 My supervisor can make me feel valued.
- 16 My supervisor can make me feel like he/she approves of me.
- 17 My supervisor can make me feel personally accepted.
- 18 My supervisor can make me feel important.

*Note*. Adapted from "A Measure of Supervisory Power: Scale Development and Validation", by P. A. Mir, J. Bhasin, and G. Rasool, 2016, *Jindal Journal of Business Research*, 5(1), p. 51–63. Copyright 2017 by the Sage Publications.

### **Organizational Politics**

Organizational politics was measured using questions adapted from Landells and Albrecht (2019). The statements in the questionnaire instructed the respondents to indicate their level of experience with organizational politics using a five-point Likert scale ranging from 1 (never), 2 (rarely), 3 (sometimes), 4 (often), and 5 (always). Sample questions include "People in my organization ingratiate themselves to other people to get the outcomes they desire", "Gossip drives the way that people interpret what goes on in my organization" and "People in my organization abuse their authority by making decisions that benefit themselves".

These questions have been adapted with the aim of determining the role of politics within organizations. The reported Cronbach's alpha from the previous study was  $\alpha = .91$ . Table 3.2 shows the adapted questions.

Table 3.2

Employees' Perception of Organizational Politics

### **Questions**

### Relationships

- People in my organization ingratiate themselves to other people to get the outcomes they desire.
- People in my organization improperly use their relationships to bypass organizational processes.
- 3 People in my organization form relationships in order to get personal benefits.

#### Communication

- 4 Gossip drives the way that people interpret what goes on in my organization.
- 5 Gossip is the primary way in which information is shared in my organization.
- 6 Rumors are central to people's understanding of what is happening in my organization.

### Reputation

- 7 People in my organization stab each other in the back to make themselves look good.
- 8 People in my organization try to make themselves look good by making others look incompetent.
- 9 People in my organization undermine others' credibility behind their backs.

(continued)

Table 3.2

Employees' Perception of Organizational Politics (continued)

#### Questions

#### **Decisions**

- 10 People in my organization use their position to influence decisions to benefit themselves.
- People in my organization abuse their authority by making decisions that benefit themselves.
- People in my organization pretend to consult and invite input even though decisions have already been made.

#### Resources

- People in my organization build up resources to increase their personal power, not to benefit the organization.
- Too often, people in my organization unfairly obtain resources that could be better used elsewhere.
- Resources in my organization are unfairly allocated based on individual influence rather than organizational priorities.

*Note*. Adapted from "Perceived Organizational Politics, Engagement, and Stress: The Mediating Influence of Meaningful Work", by E. M. Landells, and S. L. Albrecht, 2019, *Frontiers in Psychology*. Copyright 2019 by the Frontiers Media S. A.

### **Employee Compliance**

The following questions, shown in Table 3.3, aim to measure employee compliance and were adapted from (Hwang et al., 2017). Their work focused on employee non-compliance with information security. This research, in contrast, focuses on employee non-compliance within organizations.

For the purpose of this research, these items were anchored by a five-point Likert scale ranging from 1= never, 2 = rarely, 3 = sometimes, 4 = often, and 5 = always. Sample questions include "Following the requirements of the compliance policies keep me from doing my actual work", "It is likely that I would always follow the compliance policies in order to protect the organization" and "I am willing to follow the compliance policies during working hours".

The reported Cronbach's alpha from the previous study was 0.97, indicating internal consistency of the measurement model.

Table 3.3

Measurement of Employee Compliance

### Questions

### **Compliance intention**

- 1 I am willing to always follow with my organization's compliance policies.
- 2 It is likely that I would always follow the compliance policies in order to protect the organization.
- 3 I am willing to follow security policy whenever I access the organization's information system.
- 4 I am willing to follow the compliance policies during working hours.
- 5 I feel certain about my attitude toward the compliance policies within the organization.

*Note*. Adapted from "Why not comply with information security? An empirical approach for the causes of non-compliance", by I. Hwang, D. Kim, T. Kim, and S. Kim, 2017. *Online Information Review*. Copyright 2017 by the Emerald Publishing Limited.

## **Demographic Variables**

The demographic variables were age, gender, education, marital status, organizational sector, work tenure, and organizational position. Respondents were grouped by these demographics in order to analyze whether there were any existing correlations.

Age was analyzed by grouping the responses into ranges. The first group is less than 30 years followed by 31 to 40 years, 41 to 50 years and over 50 years. For the purpose of this study, gender was used as a dichotomous variable. Male was coded as 1 and female as 2. Educational level was coded as primary school =1, secondary school =2, and tertiary = 3. Marital status was coded as single = 1, married = 2, common-law = 3 and widowed = 4. Organizational sector was coded as public = 1, private = 2 and quasi = 3. Organizational position is coded as entry level = 1, intermediate level = 2 and senior level = 3. For the number of years with current organization,

responses were grouped according to range. The ranges were less than five years, 6 to 10 years, and 11 or more than years.

#### **Control Variables**

Educational level and age were used as control variables since previous literature has shown that they can have an effect on employee compliance. Previous research has shown that individuals with higher educational backgrounds are more likely to comply with guidelines (Rahmani et al., 2021). It has also been found that older employees are compliant with organizational policies (Chua et al., 2018).

## Validity and Reliability

Validity and reliability tests were performed to ensure the internal and external consistency of measurement scales. These tests are shown using results from the pilot test study (confirmatory factor analysis) CFA and Cronbach's alpha coefficient test.

### **Pilot Test Study**

The pilot test study is a small study to test data collection instruments and the research techniques in preparation for the main research study. The researcher conducted a pilot study with 62 respondents whereby questionnaires were distributed electronically using Google Forms. The data collection for the pilot test study lasted for approximately one week, from May 6 to 12, 2022. These 60 responses were not included in the main study.

The data collected for the pilot test study was analyzed using Statistical Package for the Social Sciences (SPSS) 23 software. Table 3.4 shows the Cronbach's alpha for the variables. Both supervisory power and organizational politics had an  $\alpha$  of .99, and employee compliance .88. All three variables showed excellent internal consistency since they all had an  $\alpha$  that was larger than .70.

Table 3.4

Cronbach's Alpha of the Measurement of the Pilot Test Study

Variables	α
Supervisory Power	.99
Organizational Politics	.99
Employee Compliance	.88

Note. N = 62.

## **Confirmatory Factor Analysis**

Confirmatory factor analysis (CFA) was performed using AMOS to test the construct validity with the aim of confirming the goodness of fit for the measurement model. So as to evaluate the CFA model fit, a number of statistical criterions were applied. These were chi squared ( $x^2$ ), degree of freedom (df), chi squared divided by degree of freedom ( $x^2$ / df), p value, comparative fit index (CFI), root mean square error of approximation (RMSEA), standardized root mean square (SRMR), non-normed fit index (NNFI) and the incremental fit index (IFI).

Table 3.5 presents the summary of the fit indexes. The acceptable model fit was determined utilizing the following statistical criterions:  $x^2/df$  had to be between 2.0-5.0 (Hooper et al., 2008), the value for CFI had to be more than .90 (Hu & Bentler, 1999), the value for RMSEA had to be less than .08 (MacCallum et al., 1996), the value for SRMR had to be less than .05 (Byrne, 2013; Hu & Bentler, 1999), the value for NNFI had to be more than .95 and the IFI had to be more than .90 (Hu & Bentler, 1999).

