

Does Cyberloafing Adversely Effect to Employee Performance?

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ABSTRACT: An empirical study was carried out in relation to cyberloafing behaviors and employee performance owing to contradictory research findings and contextual gap. The purpose of this paper is to identify the impact of cyberloafing on employee performance in the banking (private) sector in Sri Lanka. Population of this study was non-managerial employees of private banks in Kandy district and the size of the sample was 152. Measuring instruments of the constructs are good in terms of validity and reliability. Study findings show that 65% variance of employee performance is predicted by cyberloafing. Further, the findings of this study highlighted that an inverse relationship exists between cyberloafing and employee performance while cyberloafing makes a negative impact on employee performance. Future studies are mainly encouraged to conduct scholar work in the field of cyberloafing with mediating and moderating variables.

Keywords - Cyberloafing, Employee Performance, Private Banks, Sri Lanka.

1 INTRODUCTION

The use of internet technology is increasing day by day in today's business world and it is also one of the main factors for organizations to achieve competitive advantage since it strengthens their operations and production processes. The internet is an integrated part of organizations in terms of increased productivity, employee efficiency and improved communication [1]. Despite its large number of benefits, internet technologies have also engendered new opportunities for novel forms of workplace deviant behaviours. Cyberloafing can be identified as such kind of workplace deviant behaviour. The personal use of internet in the workplace at the cost of the workplace can be seen as an endemic issue in any kind of organization which is considered as the cyberloafing. Therefore, it is not surprising that most of corporations are regulating the internet surfing [2]. Literature contains contradictory study findings on the impact of cyberloafing on employee performance. And, a contextual gap is existed since no study has been conducted in banking sector in Sri Lanka in terms of cyberloafing. Banking sector utilizes advanced technology to offer a high-quality service to customers. When it comes to the economic growth of a country Banking sector is playing an important role in the economy. They play a critical role within the Sri Lankan financial system, as they are engaged in provision of liquidity to the entire economy, while transforming the risk characteristics of assets. According to the Central Bank report 2017 [3], the private commercial banks made up 46% of the local market, with the top-three private banks accounting for nearly two-thirds of the segment's total asset base. It is essential to maintain the effective system within the banks in order to maintain the effective contribution to the growth of the economy in the country. With this ground, an empirical study was carried out with the main objective of finding the impact of cyberloafing on employee performance of non-managerial employees in private banks, Kandy district, Sri Lanka.

2 RESEARCH OBJECTIVE

This study was carried out with following objective.

1. Find the impact of cyberloafing on employee performance of non-managerial employees in private banks, Kandy district, Sri Lanka

3 THEORETICAL BACKGROUND

3.1 Cyberloafing

Cyberloafing has been defined as the behavior of involving in electronically-mediated activities by the use of internet that is not considered as job-related activities by the immediate supervisor at workplace [4]. Cyberloafing behaviors have been categorized into two dimensions called minor and serious. Minor behavior includes usage of personal emails to view web sites which are not work-related whereas serious behaviors include usage of unsecured web sites which may hack organizational confidential data. Employees who are powerless are tend to engage in more internet-related activities especially playing games, watching movies, teledramas and YouTube videos, online shopping, job searching and reading blogs and online newspapers. [5] Found that the increase of cyberloafing activities hinders organizational productivity. Further, in universities, the internet facilities offered by the university are being used by undergraduates more for leisure than academic work. Employees will show both productive hours and non-productive hours. Further, when the workload of an employee is apparently low, they do engage in cyberloafing. Since amazing technological tools and ways are freely available in the hands of the employee, cyberloafing activities take less time [6].

3.2 Employee Performance

Employee performance has been defined as the total performance of an employee relating to job related duties and responsibilities [7]. Some scholars have named employee performance as job performance. [8] Defined job performance as the standard for salary changes, rewards, promotions, reviews and punishments. Further, job/ employee performance has been recognized as one of key indicator of organizational performance. Several scholars have identified different dimensions of employee performance as work role empowerment, behavior toward customers, teamwork, conscientious initiative, personal and organizational support, perceived effort, opportunity for reward, job satisfaction, job performance, task performance, contextual performance, counterproductive work behavior, creativity, disciplined effort, interpersonal adaptableness, handling work related stress, task proficiency and task proactivity [9].

