The Relationship between Managerial Monitoring Behavior and Empowering Leadership Climate with Employees’ Felt Accountability

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Abstract: Felt accountability is an imperative element within a society, as well as an organization. Without accountability, one would disregard the consequences that their actions may cost another individual. However, the number of empirical studies predicting factors of felt accountability is lacking. This correlational study is aimed to examine the relationship between felt accountability and managerial monitoring (for task and for interpersonal facilitation) behavior and empowering leadership climate. To reduce common method bias, data were obtained from multiple sources: 85 pairs of managers and their subordinates in Indonesia, with an appropriate amount of time-lag given for data obtained from the same source. All the measuring instruments for the purposes of this research exhibit a relatively good internal consistency, with the reliability coefficients ranging from 0.7-0.9. Analyses show (a) no correlation between managerial monitoring behavior for task and empowering leadership climate with felt accountability and (b) a significant positive effect of managerial monitoring for interpersonal facilitation on felt accountability. The discussion explains the result of the study from the point of view of the reciprocity theory and the collectivist culture of Indonesians.

1 INTRODUCTION

The phenomenon of bankruptcy of Barings Bank in 1995 and inadequate local government financial statements indicate the importance of accountability. Barings Bank, the oldest bank in Britain, went bankrupt because one of the bank’s officials made a number of illegal transactions (Titcomb, 2015). A review of local government financial reports in Indonesia demonstrates that many local government officials do not produce financial reports on time, and some public officials cannot complete financial reports that adhere to accounting standards (Basri and Nabila, 2014). Both examples of the phenomenon are related to felt accountability. Felt accountability is defined as an individual’s perception that his or her decisions or actions will be evaluated by an important audience and that later, he or she will be given sanctions or rewards from those evaluations (Hall and Hochwarter, 2011). Previous studies have shown that felt accountability is positively related to job satisfaction (Breaux, Munyon, Hochwarter and Ferris, 2009; Laird, Perryman, Hochwarter, Zinko and Ferris, 2009; Wallace, Johnson, Mathe and Paul, 2011; Wikhamn and Hall, 2014), performance (Wallace, Johnson, Mathe and Paul, 2011; Hochwarter, Ellen and Ferris, 2014), decision quality (Langhe, Van Osselaer and Wierenga, 2011; Pitesa and Thau, 2013), and organizational citizenship behavior (Hall, Zinko, Perryman and Ferris, 2009). In addition to positive impacts, perceptions of accountability have also been shown to lead to a negative impact on work tension (Hochwarter, Ferris, Gavin, Perrewé, Hall and Frink, 2007; Laird, Perryman, Hochwarter, Zinko and Ferris 2009; Zellars, Hochwarter, Lanivich, Perrewé and Ferris, 2011), depressed mood at work (Laird, Perryman, Hochwarter, Zinko and Ferris 2009; Lanivich, Brees, Hochwarter and Ferris, 2010), and stress (Goodman and Frazier, 2015). Even though there is an increase in the number of research about the impact of felt accountability, studies on the factors that affect accountability remain scarce, except for past research conducted by (Chen, Yuan, Cheng and Seifert, 2015; Mero, Guidice and Werner, 2014; Rutkowski and Steelman, 2005).
This study is intended to examine the roles of managerial monitoring behavior and empowering leadership climate as predictors of felt accountability. The assumption that these two variables can affect felt accountability is based on the social exchange theory (Blau, 1964). Theorists agree that social exchange involves a series of interactions that generate obligations (Emerson, 1976). With social exchange, these interactions are usually seen as interdependent and contingent on the actions of another person (Blau, 1964). In social exchange theory, reciprocity is one of the rules and norms of exchange. Therefore, in this study, managerial monitoring behavior and empowering leadership climate are assumed to be the costs or efforts provided by the organization, and reciprocally, it is expected that employees will perform their responsibilities and roles accountably.