Table 3.5

Summary of Fit Indexes

Fit Indexes	Threshold	References
$x^2/df$	2.0-5.0	(Hooper et al., 2008)
CFI	>.90	(Hu & Bentler, 1999)
RMSEA	< 0.08	(MacCallum et al., 1996)
SRMR	< 0.05	(Byrne, 2013; Hu & Bentler, 1999)
NNFI	>.95	(Hu & Bentler, 1999)
IFI	>.90	(Hu & Bentler, 1999)

*Note. df*=degree of freedom, CFI= comparative fit index, RMSEA= root mean square error of approximation, SRMR= standardized root mean square, NNFI= non-normed fit index, IFI= incremental fit index.

Table 3.6 depicts the summary of goodness-of-fit of the full measurement model of compliance, power, and politics and its alternative models. The overall values meet the threshold for the seven-factor model showing  $x^2 = 1288.65$ , df = 639,  $x^2/df = 2.02$ , CFI = .93, RMSEA = .05, SRMR = .04, NNFI = .93, IFI = .93.

As depicted in Figure 3.3, compliance and power were drawn as a first order model while politics was drawn as a second order model. The model is comprised of 38 items with five items measuring compliance, 15 items measuring politics, and 18 items measuring power. The 15 items for politics were divided into five variables with three items each to measure relationships, communication, reputation, decisions, and resources.

In the initial model, there were 4 items for reward power, however, AVE and CR values were unacceptable. After deleting items RepQ1 and RepQ2 the AVE and CR values became acceptable. The modified model shows 5 variables, reward, coercive, legitimate expert, and referent power with a total of 18 items among them. Reward power has two measurement items while the other variables each have four measurement items. Prior research has indicated that the factor loading should be higher than .50 (Hair Jr et al., 2016). All of the remaining items achieve the threshold of being over .50.

The researcher also conducted CFA on a six-factor model, as depicted in Figure 3.4, and a four-factor model, as depicted in Figure 3.5. For the six-factor model, compliance and politics were grouped under one dimension and drawn as a second order model. The results showed  $x^2 = 2898.63$ , df = 646,  $x^2/df = 4.49$ , CFI = .77, RMSEA = .09, SRMR = .21, NNFI = .74, and IFI = .77. For the four-factor model, compliance was drawn as a first order model while politics was drawn as a second order model. Power was also drawn as a first order model with legitimate, expert, and referent power grouped under one dimension. The results showed  $x^2 = 3794.92$ , df = 657,  $x^2/df = 5.78$ , CFI = .67, RMSEA = .11, SRMR = .22, NNFI = .65, and IFI = .67. The seven-factor model produced the best results based on the acceptable model fit following the statistical criterions outlined in Table 3.5.

Table 3.6

Summary of Goodness of Fit of Measurement Model

			AI					
Model	$\mathbf{x}^2$	df	$x^2/df$	CFI	RMSEA	SRMR	NNFI	IFI
		l l	2.0-	山フト	~			
Threshold			5.0	>.90	<.08	<.05	>.95	>.90
Seven-factor								
Model	1288.65	639	2.02	.93	.05	.04	.93	.93
Six-factor Model	2898.63	646	4.49	.77	.09	.21	.74	.77
Four-factor Model	3794.92	657	5.78	.67	.11	.22	.65	.67

*Note.* N = 399.

Figure 3.3

CFA Seven-Factor Measurement Model of Compliance, Power, and Politics

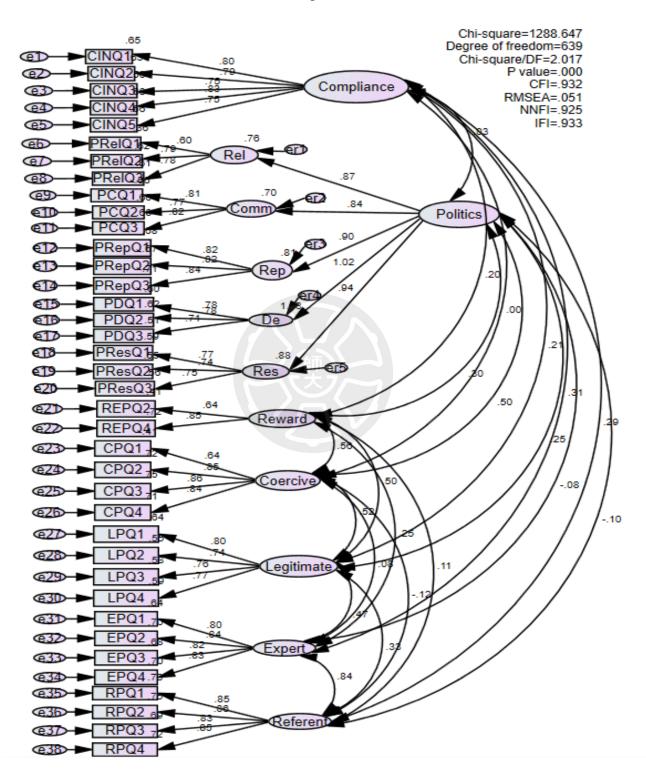


Figure 3.4

CFA Six-Factor Measurement Model of Compliance, Power, and Politics

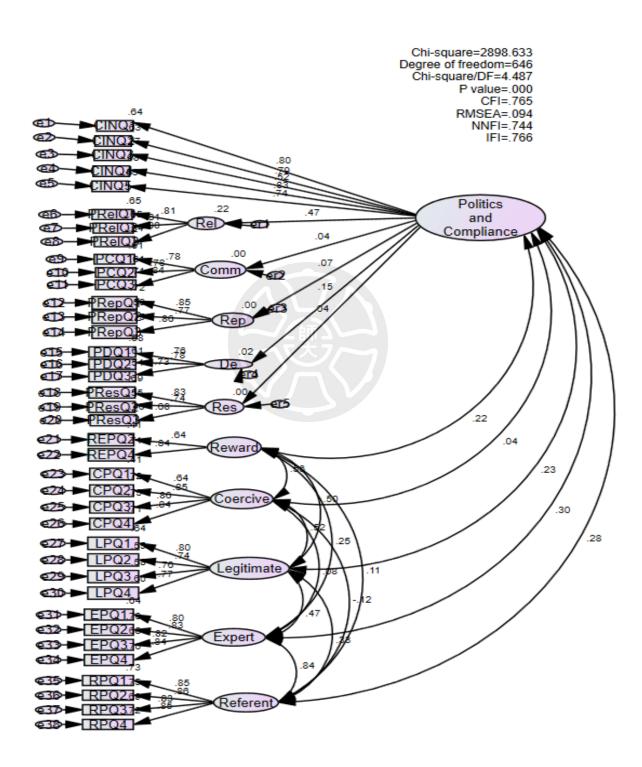
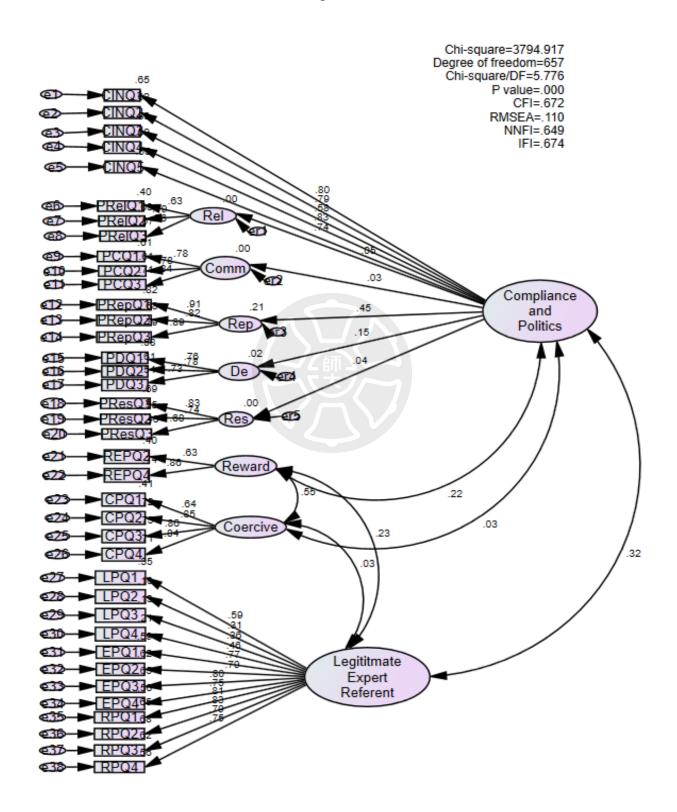