3.3 Cyberloafing and Employee Performance

In the literature, several studies have been conducted on internet abusing at work place. Some of them have concluded that cyberloafing leads to positive consequences at workplace while some have presented the negative impact of cyberloafing since the internet usage for non-work gives them a recovery from work. In order to cope up with the stress and challenges along with each job, employees use organizational internet facilities to brows YouTube, social media networking sites, during the break time [10]. Further, cyberloafing makes a positive relationship with employee emotions while receiving and sending official emails make a negative impact on employee emotional wellbeing. Some employees use internet to update their knowledge and to get to know current affairs in the country and world. Some studies have shown that employees are using productive hours in cyberloafing although organizations make restrictions of internet usage. With these facts, a certain amount of cyberloafing is acceptable. Therefore, organizations need to permit the usage internet for educational and leisure purposes within an ethical framework [11]. On other hand, cyberloafing reduces the task performance as it hinders the working time. When employees are allocating working hours for shopping through online websites such as eBay, their commitment hinders toward job performance [12]. Most of jobs have the ability to deal with information technological devises and it leads employees to engage in cyberloafing activities. Unlike hacking, employees do not require extensive knowledge and skills in information technology. Especially in the service sector, employees cannot offer the service without interacting with the customer directly. In such a situation, usage of internet for personal tasks reduces the commitment toward productive service [13].

4 CONCEPTUAL FRAMEWORK

The conceptual framework of the study is shown in figure 1 and hypothesis was developed based on the conceptual framework.

Figure 1 - Conceptual Framework



H1 - Cyberloafing has a negative impact on employee performance.

5 METHODOLOGY

Population of this study was non-managerial employees who were working in private banks in Kandy district and the size of the sample which is 152 was decided based on Moragan table. Cyberloafing was measured by using 19-item five-point likert scale developed by Lim in 2002 and extended by Henle and Blanchard in 2008 [14] which was tested Coefficient alpha for the scale at .92. Employee Performance was measured using the scale developed by William and Anderson’s in 1991 [14], which was tested Coefficient alpha for the scale at .92.

6 DATA ANALYSIS AND RESULTS

Data analysis was done by using descriptive statistics, correlation analysis and regression analysis through SPSS 20. For this study, 152 questionnaires were distributed and only 148 were received. As per the results of Table I, average age of respondents was in between age of 25 – 35 years representing majority females who had a degree as the education qualification and with 01-03 years working experience with means values of 1.33, 1.03, 2.01 and 2.31 respectively. Standard deviation (SD) of cyberloafing and employee performance were more than 0.5 which denoted that data were in a widely – spread distribution. Skewness and kurtosis values of cyberloafing and employee performance were 0.531; 5.009, 0.944; 5.408 respectively.

Results of table II shows that Pearson correlation between cyberloafing and employee performance was -0.542 which was significant at 5% (p value=0.00<0.05). Since the probability value of Pearson correlation was less 0.05 (5%), it can be statistically concluded that cyberloafing is negatively related with employee performance. In another words, there is an inverse relationship between cyberloafing and employee performance of managers in banking industry in Sri Lanka. That gives the foundation to run regression analysis for the collected data in order to find the impact of cyberloafing on employee performance and results of regression analysis (Table III) indicated β value of -2.11 which was significant at 5% (P value=0.01<0.05). Since the probability value of negative coefficient value (β) is less than 0.05 (5%), it can be statistically concluded that cyberloafing has a negative impact on employee performance. Further, it can be interpreted that when cyberloafing behaviors increase by one unit, employee performance is decreased by 2.11 units. Based on the regression analysis results, regression equation is shown below.

$$E(Y_i/X_1) = \hat{\beta}_0 + \hat{\beta}_1 X_1 + \varepsilon_i$$

Y_i = Employee Performance (EP)

$\hat{\beta}_0, \hat{\beta}_1$ = Regression Coefficients

X_1 = Cyberloafing

$$E(EP/Cyberloafing) = 4.558 - 2.11 \text{ Cyberloafing}$$

As per the model summary results of the study, it can be stated that 65% ($R^2=0.649$) of variance of employee performance is explained by cyberloafing while the rest (35%) does not (Table IV). This reflects that a considerable variance of employee performance can be expected by cyberloafing behaviors of managers. Since cyberloafing negatively impacts on employee performance, this 65% of variance will generate negative consequences to the organization.

