

How Prevalent is Dysfunctional PMS Behaviour among Malaysian Bankers?

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ABSTRACT

The importance of performance measurement system (PMS) in enhancing the firm profitability and sustainability has certainly been admitted by many, but findings on its effectiveness have been inconclusive. Many have reported unintended consequences leading to dysfunctional behaviours (DB) like budgetary slack, information or measures manipulation, or gaming. This descriptive paper attempts to explore the prevalence of dysfunctional PMS behaviour (DPMSB) in the banking industry in Malaysia. It also to examine if demographic factors affect the level of DPMSB. Using a sample of 217 bankers, the results suggest that though DPMSB is ethically questionable, but it is still moderately practiced by the bankers. In terms of demographic factors, there is a significant difference in the level of work tenure, annual income, branch performance and the level of DPMSB. While other factors like age, gender, race, religion, and academic qualification did not show any significant difference. Discussion, limitation of the research, as well as future research concluded the paper.

KEYWORDS: Performance Measurement System, Dysfunctional Behaviour, Measures or Information Manipulation.

INTRODUCTION

Performance measurement system (PMS) is a part of the management accounting control tool that be used for various internal business processes in an organization which becomes indispensable in any manager's everyday life. It is the back bone of an organization to determine the success or failure of all business units [1]. Management needs to measure the performance of all its critical success factors, where PMS would act as a provider of such information which would be used to set the target, indicates if targets have been achieved and points out the problematic areas that need remedial actions. Hence, the information provided by PMS would facilitate effective and efficient operations and management which enables appropriate actions to be taken.

However, the information provided by PMS will only be effective and useful in decision making if it is reliable and not distorted by any kind of manipulation. Unfortunately, in the intense business competition nowadays, such a situation would prove hard to find. As argued by [2], in its attempt to be objective and rigorous, ideals or targets set by the management accounting system (including PMS) are rarely fully achievable. This is due to the failure of the system to account for the full complexity and uniqueness of a given context since it is formulated well ahead of time. Therefore, tension would arise in meeting the targets as it would be seen as a threat to some. As a result, employees will attempt to manipulate information to deal with such threat, while pretending to be unaware of their responsibility and shift the guilt of their actions to others. Of course, they may genuinely feel that they are doing justice to their subordinates by reducing their job-related stress in meeting high targets set. But, it is also possible that they seek to distort the picture to meet their own needs. Such a practice would produce fabricated information that is of little value to all relevant users.

Information or measures manipulation can be categorized as one form of dysfunctional behaviour (DB). It is also known as deviance or counterproductive behaviour, and proves to be a serious threat to the effectiveness of the PMS. Therefore, in many literatures [2-7], dysfunctional PMS behaviour (DPMSB) has become one of the most critical management issues faced by many companies in a wide range of industries including banking industry as a result of growing ethical awareness among practitioners and educators. Though The Association of Certified Fraud Examiners has reported financial statement fraud like manipulating information to hit a personal performance goal, it just contributed only 5% of fraud cases in 2010. But, such DB is responsible for the largest loss at approximately 68% [8]. Yet, despite the growing concern, DPMSB issue fails to attract the attention of organizational scientists due to its sensitive nature. As such, this study aims to investigate the information or measures manipulation behaviour in the context of PMS among the Malaysian bankers. More than half of the companies involved in DB in Malaysia are privately held companies in the investment/fund/finance sector [9]. They aggressively put high effort to rank their financial institution at the top to attract deposits and investment [10]. This paper, which is more descriptive

in nature, also aims to examine if the demographic factors would influence the commission of such behaviour. This investigation is seen as necessary to further unearth the issue, as it might shed some additional insight in curbing the issue to all related parties like the academicians or the practitioners.

LITERATURE REVIEW

The issue of DB, specifically the unintended consequences of the implementation of PMS, has received much attention ever since the issue was raised by [4]. Despite the interest and concern regarding this negative outcome which will affect the effectiveness of PMS, not many researchers have embarked into the exploration to unearth the root of this problem or even to examine its ubiquitous. The paucity of research is not surprising, though, considering the delicate nature and complexity of the issue. Gaming behaviour, metric manipulations, or management myopia are difficult to identify. It is typically hidden from the researcher and in many cases, from the organization itself [7, 11]. Gaining honest responses also proves difficult [6, 12], besides the difficulty to determine, measure and predict actual behaviour in real life [13]. Unfortunately, the issue remains important, hence, needs further probe and investigation.