Figure 3.5

CFA Four-Factor Measurement Model of Compliance, Power, and Politics



#### **Convergent Validity and Discriminant Validity**

The construct validity was analyzed by the researcher so as to get a better understanding of the fit of the items in the proposed models. The construct validity helps to determine whether the observed variables measure what they are supposed to measure. Figures for correlation and standardized regression from AMOS were used to be inputted into the Stats Tools Package by Gaskin (2016) to compute the values for composite reliability (CR) and average variance extracted (AVE). Good convergent validity requires values of greater than .70 for CR and greater than .50 for AVE (Hair Jr et al., 2016). Two items for reward power were deleted due to having poor factor loadings. After the researcher decided to delete those two items better CR, AVE, and model fit was achieved.

Discriminant validity was subsequently performed to get an even better understanding of the fit of the proposed models. To do this, the squared root of the AVE value for each variable was calculated. According to Fornell and Larcker (1981), to achieve discriminant validity the required value for the squared root of the AVE should be greater than the correlations. Table 3.7 shows the values for CR and AVE for the research variables of the main study. It also shows the squared root of the AVE for each variable. The values for the squared root of AVE for each variable are as follows: compliance (.78), politics (.92), reward power (.75) coercive power (.81), legitimate power (.77), expert power (.82), and referent power (.85).

**Table 3.7**Convergent and Discriminant Validity of Measurements

Variable	Mean	Std. Dev	CR	AVE	Employee Compliance	Reward Power	Referent Power	Expert Power	Legitimate Power	Coercive Power	Organizational Politics
Employee Compliance	3.83	.94	.89	.62	(.78)						
<b>Reward Power</b>	2.92	.96	.72	.56	.20	(.75)					
Referent Power	3.45	1.06	.91	.72	.29	.11	(.85)				
<b>Expert Power</b>	3.45	1.05	.89	.68	.31	.25	.84	(.82)			
Legitimate Power	3.51	.95	.85	.59	.21	.50	.33	.47	(.77)		
Coercive Power	3.24	1.02	.88	.65	.00	<b>1.56</b>	12	.08	.52	(.81)	
Organizational Politics	3.23	.86	.96	.84	.04	.30	10	08	.25	.50	(.92)

*Note.* Numbers in parentheses are the square root of the main variables.

### **Cronbach's Alpha Coefficient Test**

Cronbach's alpha coefficient test was performed on the main study to further test the reliability of the measurement for each construct. The sample size was 399 respondents. According to Tavakol and Dennick (2011), the acceptable range for Cronbach's alpha is between .70 and .95. Table 3.8 shows the rest result for employee compliance ( $\alpha$  = .89), organizational politics ( $\alpha$  = .94), coercive power ( $\alpha$  = .87), legitimate power ( $\alpha$  = .85), reward power ( $\alpha$  = .70), expert power ( $\alpha$  = .89), and referent power ( $\alpha$  = .91). All the constructs of the main study had a Cronbach's alpha of greater than .70 which can be interpreted as the measurements being internally consistent.

Table 3.8

Cronbach's Alpha of the Measurement in the Main Study

Construct	Number of Items	α
Employee Compliance	5	.89
Organizational Politics	15	.94
Coercive Power	4	.87
Legitimate Power	4	.85
Reward Power	2	.70
Expert Power	4	.89
Referent Power	4	.91

*Note.* N = 399.

### **Common Method Bias (CMB)**

All the variables utilized in this study were measured via self-report, hence, Harman's single factor test was conducted to determine whether common method bias was a concern. Podsakoff et al. (2012) stated the threshold for the total variance explained of the largest un-rotated factor should be below 50%. The test result showed that the total variance explained for the largest un-rotated factor was 25% which is acceptable since it falls far below the 50% threshold.



## CHAPTER IV DATA ANALYSIS AND FINDINGS

The following section displays the analysis of the data and the findings of this research. The descriptive analyses were carried out using the Statistical Package for the Social Sciences (SPSS) 23 software. This software allowed the researcher to show the distribution of the respondent's demographic data. It also allowed the researcher to further analyze the data using Pearson's correlation analysis, and hierarchical analysis.

## **Sample Profile Analysis**

Data was analyzed from 401 respondents currently employed in Belize. There were no missing data, however, two responses were deleted due to those respondents being retired. Of the 399 respondents, 146 (36.59%) were younger than 30 years, 134 (33.59%) were between the ages of 31 to 40 years, 69 (17.29%) were between the ages of 41 to 50 years and 50 (12.53%) were over the age of 51 years. There were 169 (42.36%) males and 230 (57.64%) females in this study. These figures show that the majority of the respondents were younger than 30 years and more than half of the respondents were females.

Of the 399 respondents 32 (8.02%) had a primary school diploma, 124 (31.08%) had a secondary school diploma and 243 (60.90%) had a tertiary level diploma. This shows that majority of the respondents were highly educated. Regarding marital status, 159 (39.85%) were single, 119 (29.82%) were married, 106 (26.57%) were in a common-law union and 15 (3.76%) were widowed. Respondents were asked to indicate which organizational sector they were employed by and 160 (40.10%) were employed by the public sector, 205 (51.38%) were employed by the private sector and 34 (8.52%) were employed by quasi organizations.

Out of the 399 respondents, 180 (45%) were entry level employees, 121 (30%) were employed at an intermediate level, and 98 (25%) were employed at the senior level. The data shows that 180 (45%) of the respondents had been employed by their current organization for less than 5 years, 121 (30%) had been employed between 6 to 10 years, and 98 (25%) had been employed by their current organization for between 11 or more years. The table below, Table 4.1, summarizes the demographic information for the respondents.

