

Optimizing Resource Usage in Cagayan de Oro City Institutions, Philippines



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ABSTRACT: Aside from the Human Resources, the most valuable resources of the company are the assets comprising the current assets and fixed assets. Currently, many companies require better management of their assets but the misuse of company resources is a serious issue that many firm employees see as “no big deal.” However, the principle remains the same that firm resource is a lasting resource and it is for the use of firm and nothing else. This study examined the misuse of firm resources in government and non-government sectors in Cagayan de Oro City. The objectives were: determining the commonly misuse firm resources, awareness and involvement of employees in misusing the resources, and management report on misusing the resources. This study used descriptive research design with the aid of survey questionnaire in gathering the primary data supported by interview. Findings revealed that the commonly misused resources of the firms were office supplies with 40%, followed by internet usage with 30%, and telephone usage with 15%. In awareness and involvement of employees on the commonly misused resources, first in the rank was aware but involved with 30% followed by aware and not involved with 25% of the employee respondents. In the category of reporting of employees of the misused resources to the management, the employee witnesses but does not report with 40% followed by witnesses and does the report to the management with 30%. Interview revealed that misused of resources happened due to lack of proper orientation on mission and goals of the firm, over supply of resources, and absence of guidelines. The researchers concluded that intentional insider misuse of institution resources represents a significant threat to the organizations and whether government or non-government institutions, the presence of misuse of resources committed by the employees based on the results of this study still exists. Recommendations are: there should be a proper inventory system, policies and guidelines in using the resources, and close monitoring of firm resources.

KEYWORDS: Firms, resources, misuse resources, private institution, government institution, employees, inventory, Philippines

I. INTRODUCTION

Apart from the Human Resources, the most valued resources of the firm are the assets of the firm comprising the current assets and fixed assets of the institution. Currently, many companies require better management of their assets, Laskowski (2006). The misuse of company resources is a serious issue that, unfortunately, many company employees or workers see as “no big deal,” Rohner (2016). However, the principle remains the same, though, company or institution resource is just that, company resource is a lasting resource. It is for the use of company business and nothing else. Company or Institution Resources Misuse is the taking advantage of company’s or institution’s possessions such as office supplies, company or institution vehicle, company internet, and firm telephone which were commonly misused or abused by the employees of the firm. Even though workers or employees were fully aware of their company’s rules and regulations, they still tend to break the rules without thoroughly thinking about the consequences attached to it. This study examined the commonly misused company resources, the awareness and involvement of employees or workers in using the resources, and the manner of reporting by the employees of the firm’s misused resources.

In a firm, even today, multiple workers or employees misusing company resources: example, employee “A” uses company printer for job own research materials, employee “B” uses the office for the weekend meeting of friends, and employee “C” uses company telephone for personal contact with relatives. The company resources misuse or abuse is the taking advantage of company’s possessions such as office supplies, company vehicle, company internet, company telephone, and company products. In the online news article, it discussed that almost half of the U.S. workers have witnessed workplace misconduct but only few of them tried to report to the management and others just kept silent to avoid problems and troubles.

During the past decade, global deployment of the Internet has reshaped the workplace into an interconnected zone strengthening and catalysing the organization’s productivity. Telecommunication tools such as email, instant messaging and

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Internet access have revolutionized the way organizations manage and control their daily operations. However, the benefit of quick access to timely data and less restricted communications has been accompanied by reduced productivity, Internet addiction, increased legal liability, bandwidth waste, and security concerns. A recent study shows that on average more than 81 minutes of work time per employee per day is wasted doing non-work-related computer activities. In parallel, the Computer Crime and Security Survey of the Computer Security Institute (CSI) reports that 49% of respondents faced IT security incidents due to irresponsible acts of legitimate users, Liao (2009).

Thus, to bridge the study gap, this research employed Theory of Planned Behaviour, Theory of Ethics, and Theory of Deterrence to determine factors influencing employees' workplace company resources misuse intention. The approach used examined an individual's moral intensity grounded in the theories, in parallel with ethical decision-making process, that investigate the consequences of an action in organizations facing internal and external direction.

II. METHODOLOGY

The researchers of this study used descriptive method. Descriptive method provides an accurate portrayal of characteristics of a particular individual, situation or group by Ong & Roxas (2016). This research is participated by twenty (20) respondents from government (Engineering Department, Permit and Licensing Department of Cagayan de Oro City Hall) and non-government (Xavier University, Pilgrim Christian College, Security Bank, and David Salon) offices in the city of Cagayan de Oro. The instrument employed was a researcher made questionnaire consisting the items related to the commonly misuse company resources. The data collection technique had various phases which include the following: preparation, administration, retrieval, interpretation, and analysis of data. To supplement and verify some of the information gathered from the survey questionnaire, an interview of the employee respondents was conducted by the researchers.