PMS was historically developed as a means of monitoring and maintaining organizational control for monitoring performance, identifying areas in need of attentions, enhancing motivation, improving communication and strengthening accountability. However, it also has its dark side. As PMS is expected to facilitate the monitoring of the employees' behaviour [14-17], it is expected to keep 'watchful eyes' on all employees. However, considering that human will become sceptical when 'watched' and measured that reflect their work efficiency and effectiveness, there is a tendency for the managers to paint a better picture of their performance evaluation reports [2, 4-5, 7, 18].

Eventually, it would lead them to attempts of DB by "... manipulating elements of an established control system for his own purposes," [18]. It provided a straight-forward guide in recognizing a DB-a subordinate's behaviour is dysfunctional if he knowingly violates established control system rules and procedures. Somehow, in [2, 5] had anticipated such behaviours in response to any controls and process system which act as managers' defence mechanisms to cover up or disguise failures, or to avoid threats and embarrassment. In [19] discovered majority of managers, especially those of high performers were willing to engage in DB to hedge themselves against uncertainty which could exist in both good and bad times with full cooperation from their subordinates.

Unfortunately, such practices can have very dysfunctional effects. Since top management and other managers also rely on these fabricated reports to take decisions and actions, misguided decisions could be made that would lead to wrongly allocating resources, poor products pricing, and poor investment decisions, resulting to sub-optimal performance of the whole organization [7, 18]. In the business world, DB especially the manipulation of information or performance measures has become part of acceptable practices. It is even be encouraged by the top management [2, 5], as companies are being more pressured to report better financial positions [20].

There are many forms of DB that have been discussed in the literature. In [18] came up with two captions, which are gaming and information manipulation. They defined gaming performance indicators as "...chooses an action which will achieve the most favourable personal outcome regardless of the action the superior prefers". It occurs when subordinates attempt to maximize their performance on an indicator, though it is not consistent with what is desired by the firm. Information manipulation has been redefined as "...subordinates alter the free flow of information, report only those aspects of an information set that is in their best interest, or in the extreme, falsify data and company records". Though there are other forms of DB, like budgetary slack and management myopia, this paper just only focuses on information manipulation. It is the most common and very prevalent, yet are being taken for granted as it is seen as necessary for the survival of not only the members of the organization, but also the organization itself [2].

Rooted from the tension, fear of embarrassment, or just the intention to paint a desired picture of their performance, several mechanisms have been suggested in the extant literatures to trigger the DB. Among them are the properties of PMS implemented. A highly embedded PMS [21], or an imbalanced system that emphasizes on single high priority targets or PMS employing excessive performance measures [23]. Such PMS would cause the employees to believe that the measures that they are assessed against is incomplete [22], inaccurate, or only consider a limited number of their required tasks, especially the wrong tasks. This may cause them to lose trust in the measures and begin to rationalize that manipulating data is indeed a proper way to achieve a better performance report especially when their score is relatively low [24]. Besides, when an organization tolerates measures manipulation, in [18] noted such an act of one employee will trigger the same intention among his peers for fear that his performance evaluation might suffer if he goes against the majority.

Besides, in [5] opined that though rewards could be a powerful incentive to motivate and reinforce behaviour, but it can also lead to a huge amount of pressure and opportunity for managers to manipulate information in the hope of earning higher bonus [25]. As [26] argued, goal setting would lead employees to misrepresent their performance and overstate their productivity when they fall short of their target. Further, to avoid unwelcome attention that will invite hassle, close scrutiny or audit, employees may manipulate the measures that his team either performs very well or very badly [24].

However, in the case of DPMSB, not all dysfunctional acts can be read as unethical. Some are even encouraged by the top management [27] and anticipated by subordinates, as those who commit the offence might have strong ethical reasons to behave in such a manner. Some researchers argued that DPMSB is conducted with good intention [2, 5], even if the outcome might not be positive. Hence, the decision whether or not to engage in DPMSB is very much influenced by a person's morality. In their strive to ensure their periodical results compare favourably with the predicted results defined by the standard [4], managers are often experiencing considerable tension in discriminating 'ethical' from 'unethical'. In translating into actions what they consider 'right', it forcing them to choose between personal values and loyalties towards organizational goals [28]. Especially with a very blur distinction of its right and wrong, DPMSB continues to be a paradox behaviour that is ethically questionable, but ironically, highly encouraged.