**Table 4.1**Sample Profile Analysis

Variable	Categories	Count	Percentage (%)
Age	<30 years	146	36.59
	31 - 40 years	134	33.59
	41 - 50 years	69	17.29
	>51 years	50	12.53
Gender	male	169	42.36
	female	230	57.64
Education	primary	32	8.02
	secondary	124	31.08
	tertiary	243	60.90
Marital Status	single	159	39.85
	married (ATT)	119	29.82
	common-law	106	26.57
	widowed	15	3.76
Organizational Sector	public	160	40.10
	private	205	51.38
	quasi	34	8.52
Organizational Position	entry level	180	45
	intermediate level	121	30
	senior level	98	25
Number of years with the organization	<5 years	180	45
	6 – 10 years	121	30
	11 + years	98	25

*Note.* N = 399

## **Pearson's Correlation Analysis**

In order to get a better understanding of the relationships among the variables Pearson Correlation analysis was conducted. The means, standard deviations, and correlations among the variables are depicted in Table 4.2.

This section looks at the relationships between the demographic variables along with the independent variables, moderator, and dependent variable of the study. Education shows a positive and significant correlation with age (r = .23, p < .01) as well as with gender (r = .13, p < .01). The number of years with current organization has a positive and significant correlation with age (r = .65, p < .01), and with education (r = .21, p < .01).

These correlations outline the relationships among the independent variables along with the demographics, moderator, and dependent variable. The relationships between the legitimate power shows a positive and significant correlation with power coercive (r = .46, p < .01). Reward power has a negative but significant correlation with age (r = -.14, p < .01), as well as with number of years with current organization (r = -.11, p < .05). It has a positive and significant relationship with coercive power (r = .46, p < .01) and with legitimate power (r = .39, p < .01). Expert power shows a positive and significant correlation with legitimate power (r = .41, p < .01), and with reward power (r = .17, p < .01). Referent power show a negative but significant correlation with coercive power (r = .11, p < .05), legitimate power (r = .29, p < .01) and with expert power (r = .76, p < .01).

The following outlines the correlations of the moderator along with the independent variables, dependent variables, and demographics. Organizational politics has a negative but significant correlation to age (r = -.10, p < .05). It has a positive and significant correlation to coercive power (r = .46, p < .01), legitimate power (r = .22, p < .01) and reward power (r = .24, p < .01). Employee compliance has a positive and significant correlation with education (r = .10, p < .05), legitimate power (r = .18, p < .01), reward power (r = .15, p < .01), expert power (r = .28, p < .01) and with referent power (r = .26, p < .01)

**Table 4.2**Means, Standard Deviations and Correlations of the Main Study Variables

		Mean	S.D	1	2	3	4	5	6	7	8	9	10	11
1	Age	36.10	10.49											
2	Gender	.42	.49	.09*										
3	Education	2.53	.64	.23**	.13**									
4	Number of years with current organization	7.80	6.92	.65**	.07	.21**								
5	Coercive Power	3.24	1.02	05	05	09	.03	(.87)						
6	Legitimate Power	3.51	.95	08	02	.02	03	.46**	(.85)					
7	Reward Power	2.92	.96	14**	04	08	11*	.46**	.39**	(.70)				
8	Expert Power	3.48	1.05	07	.07	01	09	.08	.41**	.17**	(.89)			
9	Referent Power	3.50	1.06	04	.06	01	06	11*	.29**	.06	.76**	(.91)		
10	Organizational Politics	3.23	.86	10*	01	.01	.06	.46**	.22**	.24**	08	09	(.94)	
11	Employee Compliance	3.83	.94	.08	.08	.10*	.04	00	.18**	.15**	.28**	.26**	.02	(.88)

*Note:* N = 399. Numbers in parentheses represent Cronbach's alpha of the Variables. S.D = Standard Deviation. Gender (male = 0, female = 1), Education (primary = 1, secondary = 2, tertiary = 3).

<sup>\*</sup>*p* < .05, \*\* *p* < .01.

## **Hypotheses Testing Analysis**

To conduct hypotheses testing, hierarchical regression analysis along with Hayes PROCESS macro were used to explain the relationships between organizational politics, coercive power, legitimate power, reward power, expert power, referent power and employee compliance. The controlled variables were age and level of education. These analyses aided in determining whether the proposed hypotheses were supported or not supported. Such results are depicted below in Table 4.9.

To conduct the hierarchical regression to test Hypotheses 1, the first step entailed entering the controlled variables while the independent variables were entered in Step 2. Hypotheses 1 proposed that the use of coercive, legitimate, reward, expert, and referent power will have an effect on employee compliance. Hypothesis 1(a) proposed that the effect would be negative while hypotheses 1(b), 1(c), 1(d), and 1(e) proposed that the effect would be positive.

The results in Table 4.3 shows that coercive power ( $\beta$  = .01, *n.s*) does not have any effect on employee compliance. Therefore, Hypothesis 1(a): the use of coercive power has a negative effect on employee compliance is not supported. The results show that legitimate, reward, expert, and referent power all have significant and positive relationship with employee compliance. For legitimate power ( $\beta$ =.18, p <.001), reward power ( $\beta$  = .17, p < .01), expert power ( $\beta$  = .28, p < .001), and referent power ( $\beta$  = .26, p < .001). Therefore Hypotheses 1(b), 1(c), 1(d), and 1(e): the use of legitimate, reward, expert, and referent power have a positive effect on employee compliance all are supported.

Table 4.3

Summary Result of Regression Analyses for the Effect of Supervisory Power on Employee

Compliance

		Employee (	Compliance			
Variable	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Controls						
Education	.09	.09	.07	.08	.08	.08
Age	.05	.05	.07	.09	.09	.09
Main Effects						
Coercive Power		.01***				
Legitimate Power			.18**			
Reward Power				.17**		
Expert Power					.28***	
Referent Power						.26***
$R^2$	.01	.01	.05	.04	.09	.08
$Adj. R^2$	.01	.01	.04	.03	.09	.07
F	2.56	1.71	6.26	5.69	13.31	11.63
$\Delta R^2$	.01	.00	.03	.03	.08	.07
$\Delta F$	2.56	.03	13.50***	11.81**	34.38***	29.41**

*Note.* N = 399.

$$p < .05, **p < .01, ***p < .001$$

Hayes PROCESS was used to test hypotheses 2(a), 2(b), 2(c), 2(d) and 2(e). It was proposed that there would be a moderating effect of organizational politics on the relationship between coercive, legitimate, reward, expert, referent power, and employee compliance. This test was comprised of four steps. The first step to test these hypotheses entailed entering the dependent

variable, the second step entailed entering the independent variables individually, the control variables were entered in the third step while the moderator was entered in the fourth step.

Table 4.4 shows that there is not a statistically significant interaction for H2(a), which proposed that the use of organizational politics moderates the relationship between coercive power and employee compliance. The results show that ( $\beta = .07$ , SE = .04, n.s). As such, organizational politics does not affect the relationship between coercive power and the level of employee compliance within Belizean organizations.

**Table 4.4**Result of Moderation Analysis of Organizational Politics on Coercive Power and Employee Compliance

Variable	β	SE	t	p
DV=Employee Compliance				_
Constant	3.29	.23	14.32	.00
Coercive Power	00	.05	-0.01	.99
Organizational Politics	.03	.06	.47	.64
Coercive Power*Organizational Politics	.07	.04	1.65	.10
Age	.00	.00	1.06	.28
Education	.13	.08	1.74	.08
$R^2 = .0201$ , $F = 1.6122$				

*Note.* N =399.

