Human Resource Management and Security Policy Compliance

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ABSTRACT

Given the regulatory requirements imposed on organizations within numerous industries, research in the area of employee compliance with organizational security and privacy regulations remains necessary and highly desirable. Therefore, the objective of this study provides a unique framework for understanding the influence of HRM practices on individual security policy compliance outcomes. The unit of analysis for this research project is the individual employee of a bank organization. With the survey of 257 bank employees, a components-based approach to structural equation modeling was taken. The results of this study indicate that developmental-oriented appraisal, externally or internally equitable reward, selective staffing and training for career development are positively associated with employees’ behavioral intent to comply security policy through their affective commitment.

KEYWORDS


INTRODUCTION

Most studies in information systems field have primarily focused on technical issues concerning the design and implementation of security subsystems (Choo, 2011). Some of the study in this area includes computer security behaviors including information security system management (Stanton 2005; Haufe et al., 2016). However, the respondents in these studies are typically IT administrators or top-level managers form IT governance (Dhillon & Torkzadeh, 2006; Dzombeta et al., 2014) rather than representatives from the end-user community. The fact that the respondents in prior studies were largely those responsible for setting up and running technical security initiatives raises the question of whether or not their views are likely to be representative of the organization as a whole (Finch et al. 2003). Recently, there has been some research on end-user policy compliance. In an empirical vein, D’Arcy and Hovav (2004) followed deterrence theory and developed a theoretical model that examines the effect of deterrent security countermeasures on the perceived certainty and severity of sanctions, which in turn, leads to IS misuse intentions. However, Willison and Warkentin (2016) finds that deterrence measures reduce computer abuse in organizations.

Social exchange theory (Blau, 1964; Homans, 1961) explained the motivation behind the attitudes and behaviors exchanged between individuals. Eisenberger et al. (1986) expanded this work by proposing and establishing that the theory of social exchange also explains aspects of the relationship between the organization and its employees. They noted that employees form...
general perceptions about the intentions and attitudes of the organization toward them from the policies and procedures enacted by individuals and agents of the organization, attributing human-like attributes to their employer on the basis of the treatment they receive. At this time, the positive and beneficial actions directed at employees by the organization and/or its representatives contribute to the establishment of high-quality exchange relationships that create obligations for employees to reciprocate in positive, beneficial ways (Grusky, 1996; Molm, 2000; 2003; Alge, Wiethoff, & Klein, 2003; Uhl-Bien & Maslyn, 2003; Tsui & Wang, 2002; Wang, Tsui, Zhang, & Ma, 2003).

Given the regulatory requirements imposed on organizations within numerous industries, research in the area of employee compliance with organizational security and privacy regulations remains necessary and highly desirable. Recent studies in this area, while continuing to develop our understanding of compliance motivation and behavioral factors leading to non-compliance, they have yet to consider the influence of social exchange relationships (Blau, 1964; Homans, 1961) in which employees operate and within which employees are expected to develop their individual capabilities toward and intentions about compliance.

Stanton et al. (2003) shows that organizational commitment has positive influence on variety of security behaviors including security policy compliance. But they do not suggest what practices of human resource management (HRM) are needed to increase employees’ security behaviors through their organizational commitment. Ostroff and Bowen (2000) proposed that HRM practices shape work force attitudes by molding employees’ perceptions of what the organization is like and influencing their expectations of the nature and depth of their relationship with the organization. Employee attitudes and behaviors (including performance) reflect their perceptions and expectations, reciprocating the treatment they receive from the organization. In their multilevel model linking HRM practices and employee reactions, they depicted relationships suggesting that HRM practices are significantly associated with employee perceptions and employee attitudes. In terms of information privacy policy compliance support, social exchange relationships include workplace-related factors of that have the potential to influence the compliance efficacy levels and compliance intentions of those employees that operate within that environment. Therefore, HRM practices could be capable of manage employee’s organizational commitment related to security policy compliance intention. There is little existing insight into how the social elements of an organizational setting, also called social exchange relationship, influence employee compliance outcomes. Social exchange theory (Blau, 1964; Homans, 1961) provides a framework for understanding the relationship of HRM practices and compliance attitudes as it specifically relates to the outcomes of social exchange relationship to the organization and cognitive processes individuals experience as part of the exchange process. When the compliance context concerns security policy compliance, the scope of empirical studies from which to inform current research becomes even narrower. Based on this gap in both the academic and the practitioner literature, the following research question is posed:

RQ: How do the HRM practices in organization influence employees’ security compliance intentions?

This study aims to illuminate certain HRM practices associated with social exchange relationship and to clearly identify how these HRM practices influence the perceptual outcomes associated with security policy compliance. This study tests an application of social exchange theory in a unique context involving organizational commitment and compliance intentions. The results show that developmental-oriented appraisal, externally or internally equitable reward, selective staffing and
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