DATA AND METHODOLOGY

Subjects

Using stratified random sampling, a total of 700 questionnaires were mailed to the selected branch bank managers at eight local commercial banks in Malaysia, which have a total of 1871 branches that scattered all over Malaysia. About 264 were returned, equivalent to a 37.7% response rate. However, 47 surveys were discarded due to multiple reasons, resulting to an effective sample of 217 usable completed surveys (31% usable response rate). Responses received from some banks revealed that, due to their tight schedules, some bank managers delegated the task of answering the questionnaire to their executives, who would logically be younger than the intended managers. As a result, about 18.4% was found to be in the age category of 30 to 35 years old, which represents the youngest age group. Majority (46.1%) fell within the age group of 35 to 45 years old, while another 32.7% were within the age range of 45 to 55. Only 2.3% were more than 55 years of age. Somehow, the age of the respondents denotes the position held as one needs to reach certain age level to be a branch bank manager. Male constitutes a bigger share of 61.3% of the respondent as opposed to female of only 38.7%. This depicts the gender proportion of middle managers in banking industry that consists of more males than females. Majority (48.4%) held a bachelor degree, 31.8% have a diploma or other qualification, like STPM. Only 7.8% possessed a masters degree, 11.1% have professional qualification and none of them have a PhD. 72.4% of the respondents were Muslims followed by Buddhists at 17.1% which explains the 70.5% Malay and 22.6% Chinese. 43.3% has been working for more than 15 years, depicting the respondents' seniority as managers, with 33.6% has been holding the same post for more than seven years. About 38.7% earned more than RM75000 a year. 73.6% were reported to be working in urban areas and only 40.2% claimed to hold discretionary power in running their respective branches. Majority of the branches (64.1%) were rated with good performance by the internal auditors. Detailed demographic information is shown in Table 3.

Measures

Instead of employing a Likert-scale in eliciting opinions as normally used in social science survey research, this study adopts a rather new scale known as Ruler-Option (RO) scale. RO scale was introduced by [29] in their attempt to overcome the shortcomings of Likert-scale. They contended that Likert-scale lacks measurement unit and does not conform to the requirements of any of the three measurement theories to warrant it quantitative. Data from Likert scale is argued as undoubtedly ordinal especially when there is no clear definition of the operation given to describe how respondents should choose a number on the scale. Besides, they argued that without unit of magnitude, Likert data are not fit to be numerical. Therefore, this study employed the new RO scale in an attempt to elicit a more accurate value that represents belief, opinions or attitudes. RO scale is shown in Figure 1.

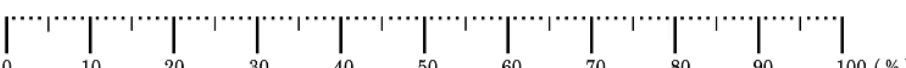
1.	My bank strictly enforces its code of ethics. <div style="text-align: center; margin-top: 10px;">  </div>	<input type="checkbox"/> I don't know <input type="checkbox"/> I don't care <input type="checkbox"/> Not applicable to me
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Figure 1: Sample of ruler-option scale

Respondents can either put a mark (b) anywhere on the ruler or tick (/) any one of the three options. A mark on 0% indicates no agreement at all, that is based on their experiences, on every occasion that they could recall, they totally disagree with the statement. 100% indicates full agreement, indicating that based on their experiences, on every occasion that they could recall, they fully agree with the statement. If they do not know, do not care or the statement is not applicable to them, they may just tick one of the options. This gives them a more diverse choice that can better describe their feeling, attitude or perceptions.

DPMSB is measured using a six-item instrument. Four items were adapted from [7] who had earlier adapted from [18], while another two items were adapted from [6]. Each items starts with "In my bank, it is a common practice to...". Sample item

is "... emphasize data that reflects favourably upon us when presenting information to upper level management". In [7] instrument showed high reliability of 0.82, while [6] did not report any alpha value. Cronbach's alpha in the present study was 0.948.