\*
$$p < .05$$
, \*\* $p < .01$ , \*\*\*  $p < .001$ 

Table 4.5 shows that there is not a statistically significant interaction for H2(b), which proposed that the use of organizational politics moderates the relationship between legitimate power and employee compliance. The results show that ( $\beta = -.00$ , SE = .05, n.s). As such, organizational politics does not affect the relationship between legitimate power and the level of employee compliance within Belizean organizations.

**Table 4.5**Result of Moderation Analysis of Organizational Politics on Legitimate Power and Employee

Compliance

Variable	β	SE	t	p
DV=Employee Compliance				
Constant	3.31	.23	14.5	.00
Legitimate Power	.18	.05	3.65	.00***
Organizational Politics	02	.06	29	.78
Legitimate Power*Organizational Politics	00	.05	05	.96
Age	.01	.00	1.35	.18
Education	.12	.07	1.59	.11
$R^2 = .0456, F = 3.7556$				

*Note.* N =399.

Table 4.6 also shows that there is not a statistically significant interaction for H2(c), which proposed that the use of organizational politics moderates the relationship between reward power and employee compliance. The results show that ( $\beta = .05$ , SE = .04, n.s). As such, organizational politics does not affect the relationship between reward power and the level of employee compliance within Belizean organizations.

p < .05, \*\*p < .01, \*\*\*p < .001

**Table 4.6**Result of Moderation Analysis of Organizational Politics on Reward Power and Employee

Compliance

Variable	β	SE	t	р
DV=Employee Compliance				
Constant	3.24	.23	14.30	.00
Reward Power	.14	.04	3.46	.00***
Organizational Politics	02	.06	35	.73
Reward Power*Organizational Politics	.05	.04	1.26	.21
Age	.00	.00	1.34	.18
Education	.14	.07	1.86	.06
$R^2 = .0455, F = 3.7451$	師			

*Note.* N =399.

\*
$$p < .05$$
, \*\* $p < .01$ , \*\*\*  $p < .001$ 

Table 4.7 shows that there is a statistically significant interaction for H2(d), which proposed that the use of organizational politics moderates the relationship between expert power and employee compliance. The results show that ( $\beta = -.12$ , SE = .04, p < .05). The results also show the effect of the use of organizational politics at three perceived values. These values are one standard deviation below the mean (-1), at the mean (0), and one standard deviation above the mean (+1). The values show that the effect is significant.

**Table 4.7**Result of Moderation Analysis of Organizational Politics on Expert Power and Employee

Compliance

Variable	β	SE	t	р
DV=Employee Compliance				
Constant	3.23	.22	15.12	.00
Expert Power	.27	.04	6.22	.00***
Organizational Politics	.09	.05	1.64	.10
Expert Power*Organizational Politics	12	.04	-2.81	.01**
Age	.01	.00	1.76	.08
Education	.10	.07	1.39	.17
$R^2 = .1121$ , $F = 9.9223$				
Conditional effects of expert power on en	iployee comp	liance		
Organizational Politics	Effect	SE	LL 95%CI	UL 95% CI
-1SD	.37	.06	.26	.49
Mean	.28	.04	.19	.37
+1SD	.15	.06	.04	.26

*Note.* N = 399. 95% CI = Lower-level Confidence Interval, UL 95% CI = Upper-level Confidence Interval, SD = Standard Deviation.

Analysis was also conducted to determine whether this effect varied depending on the level of organizational politics being used. This graphical depiction can be seen in Figure 4.1. It shows that organizational politics has a negative or a weakening effect on the relationship between expert power and employee compliance. For the low organizational politics sample group, the relationship between expert power and employee compliance remains stronger, while for those who perceive higher organizational politics score, the relationship between expert power and

p < .05, \*\*p < .01, \*\*\*p < .001.

employee compliance is weaker. A high level of organizational politics being used hinders the positive influence supervisors have on employee compliance.

Figure 4.1

Plot Showing the Interaction between Organizational Politics and Expert Power on Employee

Compliance

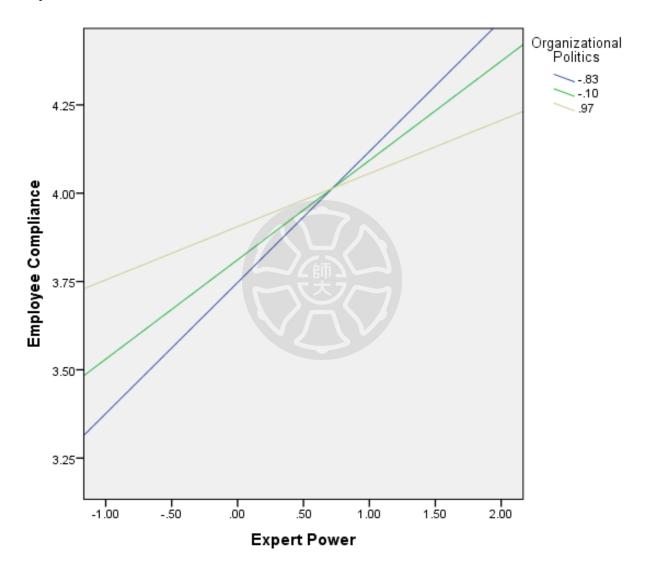


Table 4.8 shows that there is a statistically significant interaction for H2(e), which proposed that the use of organizational politics moderates the relationship between referent power and employee compliance. The results show that ( $\beta = -.16$ , SE = .04, p < .05). The results also show the effect of the use of organizational politics at three perceived values. These values are one standard

deviation below the mean (-1), at the mean (0), and one standard deviation above the mean (+1). The values show that there is a significant effect.

**Table 4.8**Result of Moderation Analysis of Organizational Politics on Referent Power and Employee

Compliance

Variable	β	SE	t	p
DV=Employee Compliance				
Constant	3.29	.22	15.16	.00
Referent Power	.27	.04	6.14	.00***
Organizational Politics	.10	.05	1.10	.06
Referent Power*Organizational Politics	16	.04	-3.59	.00***
Age	.01	.00	1.67	.10
Education	.10	.07	1.42	.16
$R^2 = .1129$ , $F = 10.0052$				
Conditional effects of referent power on employee compliance				
Organizational Politics	Effect	SE	LL 95%CI	UL 95% CI
-1SD	.39	.06	.28	.52
Mean	.28	.04	.19	.37
+1SD	.11	.06	.00	.22

*Note*. N = 399. 95% CI = Lower-level Confidence Interval, UL 95% CI = Upper-level Confidence Interval, SD = Standard Deviation.