The reason managerial monitoring behavior was chosen as a predictor variable of felt accountability is because through managerial monitoring behavior, managers provide important cues to their employees that clarify tasks and reinforce personal obligation and control of important organizational behaviors and outcomes. This style of supervision can be effective because the manager communicates directly to his subordinates (Mero, Guidice and Werner, 2014). Managerial monitoring behavior is a form of direct supervision that considers the extent to which managers perform administrative behaviors that strengthen the perceptions of accountability within the employees (Mero, Guidice and Werner, 2014). The behavior focuses on two perceptions about work activities and outcomes important to the organization’s success: the perceived importance of task performance (managerial monitoring behavior for task) and the perceived importance of being helpful and cooperative with other organizational employees (managerial monitoring behavior for interpersonal facilitation). A previous study examining the relationship between managerial monitoring behavior and felt accountability was conducted by Mero (2014), in which two samples were used. The first sample consisted of 198 staff and managers, and the second consisted of 107 technicians and managers. The results showed that an improvement in supervision style with managerial supervision behavior tends to increase employees’ felt accountability in task performance (individual subordinate task performance) and also interpersonal facilitation (performance of subordinates in interpersonal relationships that they build).

In the pyramid of accountability by Schlenker et al (1994), signals given by managers to subordinates are useful for communicating what the managers expect from employees, how employees are expected to contribute to achieving goals, and what the benchmark of success will be when performance is assessed. When the employees’ identity or image in the organization is considered contingent on their job performance in relation to publicized goals, employees are also expected to look for cues on the preferences of those who will pass judgment on their character and/or evaluate their performance so that they will be better able to respond accordingly to maintain a positive identity or image in the organization. Such preferences are then communicated through the manager’s monitoring behavior. A supervisory style in which communication becomes crucial is expected to increase employee accountability.

H1: Managerial Monitoring Behavior for task positively affects employees’ felt accountability.

H2: Managerial Monitoring Behavior for interpersonal facilitation positively affects employees’ felt accountability.

Another factor that is considered to influence felt accountability comes from the organizational level. Organizational level variables need to be investigated because the concept of accountability is fundamental to the organization, yet little attention to this matter has been given by academics (Frink and Klimoski, 2004). Therefore, this research is interested in examining the role of empowering leadership climate (Wallace, Johnson, Mathe and Paul, 2011) that is formed from leadership-based empowerment (Ahearn, Mathieu and Rapp, 2005). This leadership style emphasizes the importance of job significance, allows subordinates to participate in decision making, convinces subordinates to maximize performance, and seeks to remove bureaucratic obstacles. The said construct was chosen because such leadership will build employees’ psychological empowerment (Zhang and Bartol, 2010). Psychological empowerment is defined as an individual’s experience of intrinsic motivation based on self-cognition associated with work. Psychological empowerment is a constellation of experienced cognitions manifested as sense of meaning, competence, impact, and self-determination (Spreitzer, 1995). Meaning is congruence between an individual’s values and values associated with a task or work-unit in an organization. Competence is the belief that work activities can be carried out skillfully and successfully. Self-determination is the belief that one is free to choose how to perform work activities.
Impact reflects one’s capacity to influence strategic, administrative, and operational decisions within the organization or work unit. Therefore, organizations should consider making their employees feel empowered because empowerment can affect work performance. Psychological empowerment likely develops from a leadership style that empowers employees (leadership-based empowerment) (Menon, 2001) by providing the necessary conditions for feeling empowered. The empowering leader implements policies, practices, and procedures with the objective of empowering collective members, which results in members sharing a perception of being empowered.

Previous research has found a positive relationship between leadership-based empowerment climate and task performance (Tuuli and Rowlinson, 2009). The result of the research demonstrates that empowerment climate is positively related not only directly to both task and contextual performance behaviors, but also partially through both individual and team emponerments. At the team-level, empowerment climate is also positively and directly related to task work and teamwork behaviors, as well as partially through team empowerment. The results suggest that empowerment climate and psychological empowerment play complementary roles in engendering individual and team performance behaviors and are therefore not mutually exclusive. The findings are also evident of convergence in behaviors and are therefore not mutually exclusive. The result of the research demonstrates that empowerment climate and psychological empowerment play complementary roles in engendering individual and team performance behaviors and are therefore not mutually exclusive. The findings are also evident of convergence in behaviors and are therefore not mutually exclusive.