Analysis

Statistical Package for the Social Sciences (SPSS) 19 was used to analyze the data. Before further analysis, normality test was conducted on the data set. DPMSB scale generated a measure of skewness of -.145 with kurtosis of -1.146. This variable satisfies the normality test with the measure of skewness fall within the range of -1 to 1 which indicates that data set does not depart from normality [30]. Besides the descriptive analysis, independent sample t-test and analysis of variance (ANOVA) were used to analyze the data in this descriptive paper. The statistical significance of the relevant associations was defined by using $p < 0.05$ cut off.

ANALYSIS AND RESULTS

The Level of Dysfunctional PMS Behaviour (DPMSB)

In achieving its first objective on determining the level of DPMSB among the bank managers, the range of scores from 0 to 100 was categorized into three equal sized categories of low, moderate and high. For ease of interpretation, scores of less than 33.3 were considered as low; scores of 66.7 and greater were considered high; and those in between were considered moderate. The respondents were then divided into these three different groups of low, moderate and high level of DPMSB. As shown in Table 1, about 42.9% of them ($n = 93$, $m = 16.38$) could be classified into low DPMSB group, another 38.9% ($n = 83$, $m = 47.20$) belonged to the moderate DPMSB group and only 18.9% ($n = 41$, $m = 81.29$) were classified into the group of high DPMSB.

Table 1: Classification of respondents into DPMSB groups

Groups of respondents	Frequency	Percent (%)	Mean	SD
Low DPMSB	93	42.9	16.38	10.12
Moderate DPMSB	83	38.2	47.20	9.51
High DPMSB	41	18.9	81.29	11.46
Total	217	100.0	40.44	26.18

Referring to Table 1, with the mean value of 40.44 out of possible 100 (with higher score indicates more dysfunctional), it can be concluded that most respondents were not highly prone to manipulate PMS information or measures. On average, they seemed to moderately agree to such practices. A close scrutiny on each item of DPMSB was conducted as shown in Table 2. For each item, mean values ranged from 33.79 to 44.80. Items (1), (3) and (4) were closely valued at 44 and seemed to be the highest scores. This can be interpreted that the bankers moderately agreed that it has become their common practice to emphasize data that reflects favourably when presenting information to upper level management, place high importance on the branch's success in getting a generous budget or fund allocation, and present information that makes performance look better.

Table 2: DPMSB scale items, mean and standard deviation

No.	Items that start with: "In my bank, it is a common practice to..."	Mean	SD
1	... emphasize data that reflects favourably when presenting information to upper level management	44.80	32.01
2	... avoid being the bearer of bad news when presenting information to upper level management;	40.80	29.77
3	... place high importance on the branch's success in getting a generous budget or fund allocation	43.97	32.30
4	... present information that makes performance look better;	44.51	32.86
5	... pull profits from future periods into the current period by deferring a needed expenditure;	33.79	28.04
6	... pull profits from future periods into the current period by accelerating a sale;	34.81	28.42

They also moderately agreed to avoid being the bearer of bad news when presenting information to upper level management ($m = 40.8$). However, they were less agreeable to the profits pulling practices as shown for items (5) and (6) with $m = 33.79$ and 34.81 respectively. In terms of the standard deviation, it is worth noting that all values were rather high, ranging from 28.04 to 32.86. Such a diverse opinion implies that the bankers were not of the same opinion regarding these practices. Though RO scale has a tendency to generate high standard deviation [31], but judging from the minimum and maximum scores of 0 and 100, respectively, respondents did exhibit diverse opinion on such practices.

Demographic Determinants of DPMSB

With regard to the second objective, independent sample t-test and analysis of variance were conducted to determine if the level of DPMSB differs across profiles of the respondents. The results are tabulated in Table 3. Independent sample t-test was used to evaluate the differences in the level of DPMSB in terms of gender and whether or not the respondents hold any

discretionary power in running their respective branches. The results showed that there was no statistically significant difference ($F = 6.08$; $p = .914$) in the mean scores of DPMSB between males ($m = 40.58$) and females ($m = 40.20$). As for power discretion, the mean for DPMSB scores were also found not to show any significant difference ($F = 7.345$; $p = .235$) between those having discretionary power (mean = 43.23) as compared to those not having such power ($m = 38.69$).