The interaction was also plotted to demonstrate how this effect varied depending on the level of organizational politics being used. This graphical depiction is shown in Figure 4.2. It shows that organizational politics has a negative effect on the relationship between referent power and employee compliance. For the low organizational politics sample group, the relationship between referent power and employee compliance remains stronger. For those who perceive

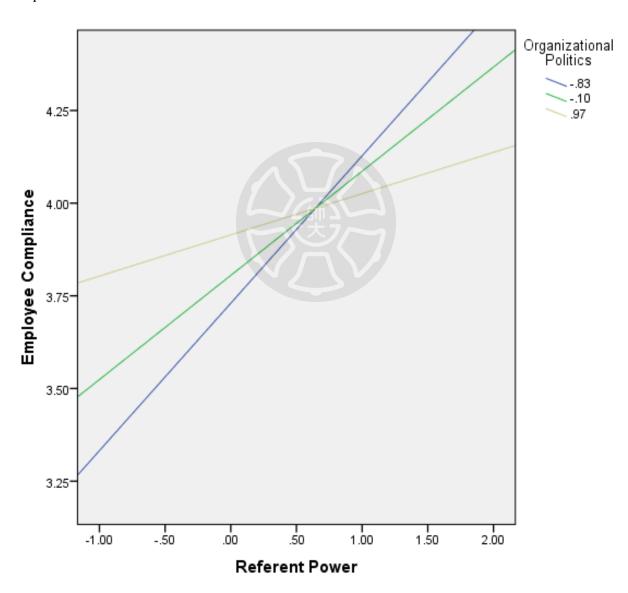
p < .05, \*\*p < .01, \*\*\*p < .001.

higher organizational politics scores, the relationship between referent power and employee compliance is weaker. A high level of organizational politics being used hinders the positive influence that supervisors have on employee compliance.

Figure 4.2

Plot Showing the Interaction between Organizational Politics and Referent Power on Employee

Compliance



**Table 4.9**Results of Hypotheses Testing

Hypothesis	Result
Hypothesis 1: The use of supervisory power has an effect on employee compliance.	Partially Supported
Hypothesis 1(a): The use of coercive power has a negative effect on employee compliance.	Not Supported
Hypothesis 1(b): The use of legitimate power has a positive effect on employee compliance.	Supported
Hypothesis 1(c): The use of reward power has a positive effect on employee compliance.	Supported
Hypothesis 1(d): The use of expert power has a positive effect on employee compliance.	Supported
Hypothesis 1(e): The use of referent power has a positive effect on employee compliance.	Supported
Hypothesis 2: The use of organizational politics moderates the relationship between supervisory power and employee compliance.	Partially Supported
Hypothesis 2(a): The use of organizational politics weakens the relationship between coercive power and employee compliance.	Not Supported
Hypothesis 2(b): The use of organizational politics weakens the relationship between legitimate power and employee compliance.	Not Supported
Hypothesis 2(c): The use of organizational politics weakens the relationship between reward power and employee compliance.	Not Supported
Hypothesis 2(d): The use of organizational politics weakens the relationship between expert power and employee compliance.	Supported
Hypothesis 2(e): The use of organizational politics weakens the relationship between referent power and employee compliance.	Supported

## CHAPTER V CONCLUSIONS AND RECOMMENDATIONS

Based on the finding of the previous sections, the researcher was able to summarize the main points for this study. The following section presents the conclusion, discussion, practical implications, limitations, and recommendations.

### **Conclusions**

This study aimed to answer the questions of (i) does the exercise of supervisory power have an effect on employee compliance and (ii) does organizational politics have an effect on employee compliance. The researcher was able to determine that coercive power does not have an effect on the level of employee compliance. The use of legitimate, reward, expert, and referent power, in contrast, do have an effect on employee compliance. Supervisors who utilize these kinds of power in the proper way can expect more compliant behaviors from their employees.

Regarding organizational politics' moderating effect on supervisory power and employee compliance, the researcher was able to determine that organizational politics does not affect the relationship between coercive, legitimate, or reward power and employee compliance. This means that the level of organizational politics being used does not affect supervisors' influence when combined with coercive, legitimate or reward power. It has no impact on the level of employee compliance.

It was found, though, that organizational politics as a moderator does have an effect on expert and referent power. When high levels of organizational politics are displayed the positive influence that supervisors can have when using expert or referent power with their employees is weakened. This means that employees are more compliant with the use of expert and referent power but when organizational politics becomes involved, they may be less likely to be compliant.

### **Discussion**

Previous studies stated that level of education and age can have an effect on employee compliance. The correlation analysis conducted by the researcher for this study support those findings. It was determined that in addition to organizational politics, when controlled, age and education can also affect employee compliance. Respondents with higher levels of education are more likely to be compliant as well as employees who are older in age. A higher level of education

and older age can result in increased compliance due to having a better understanding of policies and procedures as well as having more experience in seeing how well those policies and procedures work.

Previous literature has also stated that coercive power influences others via force, threats, or punishment. Consequently, this base of power can have a negative effect on employee compliance. However, the results of this research are not able to support such findings. This maybe be due to the previous research being conducted in bigger, more developed countries where the degree of coercive power being utilized is more prevalent. The use of coercive power by supervisors within Belizean organizations does not affect the level of employee compliance. Employees seem to be indifferent to their supervisors' threats or punishments when it is displayed in the form of coercive power.

The results show that Belizean employees are more compliant when their supervisors utilize legitimate, reward, expert, and referent power. Legitimate power is derived from formal authority, while expert power is derived from having skills and knowledge in certain areas. Referent power is derived from the exchange of mutual respect and admiration while reward power is derived through the ability to provide incentives. These bases of power are usually more positive, as such, are usually more effective when being used. Employees are more inclined to be compliant when directives are being given from a source who they admire, who makes them feel a sense of responsibility or who can provide them with resources that they perceive as being valuable.

In the context of the Belizean workplace, these bases of power can be instrumental in getting employees to follow the rules. That is because it is challenging to get employees to follow directives that does not come from formal authority who they respect. Employees want to see supervisors who they admire and who make them feel valued being the ones giving instructions. This is where legitimate and referent power go hand in hand. Employee compliance will be further increased with the proper use of incentives. In the Belizean workplace, employees place value on getting a bonus or paid holidays. Reward power when used effectively facilitates increased compliance through offering incentives that employees enjoy.

Since the results show that organizational politics interferes with the effectiveness of expert and referent power when being utilized by supervisors, organizations need to keep a balance so as not to decrease employees' willingness to comply. When supervisors are making use of coercive,

legitimate and reward power and organizational politics is added employees are not affected. However, when it comes to expert and referent power and organizational politics is added supervisors then may face difficulties in trying to make the employees be compliant.

The research hypothesized that coercive power would negatively affect employee compliance. However, the findings revealed that coercive power does not have an effect on employee compliance within Belizean organizations. The questions posed to the respondents regarding coercive power had to do with their supervisor making their job difficult, and being assigned undesirable tasks. The results show that whether or not respondents' supervisors made being at work difficult or not does not affect their level of compliance. This could possibly be due to use of coercive power not being the dominant power base being utilized by supervisors in Belizean organizations. To be able to use coercive power strategically so as to achieve organizational objectives, supervisors need to be in an environment that allows them to freely engage in such behavior and that also defends them from potentially negative consequences (Cheng et al., 2022). It is probable that supervisors in Belizean organizations are not in such an environment where they are protected from adverse consequence if they decide to force, threaten, or unduly punish employees, therefore, the use of coercive power is likely less prevalent in these organizations. As such the other bases of power have room to be much more effective. Legitimate, reward, expert, and referent powers are more positively perceived, thereby, are more effective in getting employees to comply.

