



Investigating the role of cyber loafing on financial performance of organization

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ABSTRACT

This study was conducted to investigate the role of cyberloafing on the financial performance of the organization. The present study is applied objectively and it is a descriptive-correlational research in terms of data collection. The statistical population of this study is 300 employees of Melli Bank in Shiraz. The sample size was considered 168 employees through Cochran formula. The sampling method was stratified random. Data were collected through standard questionnaires. Cronbach's alpha was used to assess the validity as the content and reliability of the questionnaire. Correlation matrix and linear regression was used to test the hypotheses using SPSS software. The results showed that there is a significant and inverse relationship between cyberloafing and financial performance of the organization.

1. Introduction

One of the controversial issues in recent decades that has attracted the attention of many managers and researchers of behavioral sciences has been the discussion of deviant behaviors in the organization and how to manage such behaviors. Deviant behaviors in the organization refer to those voluntary behaviors of employees that ignore the norms of the organization and threaten and bother the organization and its members (1). Cyberloafing is one of the deviant behaviors in the organization, which is the use of employees from Internet access to the organization to conduct personal affairs during working hours (2, 3, and 4).

In other words, employees spend time on the Internet when they should do their job. Activities such as using social networks, using blogs and podcasts, downloading and uploading content, buying online, using web-based games, investigating stock price, searching for non-work-related information and investigating and sending personal emails can be conceptualized as cyberloafing (5). All these studies emphasize that the first cyberloafing is a voluntary behavior. And second, the behavior is done during working hours and it is for the personal purposes of the employees. Thus, it can be said that cyberloafing is one of the manifestations of deviant behaviors in the organization that places in the line of behaviors such as absenteeism, dishonesty, theft, antagonism and conflict in the workplace (6).

Malachowski (7) believes that cyberloafing is the most common way of wasting time in working hours, so that the estimates indicate that employees spend less than 3 hours per week up to 2.5 hours per day to cyberloafing. The costs and damages on the organization from cyberloafing are very costly and caused serious problem for organizations (8, 9). Researchers believe that cyberloafing is not bad in any way. They believe that the Internet has fulfilled their different working needs and led them to creativity, flexibility, friendship and camaraderie and expanded the educational environment. Employees who are tentatively hired, probably cyberloafing help them to improve required skills as well as gain knowledge, so it causes to become more useful and valuable individuals to the organization (10). Some researchers also believe that cyberloafing acts like sending and receiving personal emails like doing personal telephones at work and thus it seems to make them happy. In short, some researchers have detected cyberloafing harmful to employees, and others believe that cyberloafing may increase employees' productivity (11).

Undoubtedly, a variety of reasons can lead to poor performance of the organization, but what has engaged the mind of most managers in the present era is deviant behavior. Organizational performance is a broad concept that encompasses what the company produces and the areas of interaction with them; in other words, organizational performance refers to how the organization performs missions, tasks and organizational activities and their outcomes. Organizational performance has many dimensions (12). This evaluation is very important in the financial, operational and economic activities of the organization. Currently, the evaluation of performance of many companies and organizations is performed based on financial indicators. Overall, the financial performance of each organization represents the summary of the financial operations and activities of an organization and continuous evaluation

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of financial performance and identifying the factors affecting it has a significant role in improving organizational performance and facilitating the management cycle rotation i.e budgeting, planning, performing work, reviewing proper work and practice (13).

It can be pointed that the issue of financial performance has always been one of the issues proposed in the financial theoretical foundations and it is a major concern of business practitioners in all organizational types because financial performance implies the health of an organization and ultimately caused its survival. (14). So that it can guarantee the implementation of the organization's goals and its development (15). For this purpose, the evaluation of corporate financial performance is one of the most important issues for investors, creditors, governments and managers (16). According to the importance of organizational performance and the operational objectives that are considered in financial performance, the definition of financial performance is the degree or extent that company achieves shareholders' financial goals in order to increase their wealth. These operational goals that the CEO follows to achieve the primary goal i.e increasing shareholders' wealth include indicators and metrics such as profit, return on asset, return on investment, etc. that includes part of the organization's performance and ultimately It leads to identifying and explaining the extent of organizational effectiveness (17). The enormous damages and costs that cyberloafing causes as well as the prevalence of this issue make it clear that it is important to investigate this phenomenon regularly and accurately. Of course, it cannot be said all organizations and employees are involved such issue or that a large number of employees are engaging with cyberloafing, but the same percentage of employees who engage in such deviant behavior incur a significant cost to the organization. In addition to the tangible costs, the intangible costs caused by reducing productivity, production, and opportunity costs are imposed on the organization. Another issue that justifies the importance of investigating this deviant behavior in the organization is the discussion of the organization's performance, and in particular the financial performance and counterproductive and ineffective behaviors. These behaviors cause performance and productivity of employees to drop sharply and cause damage to the entire organization. This issue manifests the importance of investigating such behaviors. The purpose of this research is to investigate the role of cyberloafing on the financial performance of the organization.