The differences in the level of DPMSB among the bankers were then further explored in terms of age, academic qualification, race, religion, annual income, working tenure in the banking industry and in holding the present post, the branch performance as valued by the internal auditors and the number of staff in each branch. ANOVA was used to test the differences between these variables. It was found that level of DBE did not vary by age ($F = .479$; $p = .697$), academic qualifications ($F = 1.30$; $p = .275$), length of experience holding the present post ($F = 2.123$; $p = .122$), religion ($F = 2.365$; $p = .054$), race ($F = 0.834$; $p = .476$), and number of staffs in a branch ($F = 1.182$; $p = .309$).

However, there was a statistically significant difference in DPMSB scores for the five tenure groups ($F = 5.372$; $p = .000$). The effect size, calculated using eta squared, was moderate at 0.09. Post-hoc comparisons using Tukey HSD test indicated that the mean scores for those working for more than 20 years ($m = 52.99$, $sd = 26.1$) was significantly different from two groups of those working from 10 to 15 years ($m = 35.71$, $sd = 29.92$, $p = .017$) and 15 to 20 years ($m = 30.43$, $sd = 25.20$, $p = .000$).

Annual income also appeared to have a statistically significant difference in DBE scores ($F = 4.304$; $p = .006$) at a medium effect size of 0.06. Post-hoc comparisons using the Tukey HSD test indicated that the mean score for those earning between RM50000 to RM75000 ($m = 31.45$, $sd = 27.39$) was significantly different from two groups of those earning RM75001 to RM100000 ($m = 44.78$, $sd = 28.96$, $p = .042$) and more than RM100000 ($m = 49.18$, $sd = 26.14$, $p = .007$). Similarly, branch performance as measured by the internal auditor also appeared to have significant difference in their scores of DPMSB ($F = 3.432$; $p = .018$). The mean score of those branches in a group reported as having excellent performance ($m = 29.60$, $sd = 22.27$, $p = .021$) was significantly different for the score in the group with good performance ($m = 42.80$, $sd = 27.50$).

Table 3: Level of dysfunctional PMS behaviour by respondents profile

Independent Variable	Categories	M	SD	F-value (p-value)
Gender	Male	40.58	27.63	6.08 (.917)
	Female	40.20	23.90	
Age	Less than 35	38.38	16.54	.479 (.697)
	35 – 44	38.83	26.75	
	45 – 54	42.82	29.70	
	55 and above	46.18	21.13	
Academic qualification	Masters	45.25	19.60	1.30 (.275)
	Professional	48.70	30.17	
	Bachelor Diploma/Others	37.95	26.08	
Working tenure in banking industry	Less than 5 years	43.30	20.55	5.372 (.000)*
	5 - < 10 years	37.34	25.44	
	10 - < 15 years	35.71	29.92	
	15 - < 20 years	30.43	25.20	
	20 years or more	52.99	26.10	
Length of experience in the present post	Less than 3 years	45.03	24.95	2.123 (.122)
	3 - < 7 years	37.10	23.27	
	7 or more years	37.91	29.38	
Annual income	Less than RM50000	40.99	21.41	4.304 (.006)*
	RM50,000 - RM75000	31.45	27.39	
	RM75001 - RM100000	44.78	28.96	
	RM100001 and above	49.18	26.14	
Religion	Islam	41.15	25.30	2.365 (.054)
	Buddha	33.41	25.47	
	Hindu	32.84	26.70	
	Christian	58.49	34.20	
	Others	45.04	-	
Race	Malay	41.48	25.29	0.834 (.476)
	Chinese	38.80	29.38	
	Indian	31.58	26.47	
	Others	56.09	.17	
Power discretion	Yes	38.68	24.17	1.531 (.217)
	No	43.23	29.21	
Branch performance	Excellent	29.60	22.27	3.432 (.018)*
	Good	42.80	27.50	
	Fair	47.44	25.44	
	Poor	47.27	1.48	
No of staffs	Less than 17	38.13	25.49	1.182 (.309)
	18 to 22	37.56	28.12	
	23 and above	44.20	27.81	