Learning from the aforementioned research the current research argues that an empowering leadership climate will also empower employees as evidenced by increased felt accountability. This is achieved when empowered leaders apply policies, practices, and procedures with the aim of empowering collective members.

H3: Empowering, leadership climate positively affects employees’ felt accountability

2 METHOD

2.1 Sample and Procedure

Respondents were 85 pairs of managers or supervisors and their subordinates who conducted direct report in private companies. Specifically, the subordinates who participated in this research were 43 women (50.6%) and 41 men (48.2%). Their age range varied between 23 and 50 years, with the majority of respondents in the category of 23-30 years (43.5%). The length of work in the organization ranged from 7-267 months, with the highest percentage working for 7-25 months (22.5%). With regard to their level of education, most respondents had bachelor’s degrees (82.4%). 61.2% of respondents were married and 34.1% were unmarried. Respondents in this study came from three different business lines, with the majority of respondents coming from the telecommunication business (69.4%).

2.2 Measurement

All the instruments used in the present study were based on those of previous studies. Following their original application, the questionnaires were then translated into Bahasa Indonesia, and the translated versions were then verified using a back translation method to ensure identical meaning. All the variables were measured with a 6-point Likert-type scale, ranging from 1 indicating "strongly unsuitable" to 6 indicating "strongly suitable". A 6-point Like rt scale was selected to avoid a middle value and a neutral answer (Chomeya, 2010). Before the implementation of the field study, a pilot study was conducted to make sure that all scales are reliable.

In this study, several methods were carried out to avoid common method bias. Richardson (Richardson, Simmering and Sturman, 2009) defines common method bias as systematic error variance shared by a function of the same method and/or source. Common method bias can potentially be a problem in behavioral research (Podsakoff, MacKenzie, Lee and Podsakoff, 2003) and can inflate the observed relationship between variables by up to 32% (Dyot and Glick, 1998). Therefore, our research used several methods to avoid common method bias, one of which was done by obtaining data from two different sources. In particular, managerial monitoring behavior questionnaire was given to the managers, while felt accountability and empowering leadership behavior questionnaire was given to subordinates. Furthermore, a 2-week separation (time-lag) between data collections was introduced for data that were collected from the same source (i.e., for felt accountability and empowering leadership climate instrument).
Felt Accountability
A nine-item scale ($\alpha = 0.78$) to measure felt accountability was adapted from Hochwarter (as cited in Hall, Zinko, Perryman and Ferris, 2009). The items were made up of statements such as “I am responsible for my actions at work” and “The organization’s leaders ask me to take responsibility for the decisions I make at work”.

Managerial Monitoring Behavior
Managerial monitoring behavior was measured with managerial monitoring behavior questionnaire constructed by Mero (2014). Managerial monitoring behavior for task ($\alpha = 0.78$) consisted of five items, including “My direct report frequently inquires subordinates to explain their task activities”. Managerial monitoring behavior for interpersonal facilitation ($\alpha = 0.71$) consisted of four items, including “My direct report frequently asks his/her subordinates to explain their activities related to helping and cooperating with others at work”.

Empowering Leadership Climate
Empowering leadership climate was measured with leadership-based empowerment inventory developed by Ahearne (Ahearne, Mathieu and Rapp, 2005). The instrument is comprised of a 12-item scale as manifested in four dimensions of 3 items each: enhancing the meaningfulness of work (i.e., “My manager helps me understand how my objective and goals relate to that of the company”), fostering participation in decision making (i.e., “My manager makes many decisions together with me”), expressing confidence in high performance (i.e., “My manager believes in my ability to improve even when I make a mistake”), and providing autonomy from bureaucratic constraints (i.e., “My manager allows me to do my job my way”).