The researcher also hypothesized that organizational politics would weaken the relationship between supervisory power and employee compliance. The findings reveal that organizational politics does not weaken the relationship between coercive, legitimate or reward power and employee compliance. Organizational politics does, however, weaken the relationship between expert and referent power and employee compliance. One possible explanation as to why only some bases of power affect employee compliance while others do not is that coercive, legitimate and rewards powers are dependent on the organization. Personal power such as referent and expert power have a positive effect whereas positional power such as legitimate and coercive power are less effective (Etzioni, 1965). That is, coercive, legitimate and rewards powers have to do with one's position within the organization, their access to resources and their decision-making

influence. Expert and referent powers, in contrast, are dependent on one's personal influence and efforts.

It has been determined that personal forms of power, expert, and referent power, are connected to higher levels of job satisfaction, productivity, organizational citizenship behavior, and in turn compliance (Elias, 2008; Podsakoff & Schriesheim, 1985; Randolph & Kemery, 2011). The bases of power have more positive perceptions by employees, therefore, have more positive influence. Employees are receptive to the use of expert and referent powers because supervisors who utilize these power bases are more skilled, knowledgeable and possess admirable qualities. However, when organizational politics is interjected into the relationship it is likely the effectiveness of these bases of power will decrease. It is quite possible that employees will begin to question whether they can trust or rely on these supervisors if they are being influenced by organizational politics. Elias, 2008; Podsakoff & Schriesheim, 1985; Randolph & Kemery (2011) went on to state that organizational forms of power, coercive, legitimate, and reward powers, are related to greater burnout, absenteeism, and lower productivity and self-confidence in employees. Theses bases of powers are negatively perceived and subsequently can potentially have negative effects on employees. When paired with organizational politics it further decreases employee compliance.

# **Theoretical Implications**

The findings of this study reveal that the use of supervisory power affects the level of employee compliance. The study also reveals that organizational politics can play a role in the relationship between the use of supervisory power and the level of employee compliance. Such findings can be linked to the theories explored in this study. These are the theory of regulatory compliance and the power basis theory. The basis of the theory of regulatory compliance is that the policies and regulations employed within the organization must be the right fit. The power basis theory, on the other hand, is grounded on the belief that humans utilize the different bases of power so as to fulfill their needs and to survive.

Mattia and Dhillon (2003) found that one of the key reasons for non-compliance is the inability of policies to reflect current organizational practices. When used within the context of Belizean organizations, supervisory power does have an effect on employee compliance, however,

creating and implementing policies and procedures that are the best fit for the organization should be more closely explored. Policies and procedures that are a poor fit will not aid in getting employees to comply. Even when legitimate, reward, expert and referent powers have positive effects on employee compliance, inadequacies in applying the best suited policies may hinder those positive effects.

Power is used in the organization when trying to get employees to do or to refrain from doing certain things. When used ineffectively, power is all about satisfying individual desires. Supervisors with more power are able to satisfy their own needs and desires, while the less powerful, employees, become be more dependent (Orta, 2015). Power utilized in this manner will result in conflict and resentment. Since, according to the power basis theory, individuals will use power because of the innate human desires a better understanding and application of supervisory power will help to ensure the correct configuration to employee compliance.

Burke and Wilcox (1971) determined that coercive power produces the least degree of employee's satisfaction and in turn their likelihood to be compliant. When employees are forced or punished it causes many negative feelings and tension within the organization. Similarly, Ivancevich et al. (2011) found that those in supervisory positions may block a promotion or criticize employees for poor performance which affect whether or no they will follow the rules. Unlike previous studies which stated that coercive power has a negative employee's job satisfaction and compliance, this study found that coercive power does not affect employee compliance within Belizean organizations. That is, based on the findings, the use of coercive power by those in supervisory positions does not increase or decrease employee's inclination to be compliant.

The researcher hypothesized that organizational politics would weaken the relationship between supervisory power and employee compliance. The findings revealed that organizational politics only weakens the relationship between expert power and employee compliance and referent power an employee compliance. It does not, on the other hand, weaken the relationship between coercive, legitimate, or reward power and employee compliance. Hence, it can be said that employee's response to the use of power varies depending on organizational politics.

It is possible that organizational politics only weakens the relationship between some of the bases of power and not others due to external and internal factors. Coercive, legitimate and reward power are centered on external factors attributed to the organization. These bases of power are centered on the degree of punishment that can be levied by the organization, organizational position, and the ability to provide incentives. All of these factors are dependent on the organization. Organizational politics has to do with the tactics used to get things done and what one wants. These tactics are often times used in the best interest of the organization and not of the employees.

Expert power and referent power, in contrast, are more focused on internal attributes. That is, they are dependent on personality, morals and what individual supervisors deem as being right or wrong and their disposition to be a positive example for employees to look up to. When organizational politics, which has to do with selfish gain, is interjected into the relationship between these bases of power and employee compliance it weakens the relationship because employees may begin to believe that their supervisors will act from a selfish place. Referent and expert power are centered on trust, respect, and admiration for supervisors who possess these bases of power. The presence of too much organizational politics will weaken supervisors' effectiveness to get employees to comply since organizational politics can affect the trust, respect, and admiration that employees have for their supervisor.

## **Practical Implications**

Supervisors must utilize some sort of power throughout their daily work-life in order to achieve organizational objectives and to get employees to accomplish such objectives. Power is displayed in numerous ways and can either help or hinder the accomplishment of those organizational objectives. Each base of power has its own advantages and disadvantages, as such, it is imperative for supervisors to know when and which base of power to use. The proper use of power will yield increase compliance from employees. One major challenge for supervisors is how to effectively utilize the correct type of power to ensure the employees' satisfaction (Faiz, 2013).

Coercive power can help with keeping employees from engaging in certain behaviors, however, it does not help in encouraging employees to adhere to the rules. Rather, it forces employees to be compliant which fosters resentment and distrust. Such negative feelings are not beneficial to the supervisor-employee relationship. Coercive power can be used positively when supervisors persuade employees rather than force them. Persuasion can be accomplished by

presenting to employees how they benefit from being compliant. With the use of legitimate power, there can be a fine line between making employees feel that they have responsibilities to fulfill and using one's position to force employees to fulfill those responsibilities. The proper utilization of this base of power is effective in aiding supervisors in building trust when employees know that their decisions act in the best interests of the majority. Supervisors who use this base of power in the proper way can get employees to comply because they are more likely to perceive that the rules are rational.

Reward power has been said to be the most used. When used correctly, this base of power can be the most effective in getting employees to be compliant. Employees relish getting incentives whether if it is in the form of money or another resource that they deem as being valuable. Supervisors who know when and in what form to give employees incentives can get employees to do what they are asked. Supervisors can provide incentives such as bonuses, paid time off or even trips. On the other hand, if employees perceive that there is a constant abuse of this type of power by their supervisor, the effectiveness may decrease.

Expert power is based on employees' perceptions of the skills, knowledge, and expertise that their supervisors possess. The be able to effectively utilize this base of power supervisors must be constantly learning and enhancing their knowledge. The effectiveness of this base of power lies in learning and being able to teach employees. Supervisors should be constantly practicing and understating where the organization is heading. This will aid in predicting what skills and expertise will be needed in the future.

Referent power is founded on supervisors' ability to make employees feel valued. The effectiveness of this base of power lies how well supervisors' can provide their employees with a sense of belonging and respect. These positive feelings help in fostering admiration for supervisors. It is important for employees to be treated like they are assets to the organization and that they are actually making contributions to the overall growth and success. Supervisors who possess or who would like to possess this type of power should be open to ideas, opinions, and input from employees. Supervisors must also set good examples and be able to identify when their employees are doing good work.