*significant at 0.05

DISCUSSION AND CONCLUSION

With regard to its first objective, this study demonstrates that the level of dysfunctional PMS behaviour among the Malaysian bankers was rather moderate. Consistent with definition of dysfunctional PMS behaviour, it can be interpreted that, in their banks' performance measurement process, the bankers were not highly prone to manipulate PMS information or measures and seemed to only moderately agree to such practices ($m = 40.44$). However, caution has to be exercised in interpreting the figure as its standard deviation marked a rather high score (26.19). In addition, with the range of score from 0 to 100, the mean value should not be taken at face value and certainly requires further probe. Respondents seemed to have diverse opinions on such behaviour, implying that some seemed to totally disagree with the behaviour, while some others viewed such behaviour as totally acceptable and made it their common practice. Unfortunately, for such an ethically questionable behaviour, this study provides a rather worrisome picture of the ethics of Malaysian banks' performance measurement practices.

It was quite disturbing when the bankers moderately admitted to the manipulation of information or measures in their respective banks. More than half of them (57%) belonged to the moderate to high level DBE groups, implying that information manipulations are practiced by majority of them though they exhibited a diverse opinion. Overall, they moderately agreed to emphasizing data that reflects favourably upon them when presenting information to upper level management besides presenting information that makes performance look better. Similarly, placing high importance on the branch's success in getting a generous budget or fund allocation has also been an acceptable trend. To a lesser degree, they also moderately agreed to avoid being the bearer of bad news when presenting information to upper level management. This revelation somehow indicates that there is a preponderance of those practicing the information or measures manipulation in the performance measurement process among the Malaysian bankers. This has somehow confirmed the literatures that though information or measures manipulation is indeed an unethical act, but it has been regarded as an acceptable practice by many. These acts might also be triggered by the desire to compete, either among the many branches of the same bank or among the different banks. It is not surprising when the bankers practically emphasize data that reflects favourably upon them or presenting information that makes performance look better if they have every intention to bolster bigger resources of fund allocation from the headquarter. As each branch is responsible for its own growth, then the managers would do everything in their power to sustain their own branch.

More than two decades ago, in [32] described that Malaysian banking landscape has transformed. Instead of waiting for customers to visit the bank, the bankers now have to play an active role in going out to look for the customers. In other words, as a result of the intense competition, the bankers now have to assume the role of marketers. This scenario is further necessitated by the desire to fulfil the customers' demand who are now obviously more informative and demanding. To do this effectively, each branch would require sufficient fund allocated by the head-quarter. What better way to ensure the fund allocated than emphasizing data that makes performance look better? As for profit pulling practices, the scores were rather low as each bank branches are all equipped with an electronic system that might make the practice less congenial.

PMS has long been admitted as a backbone to the success of an organization. However, findings on its effectiveness have been mixed, but not many have tried to dig into the practices that may lead to it being less effective. So, findings of this study might provide evidence to the prevalence of such a case. An important factor to the less effective PMS might lie in the fact that its measures might have been commonly manipulated. Hence the banks might measure their performances against a non-idealistic standard, making the whole PMS process a less effective one. One thing to bear in mind when discussing about DPMSB is the fact that though it is indeed an unethical behaviour, but it is also not legally wrong. Therefore, it is unquestionably a wrong conduct, but has ironically been accepted as a common practice that is even encouraged by the top management [2, 5]. Paradoxically, measures manipulation has not only been admitted as hazardous to the PMS process, but also has been thought of as a saviour that provides cushion against a hard fall. Thus it makes the act such a paradox issue-highly encouraged, yet ethically questionable. Hence, the finding that DPMSB, despite being unethical, was quite ubiquitous in the banking industry is somewhat expected. Some bankers were not even aware that they were actually dealing with an unethical act, indicating that information or measures manipulation has indeed become part of their practices. This would of course be a flaw in any PMS design and implementation process that should warrant some cautionary notes to the top management.

Demographically, it can be seen that difference in gender, age, race, religion, academic qualification, length of service holding the present post, having discretionary power and number of staffs in each branch did not significantly affect the level of DPMSB. Only three factors, namely work tenure, income level, and branch performance as measured by internal auditors were found to have a significant difference on the level of DPMSB. However, this is somehow expected as [33] discovered in their meta-analysis that demographic factors, like age, gender and educational level, adds nothing to the unethical intention or unethical behaviour.