3 RESULTS
All hypotheses were tested using SPSS. First, descriptive statistical analysis was used to see the general description of respondent characteristics in the forms of age, gender, education level, marital status, and length of work. To answer the research question, Pearson Product-Moment correlation was used (see Table 1). Table 1 shows that managerial monitoring behavior for task has no significant positive correlation with felt accountability ($r = 0.21$, $p > 0.05$) and that empowering leadership climate has no significant negative relationship with perceptions of accountability ($r = -0.04$; $p > 0.05$). Second, the managerial monitoring for interpersonal facilitation has a significant positive relationship with felt accountability ($r = 0.22$; $p < 0.05$). A significant relationship between managerial monitoring behavior for task and managerial monitoring behavior for interpersonal facilitation ($r = 0.80$; $p < 0.001$) was also found. Based on the above explanation, it can be concluded that the results do not provide support for H1 and H3, while H2 is supported.

4 DISCUSSION
This research has attempted to answer specific research questions and contributed to the understanding of felt accountability. First, the relationship between managerial monitoring behavior and employees’ felt accountability can be explained by the reciprocity theory (Price and Van Vugt, 2014). This theory assumes that when an individual makes an effort to provide benefits to others, the individual should also receive benefits from others, as a form of compensation for the effort that has been made (Price and Van Vugt, 2014). This reciprocal relationship is a form of social exchange, or the voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do indeed bring from others (Cropanzano and Mitchell, 2005). In this situation, the relationship between manager and employees is a reciprocal relationship. When a manager exhibits managerial monitoring behavior, the employees reciprocate by giving greater perceptions of accountability.
Table 1: Bi-Correlations.

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<tr>
<th>Variabel</th>
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<tr>
<td>1 Age</td>
<td>52.25</td>
<td>70.36</td>
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<td>2 Gender</td>
<td>28.02</td>
<td>6.72</td>
<td>0.61</td>
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<td>3 Education</td>
<td>-</td>
<td>-</td>
<td>0.15</td>
<td>-0.10</td>
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<tr>
<td>4 Marital Status</td>
<td>-</td>
<td>-</td>
<td>0.66</td>
<td>0.14</td>
<td>0.18</td>
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<td>5 Length of Work in Organization</td>
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<td>-</td>
<td>0.91</td>
<td>-0.20</td>
<td>0.66</td>
<td>0.51</td>
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<td>6 Managerial Monitoring Behavior</td>
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<td>0.13</td>
<td>-0.10</td>
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<td>7 Managerial Monitoring Behavior</td>
<td>4.37</td>
<td>0.66</td>
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<td>0.01</td>
<td>0.14</td>
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<tr>
<td>8 Empowering Leadership Climate</td>
<td>4.60</td>
<td>0.53</td>
<td>-0.00</td>
<td>-0.06</td>
<td>-0.03</td>
<td>-0.01</td>
<td>0.05</td>
<td>0.10</td>
<td>0.01</td>
<td>1</td>
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<tr>
<td>9 Felt Accountability</td>
<td>3.14</td>
<td>0.84</td>
<td>0.05</td>
<td>0.10</td>
<td>-0.17</td>
<td>0.13</td>
<td>0.03</td>
<td>0.21</td>
<td>0.22</td>
<td>-0.04</td>
<td>1</td>
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</tbody>
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** Significant, p<.01  
* Significant, p<.05

However, this study found that only managerial monitoring behavior for interpersonal relationship significantly affects employees’ felt accountability. This might be explained by Hofstede’s cultural dimension theory (Hofstede, 1980), which focuses on individualism vs collectivism dimension. The collectivist culture of Indonesia is determined by its social framework, where individuals are expected to adjust to the expectations of communities and groups from where they come (Insights, 2017). Likewise, in organizations, there are expectations and regulations that are built to achieve organizational goals. Employees are expected to work together and help each other in achieving organizational goals. That is, when the organization has certain expectations for employees, employees will tend to be aware of their roles and responsibilities as a form of adjustment to the expectations of managers. This may explain why only managerial monitoring for interpersonal facilitation was found to affect employees’ felt accountability.