While it is unlikely that organizations can be free from politics it is important that a proper balance is maintained. Supervisors and those in managerial positions must ensure that gossip is discouraged, they break-up groups that are causing conflict and foster an environment of respect and understanding. The main purpose of organizational politics is for self-attainment. Consequently, too much interference in the form of organizational politics hinders supervisors' ability to positively influence employees. Supervisors who are reliant on expert and referent power within Belizean organizations are negatively affected by organizational politics. A high level of organizational politics weakens the effectiveness of expert and referent powers when trying to get employees to comply. Increased employee compliance is highly beneficial to the organization in its entirety since it prevents unethical and illegal behaviors.

### **Limitations and Future Research Suggestions**

This study was conducted focusing specifically on compliance within Belize and based on the responses from Belizean employees. Every country has different laws and policies when it comes to compliance, hence, the results cannot be directly applied to other Latin or Caribbean countries. Another limitation of this study is since only closed ended questions are used for respondents to answer, the data is limited to only those answers. There is no room for additional explanations or discussions between the researcher and the respondents concerning how the exercise of supervisory power affects employee compliance and how organizational policies paired with the different kinds of supervisory powers affect the level of employee compliance.

A suggestion for future research is to focus solely on how organizational politics affects employee compliance within the public or the private sector of Belize since the majority of the respondents in this study are from the private sector. Additionally, instead of conducting the study using quantitative method, qualitative method can be used which may help the researcher to be able to delve deeper into the issue of employee non-compliance.

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**APPENDIX A: QUESTIONNAIRE** 

Dear participant,

I am presently a master's student from the Graduate Institute of International Human

Resource Development, National Taiwan Normal University. This research is being conducted to

explore employee compliance and related issues within Belizean organizations. As such,

participants are invited to complete the following questionnaire which will take an estimated 10

minutes of your time to complete.

Your participation is completely voluntary, and the questionnaire is anonymous. Any

information that you provide is strictly confidential and nothing will be published to identify you.

The results will serve for academic purposes as well as to provide recommendations to Belizean

organization's compliance management strategies. There is no standard answer for each statement,

simply indicate the appropriate response that applies to you in each category.

NATIONAL TAIWAN NORMAL UNIVERSITY

Graduate Institute of International Human Resource Development

Advisor: Chu-Chen Rosa Yeh, PhD

Graduate Student: Alexanderia Garbutt

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	Demographics					
	Age:					
	Gender: male female					
	Education: primary secondarytertiary					
	Marital status:single common law married					
	widowed					
	Organization sector: private public					
	Number of years with current organization:					
	Organizational position:					
	entry-level employees (1 to 5 years):					
	intermediate-level employees (6 to 10 years):					
	senior level: 11 <sup>+</sup> years					
	·					
	following questions are based on employees' perception of					
_	nizations. Kindly indicate to what extent these statements are	e appli	cable	to you	r expe	rience
with	in your current organization.			70		
		ï	ly	mes	u	<b>ys</b>
		Never	Rarely	etii	Often	Always
		Z	R	Sometimes	0	A
				S		
	Relationships ( Bij )					
1	People in my organization ingratiate themselves to other people to get the outcomes they desire.					
	People in my organization improperly use their relationships					
2	to bypass organizational processes.					
	People in my organization form relationships in order to get					
3	personal benefits.					
	Communication					
	Communication					
	Gossip drives the way that people interpret what goes on in					
4	my organization.					
	Gossip is the primary way in which information is shared in					
5	my organization.					
	Rumors are central to people's understanding of what is					
6	happening in my organization.					
	Reputation					
	People in my organization stab each other in the back to					
7	make themselves look good.					
	People in my organization try to make themselves look good					
8	by making others look incompetent.					

9	People in my organization undermine others' credibility behind their backs.			
	Decisions			
10	People in my organization use their position to influence decisions to benefit themselves.			
11	People in my organization abuse their authority by making decisions that benefit themselves.			
12	People in my organization pretend to consult and invite input even though decisions have already been made.			
	Resources			
13	People in my organization build up resources to increase their personal power, not to benefit the organization.			
14	Too often, people in my organization unfairly obtain resources that could be better used elsewhere.			
15	Resources in my organization are unfairly allocated based on individual influence rather than organizational priorities.			
	following questions are based on employees' perception of in their organizations. Kindly indicate to what extent these			
	experience within your current organization.  Reward Power			
	experience within your current organization.			
your	experience within your current organization.  Reward Power			
your 1	Pexperience within your current organization.  Reward Power  My supervisor can influence my getting a pay raise.			
your 1	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.			
1 2	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power			
1 2 3	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power  My supervisor can give me undesirable job assignments.			
1 2 3 4	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power  My supervisor can give me undesirable job assignments.  My supervisor can make work difficult for me.			
1 2 3 4 5	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power  My supervisor can give me undesirable job assignments.  My supervisor can make work difficult for me.  My supervisor can make things unpleasant for me.			
1 2 3 4 5	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power  My supervisor can give me undesirable job assignments.  My supervisor can make work difficult for me.  My supervisor can make things unpleasant for me.  My supervisor can make being at work distasteful.			
1 2 3 4 5 6	My supervisor can influence my getting a pay raise.  My supervisor can influence my getting a promotion.  Coercive Power  My supervisor can give me undesirable job assignments.  My supervisor can make work difficult for me.  My supervisor can make things unpleasant for me.  My supervisor can make being at work distasteful.  Legitimate Power			

10	My supervisor can help me to recognize that I have tasks to accomplish.			
	Expert Power			
11	My supervisor can give me good technical suggestions.			
12	My supervisor can share his/her considerable experience and/or training with me.			
13	My supervisor can provide me with sound job-related advice.			
14	My supervisor can provide me with needed technical knowledge.			
	Referent Power			
15	My supervisor can make me feel valued.			
1.0	My supervisor can make me feel like he/she approves of me.			
16				
17	My supervisor can make me feel personally accepted.			
	My supervisor can make me feel personally accepted.  My supervisor can make me feel important.			
17 18 The indicate		_		•
17 18 The indicate	My supervisor can make me feel important.  following questions are based on employees' compliance with cate to what extent these statements are applicable to your e	_		•
17 18 The indicate	My supervisor can make me feel important.  following questions are based on employees' compliance with cate to what extent these statements are applicable to your enization.	_		-
17 18 The indic orga	My supervisor can make me feel important.  following questions are based on employees' compliance with cate to what extent these statements are applicable to your enization.  Compliance intention  I am willing to always follow with my organization's	_		-
17 18 The indic organ	My supervisor can make me feel important.  following questions are based on employees' compliance with cate to what extent these statements are applicable to your enization.  Compliance intention  I am willing to always follow with my organization's compliance policies.  It is likely that I would always follow the compliance policies	_		-
17 18 The indicorga	My supervisor can make me feel important.  following questions are based on employees' compliance with cate to what extent these statements are applicable to your enization.  Compliance intention  I am willing to always follow with my organization's compliance policies.  It is likely that I would always follow the compliance policies in order to protect the organization.  I am willing to follow my organization's compliance policies for security purposes whenever I access confidential	_		-

# Thank you for your participation!

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