2. Research background

Mohammadi Moghaddam et al. (2015), in a study investigated the relationship between perceived organizational control and fear of punishment, with employees' cyberloafing at work (Case study: Iran Khodro Industrial Group). The results of the data analysis show that there is a direct and significant relationship between perception of physical presence of supervisor and perceived organizational control as well as perception of physical presence of supervisor and fear of punishment. The results also show that there is an inverse relationship between perceived organizational control and cyberloafing as well as fear of punishment and cyberloafing. In this context, the relationship between perceived organizational control and fear of punishment was not confirmed (18).

Meshbeki et al (2011), the results of the data collected through the distribution of questionnaires among 152 employees of an active company in the field of vehicle indicate that perceiving organizational control does not play a moderating role in the relationship between organizational justice and cyberloafing (19). The results showed that there is an inverse and significant relationship between perception of organizational justice and cyberloafing (20).

Rostubog et al. (2011) examined the relationship between organizational justice and cyberloafing.

Delara et al. (2006), in their paper, examined the relationship between perception of organizational control and fear of retribution with cyberloafing. The results of this study, conducted on 146 employees of the National University of Spain, showed that perceptions of organizational control reduce cyberloafing. The study also specified that there was a direct and significant relationship between perception of physical presence of supervisor, perception of organizational control and fear of punishment (21).

3. Research hypothesis and model

3.1. The main hypothesis

There is a significant inverse relationship between cyberloafing and financial performance.

3.2. Sub-Hypotheses

- 1- There is a significant inverse relationship between development behaviors and financial performance.
- 2- There is a significant inverse relationship between retrieval behaviors and financial performance.
3. There is a significant inverse relationship between deviant behaviors and financial performance.
- 4- There is a significant inverse relationship between addictive behaviors and financial performance.

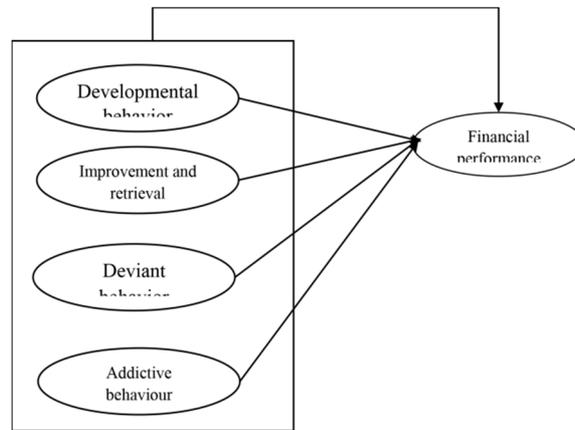


Figure 1. Conceptual model of research

4. Research Methodology

This study is applied objectively and it is descriptive and correlational in terms of data collection. The statistical population of this study was 300 employees in Shiraz Melli Bank. The sample size was considered 168 employees using Cochran formula. The sampling method was stratified random. Two standard questionnaires were used to collect data. Delara et al (21) questionnaire with 13 items and four subscales was used to measure cyberloafing, four questions were considered for developmental behavior variable, three questions for improvement and retrieval behavior variable, three questions for the deviant behavior variable and finally three questions for addictive behavior. Azizi questionnaire with 21 items was used to measure financial performance variable. Finally, Cronbach's alpha was used for reliability of the questionnaire.

Table 1. reliability index

Variables	Measures	Cronbach's alpha
developmental behavior	4	0.78
improvement and retrieval behaviour	3	0.73
deviant behavior	3	0.75
addictive behaviour	3	0.71
Financial performance	21	0.85

As it can be seen from the results of the above table, all the numbers are above 0.7, it can be said that the measuring instrument has a relatively good reliability.

5. Findings

The Kolmogorov-Smirnov test is a statistical test to investigate the normality of data. Therefore, this test is performed because the researcher is allowed to use parametric tests if the data are normal.