TABLE I - DESCRIPTIVE STATISTICS

	Mean	SD	Skewness	Kurtosis
Age	1.33	0.52	0.945	7.344
Gender	1.03	0.44	-1.002	7.232
Education	2.01	0.74	-0.935	4.201
Tenure	2.31	0.78	-1.022	6.717
Cyberloafing	3.22	0.56	0.531	5.009
Employee performance	3.21	0.78	0.944	5.408

TABLE II - CORRELATION ANALYSIS

	Employee Performance	Sig.Value (p)
Cyberloafing	-0.542	0.000
Note: N=148, P<0.05		

TABLE III - COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.558	.063	1.67	72.349	.000
	Cyberloafing	-2.11	.045	-2.98	46.889	.001

TABLE IV - MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806 ^a	.649	.612	.21452
a. Predictors: (Constant), Employee performance				

7 CONCLUSION

This study was carried out to test the hypothesis: 1) cyberloafing makes a negative impact on employee performance. Study found that cyberloafing is negatively related with employee performance and employee performance is reduced due to cyberloafing which is supported by literature previous studies. Based on the quantitative data analysis, statistically revealed a negative relationship between cyberloafing and employee performance (-0.542 , $P<0.05$). Further, study found negative impact of cyberloafing on employee performance ($\beta=-2.11$, $P<0.05$). This showed that when cyberloafing increases by one unit, the performance of employees hinders by 2.11 times. Further, as a study finding, it can be presented that 65% of employee performance can be explained by cyberloafing which means cyberloafing plays an important role in employee performance determination.

8 PRACTICAL IMPLICATIONS

As per the study findings, it is clear that cyberloafing makes a negative impact on employee performance. Ultimately, overall organizational performance gets negatively impacted. In order to eliminate the negative effects of cyberloafing activities at the work place, management of the private banks should formulate and implement policies such as restricted Wi-Fi usage, prohibited web sites such as YouTube, Social media,

reduced free times/ breaks, Internet usage tracking systems, and motivation towards Green behavior and green values. Further, employers could make use of the code of ethics in the organization to control the employees' cyberloafing behavior. When employees get the question of doing this ethical is very important here. If the organization has included a sentence regarding cyberloafing in their code of ethics, then automatically employees feel guilty when they engage in a cyberloafing activity. Rather than using external control mechanisms this internal control mechanism will be effective. On the other hand, organizations could adapt to a new strategy which is neither policy option nor ethical option. The employers can allow some fixed time per day for employees to engage in their personal activities by using internet at workplace. This will ultimately refresh employees to work effectively as well as it reduces the over usage of internet at work for personal tasks. That will be a win-win situation for both parties.

9 LIMITATIONS AND FUTURE DIRECTIONS

This research is not free from limitations. There are several limitations within this research. First, it can be identified the contextual limitations. Since this research is limited to the Kandy District, Sri Lanka and also limited to the private banks, it can be a major limitation. If future researchers could conduct this in a different context or incorporating different industry, it will be a great contribution to the existing cyberloafing research literature. On the other hand, there are methodological limitations as well. In this research researchers have used only relationship between two main variables cyberloafing and employee performance. Future studies are encouraged to use mediating variables such as co-worker support and organizational support or moderating variables including gender difference, generational differences, employee emotions and employee psychological well-being.

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How to cite this article: H.M.R.D. Kularathne, Does Cyberloafing Adversely Effect to Employee Performance?, Asian. Jour. Social. Scie. Mgmt. Tech. 3(2): 01-06, 2021.