In terms of gender, male and female reported almost similar mean scores indicating that both males and females were of the same view about information manipulation. Similarly, academic qualification also did not influence one's level of DPMSB. As for age, though there was no significant difference in age level, but it is disappointing to note that the eldest group (aged 55 or more) reported the highest mean score. A further examination on the age level and DPMSB denotes a pattern that as one ages, he/she tends to view such behaviour as more commonly accepted as the mean scores seemed to increase from one age group to another. This is in contrast to the finding in [34] where age appeared as the most strongly associated with stricter attitudes.

Younger people seem more accepting of ethically questionable conduct, but as people aged, they become stricter in judging such conduct.

As Malaysia is a country with multiple races and religions, it will be interesting to discover if they influence the level of DPMSB as each would guide individuals' belief and behaviour. However, the non-significant difference for both variables indicated that, in the case of DPMSB, neither race nor religion influences the commission of such act. Christians reported a profoundly higher score as compared to other religions. Thus it might be concluded that, as DPMSB is such a paradox issue with no clear separating boundary of its right or wrong, then it is fair to assume that such behaviour might not be considered as religiously or even ethically wrong.

This study statistically significantly noted a difference in the level of DPMSB among the different working tenure in the banking industry groups though the length of experience being a bank manager did not exhibit a significant difference. Those working the longest (20 years or more) reported the highest DPMSB mean score, far exceeding the others. It seems to support the highest score obtained by the eldest group above. It is quite worrisome when more seasoned employees were found to have less conscientious about their responsibilities to their organization relative to the ones new in the industry. With time, the bankers might have become immune to the practice. Finding of the same pattern can also be seen in the annual income level. The level of DPMSB did significantly differ among the different income groups. Similar to the working tenure category, those earning the highest (RM100001 or more) reported the highest DPMSB mean score. Putting these three categories together, the eldest group, who would have the longest working tenure in the banking industry and undoubtedly earn the highest annual income, seemed to top the DPMSB scores among the Malaysian bankers. Three interesting questions surface here: (i) Does the dysfunctional PMS behaviour become immune with time, that the longer a banker works, the less conscience he/she feels about it?; (ii) Are the bankers getting more greedy leading to the act of dysfunctional PMS behaviour as they earn more?; Or (iii) Do they earn more (through bonus, reward, etc) as a result of participating in dysfunctional PMS behaviour? Future research might be needed to answer these questions.

Another interesting aspect worth further investigation is the significant difference found in the scores of DPMSB among the different branch performance. The branches with excellent performance were significantly different from the branches with good performance. They reported a much lower score than the other three groups of good, fair and poor performance, with the last two groups reported the highest score. This implies that an excellent manager needs to conduct their business ethically, and being ethical would put a business entity ahead of others.

IMPLICATION, LIMITATION AND FUTURE RESEARCH

The results of this study indicate that information or measures manipulation is still relatively being practiced by the Malaysian bank managers. This should serve as an alarm to the top management who should put a stop to such practices instead of condoning the act or blinding their eyes towards such act. Though PMS has been admitted as the backbone of many successful organizations, but its design and implementation, especially the target setting phase, should not be too ambitious as it may invite many unintended consequences, like the commission of DPMSB. The academicians must also play an important role in producing graduates who are not only equipped with sufficient know-how of the subject matter, but are also embedded with high ethical values that may create awareness that ethics would always be an important aspect of life, whether as a student, and even more as an employee. Besides, this study also provides evidence that RO scale would increase the tendency for the data to be normally distributed, though in [35-37] have argued that social science survey research would have high tendency to generate data that are otherwise.

However, the generalizability of the finding is limited due to the sensitive nature of the issue that may result to underreporting as respondents might not give accurate account of their dysfunctional PMS behaviour. Another limitation deals with the DPMSB scale. Due to the careful wordings so as to avoid non-response, items like "... emphasize data that reflects favourably when presenting information to upper level management" might be read as a perfectly normal practice that is not at all dysfunction. Hence, respondents might not give an intended response which might distort the true picture. Though the items were adapted from previous research, but more transparent items that may evoke honest response intended by the researcher should be developed. Such an instrument would surely contribute to a more reliable response which would result to a more trustworthy finding. Employing RO scale is also highly encouraged as results could be compared and potential weakness or strength of RO scale can be further highlighted. Future research also should attempt to capture larger samples by including samples from other industries so that comparisons from multi-industry can be conducted.

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