Second, there is no correlation between empowering leadership climate and employees’ felt accountability. This shows that the impact of an empowering organizational climate is only applicable in general terms, such as in making employees feel empowered or with regard to their performance. Yet such a climate cannot specifically improve employees’ felt accountability. Individual factors seem to have a greater impact on felt accountability than organizational factors. This is in line with previous studies showing that personality has a significant effect on felt accountability. For example, Frink and Ferris (Ferris, Hochwarter, Buckley, Harrell-Cook and Frink, 1999) found that conscientiousness tends to be positively associated with felt accountability. The strength of individual factor influences is also seen in Hall, Frink, Ferris, Hochwarter, Kacmar, and Bowen (Ferris, Hochwarter, Buckle, Harrell-Cook and Frink, 1999) study, which shows that affective disposition affects felt accountability.

This research is expected to enrich the literature on felt accountability by elaborating on some of the antecedents of felt accountability, whose research is still scarce, while encouraging future research in this area. This study also advances the social exchange theory (reciprocity) by demonstrating that managerial monitoring behavior for interpersonal facilitation is one factor that can affect the improvement of employees’ felt accountability, more so than managerial monitoring behavior for task. That is, employees will show greater felt accountability if the manager shows managerial monitoring for interpersonal facilitation. Therefore, managers can consider focusing more on interpersonal facilitation as a trigger for employees’ greater perception of accountability. From the standpoint of its practical implication, this research is expected to demonstrate to companies or governments the importance of applying a sense of accountability at work, for both leaders and subordinates. This is expected to prevent failures of accountability such as that inflicted in the bankruptcy case of Barings Bank (Titcomb, 2015) and in the common failure to create financial reports that comply with accounting standards in Indonesia (Basri and Nabiha, 2014).
Although this research is limited by its cross-sectional design (Hall, Frink, Ferris, Hochwarter, Kacmar and Bowen, 2003), its strength lies in its careful attention on data collection, which was implemented by applying a strict method to avoid common method bias (Podsakoff, MacKenzie, Lee and Podsakoff, 2003). That is, a pairing method was used to collect data obtained from two different sources (staff members and their direct report), and a two-time data collection (with 2 weeks time-lag) was used to collect data that came from the same source.

4.1 Conclusion

The overall results of this study are able to answer the research questions and develop an understanding of construct-related perceptions of accountability in the realm of the organization. Managerial monitoring behavior for interpersonal facilitation has a positive relationship with felt accountability. This means that interpersonal managerial monitoring behavior is an important contextual component for the work environment because it can improve employees’ felt accountability. The result of this study also advances the social exchange theory (reciprocity), particularly by demonstrating that managerial monitoring behavior for interpersonal facilitation is one factor that affects the improvement of employees’ felt accountability, rather than managerial monitoring behavior for task. This is possibly attributable to the collectivist culture in Indonesia that creates social expectations to form within individuals. In this case, organizational expectations for employees lead employees to try to run and adapt according to the expectations and rules in the organization, one of which is to be able to work with all members of the organization to achieve organizational goals.

This research is expected to contribute to promoting one of the world’s sustainable development goals, namely the 8th goal of decent work and economic growth (United Nations Development Programme). This particular goal has the aim of promoting inclusive and sustainable economic growth, full and productive work, and decent work for all. This study shows the importance of managerial monitoring behavior as a supervision style that may affect employees’ felt accountability. If the employees’ felt accountability increases, it is expected to improve full and proactive employment to reach higher levels of productivity. Therefore, this research enhances our understanding on factors that affect employees’ felt accountability. Managerial monitoring behavior for interpersonal facilitation is found to be the key to improving employees’ felt accountability.

REFERENCES


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