Competitiveness and Interpersonal Deviance: Bonuses as the Match that Lights the Fire

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Key Concepts

Bonuses: Individual, monetary, extra payments that are paid contingent to individual employee performance, to increase motivation and to attract a competitive workforce.

(Trait) Competitiveness: The enjoyment of interpersonal competition and the desire to win and be better than others.

Machiavellianism: A tendency to maximize personal gains, even when it is on the cost of others (Christie & Geis, 1970).

Interpersonal Deviance: Behavior that is directly harmful towards other individuals within the organization (Robinson & Bennett, 1995).

Theory

- Goals and rewards may have unintended ‘side effects’ by leading to a rise in unethical behavior, hazardous risk preferences, and a corrosion of organizational culture.
- Challenging goals in combination with financial rewards can lead to the neglect of contextual, social behaviors.
- The implicit, unconscious confrontation with the concept ‘money’ lets participants show less pro-social behavior towards others.
- Employees high in individual competitiveness should be motivated to do everything they can to get the bonus.

Method

Sample: Multisource online survey. N = 93 employed Germans; 54% , recruited via online research panel; mean age: 39.5 years (SD = 10.8).

IV: Salary with financial bonus: no vs. yes

Moderator: Competitiveness/ Machiavellianism

We use Mach. to capture the exploitative social aspects of competitiveness, e.g., “It is hard to get ahead without cutting corners here and there” (10 items).

DV: Interpersonal Deviance Scale (Co-worker rating), e.g., “How often has your colleague, over the last 12 months, … said something hurtful to someone at work?” (7 items).

Controls: Age, Gender, Education

Results & Conclusion

We confirmed the predicted interaction between Financial Bonus and Individual Competitiveness on Interpersonal Deviance, $ F (3, 89) = 6.76, p = 0.000$, Adj. R2 = .16.

In addition, main effects for Machiavellianism, $\beta = 0.23, t (90) = 2.28, p < .05$, and Bonuses, $\beta = 0.31, t (90) = 3.09, p < .01$ on Interpersonal Deviance were found.

Financial bonuses have a positive effect on interpersonal deviance when Competitiveness or Mach., respectively, is high.

Another survey is conducted to get more insights in the details of bonus structures.

Experimental research is conducted to replicate the findings.

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