Table 2. Normality test of research variables

Variables	Kolmogorov-Smirnov test	Significant level	Result
developmental behavior	78/0	085/0	Normal
improvement and retrieval behaviour	65/0	091/0	Normal
deviant behavior	49/0	11/0	Normal
addictive behaviour	58/0	102/0	Normal
Financial performance	09/1	078/0	Normal

Since the significance level for the research variables is greater than 0.05, at 95% confidence level, the assumption of normality of distribution of the target population is confirmed. The correlation matrix of the research variables is presented below.

Table 3. Correlation Matrix of Research Variables

Variables	developmental behavior	improvement and retrieval behaviour	deviant behavior	addictive behaviour	Financial performance
developmental behavior	1				
improvement and retrieval behaviour	**31/0	1			
deviant behavior	08/0-	**22/0-	1		
addictive behaviour	*17/0-	**35/0-	**39/0	1	
Financial performance	**45/0-	**36/0-	*19/0-	**26/0-	1

01/0 P < ** 05/0 P < *

According to the table above, among the variables, the highest correlation coefficient with the criterion variable (financial performance) is related to developmental behavior (-0.45) and the lowest correlation coefficient is related to deviant behavior (-0.19). Then, we investigate the research hypotheses using linear regression test.

Table 4. Regression Table of cyberloafing on Financial Performance

Variables	Beta	T	P-Value
cyberloafing	0.59-	9.23-	0.03
developmental behavior	0.51-	8.43-	0.00
improvement and retrieval behaviour	0.43-	6.58-	0.02
deviant behavior	0.29-	4.36-	0.04
addictive behaviour	0.47-	7.12-	0.02

- There is a significant inverse relationship between cyberloafing and financial performance.

According to the data in Table 4, the effect of cyberloafing on financial performance is equal to -0.59 and according to value (P= 0.03) is less than 0.05, the main research hypothesis is confirmed.

- There is a significant inverse relationship between development behaviour and financial performance.

According to the data in Table 4, the effect of development behaviour on financial performance is equal to -0.51 and according to value (P= 0.00) is less than 0.05, the first research hypothesis is confirmed.

- There is a significant inverse relationship between improvement and retrieval behaviours and financial performance.

According to the data in Table 4, the effect of improvement and retrieval behaviour on financial performance is equal to -0.43 and according to value (P= 0.02) is less than 0.05, the second research hypothesis is confirmed.

- There is a significant inverse relationship between deviant behaviour and financial performance.

According to the data in Table 4, the effect of deviant behaviour on financial performance is equal to -0.29 and according to value (P= 0.04) is less than 0.05, the third research hypothesis is confirmed.

- There is a significant inverse relationship between addictive behaviour and financial performance.

According to the data in Table 4, the effect of addictive behaviour on financial performance is equal to -0.47 and according to value (P= 0.02) is less than 0.05, the fourth research hypothesis is confirmed.

6. Conclusion

This study was conducted to investigate the role of cyberloafing on the financial performance of the organization. The results of the study showed that cyberloafing has a significant inverse relationship with the financial performance of the organization. It means that, the more cyberloafing is performed in the organization by employees; the financial performance of the organization reduces. Cyberloafing is one of the issues of the present era. Melli Bank has been involved and today its employees are suffering from this deviant phenomenon. Given the increasing use of information and communication technology in organizations, in addition to the benefits that this process has, it has opened new ways for deviant behaviors of employees in the workplace. Employees' use of the Internet provided by the organization for non- related purposes with job is one of these disadvantages. The results of a study show that cyberloafing of employees in the UK has a loss of £ 154 m per year (23).

The results of the present study sought to obtain a better perception of the problem of cyberloafing in Iranian organizations. According to the results of the main hypothesis of the study, it can be stated that due to the negative and significant effect of cyberloafing and financial performance, the more the cyberloafing increases in a positive direction, the financial performance will be reduced in reverse. In this regard, a study was conducted by Barala et al. (24), they believed that cyberloafing reduces performance due to lose working time. In fact, the time spent for cyberloafing is the time that should be spent for working affairs, it is expected that any loss of working time will result in loss of productivity so the results of this study are consistent with the research mentioned.

In general, complete eliminating cyberloafing activities is not possible unless the organization's management clarifies the policies of using Internet. Employees' deliberate use from the organization's Internet system during working hours and web browsing on sites that are for personal purposes and have no relation with their work, and also checking personal emails is from these cases.

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