This research used descriptive statistics. Frequency and percentage were used to profile demographic characteristics of the respondents, the commonly misuse company resources, awareness and involvement, and manner of reporting.

III. RESULTS AND DISCUSSION

The commonly misuse company or institution resources

The commonly misused company or institution resources are office supplies, company vehicle or car, internet usage, telephone, company products or services. Major non-labor expenses that a company incurs to acquire office supplies include capital - it costs a company to have its money tied up in office product inventory - and space - whatever space is devoted to office products is an expense to the company according to Toth (1995). Only legitimate business expenses should be reimbursed so the employee should not be reimbursed for the difference between the maximum allowable amount and the amount actually incurred. Ethical employees will submit documentation only for business expenses incurred while performing professional duties according to Mintz (2011).

In this study, the most commonly misused company or institution resources based on the survey of 20 respondents in both government and non-government institutions are shown in Figure 1.1.

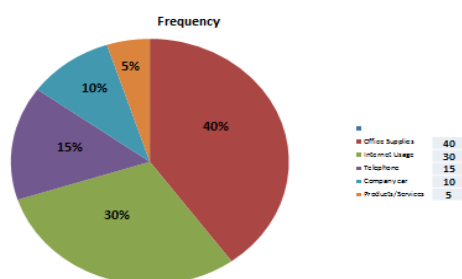


Figure 1.1 The Commonly Misused Company/Institution Resources

Figure 1.1 shows the commonly misused company or institution resources. First in the rank was Office Supplies with 40% followed by Internet Usage with 30% of the employee respondents and third in the rank is Telephone Usage with 15% of the employee respondents who said that these items are included in the commonly misused company resources whether government or non-government institutions. According to Suico (2015) that Office Supplies and Internet Usage are the most commonly abused or misused resources by employees whether they are in government or non-government institutions.

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Are employees aware and involve in misusing the company or institution resources?

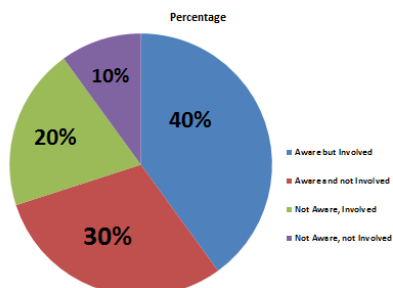


Figure 1.2 Awareness and Involvement of Employees on Commonly Misused Company/Institution Resources

Figure 1.2 illustrates the awareness and involvement of employees on the commonly misused resources. First in the rank is the category of Aware but Involved with 40% followed by the category of Aware and not Involved with 30% of the employee respondents. Comparing the two categories it indicated that more of the employees whether government or non-government institution aware of the rules and regulations of their company or institution but then committed unethical act. This result is also supported of the study conducted by Suico (2015) mentioning that non-government employees are aware of the implemented business ethics but they still commit on unethical behavior.

Third in the rank is the category of Not Aware and Involved with 20% which indicated that the employees were not aware of the business ethics or institution ethics and committed unethical act. There was a 10% in the category of Not Aware and Not Involved with which means that there were lesser employees who were not aware of the implemented business ethics whether government or non-government institution and do not engage themselves in unethical acts.

Employees report to the management the misuse of company resources.

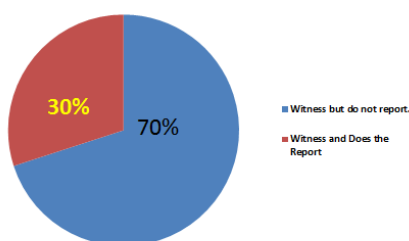


Figure 1.3 Reporting of Commonly Misused Company/Institution Resources by the Employees to the Management

Figure 1.3 shows the reporting of employees of the commonly misused resources to the management. First in the rank is the variable of Witness but does not Report to the management with 70% followed by Witness and Does the Report to the management with 30%. This result gives us an idea that majority of the employees of the company or institution witnessed the misused of resources but did not able to report to the management and only few of the employees of the firm witnessed and did the report. According to Suico (2015) that there were employees in government sector, mostly witnessed unethical act but tend to not report to their superiors.

What constitute and factors that cause the misuse of company resources?

The misuse of company resources refers to the excessive use, destructive use or achieving imbalance between company resources either individually or in combination. The misuse of company or institution resources can also be direct or indirect. The Direct misuse of company resources refers to such situations and conditions where the resources are directly destroyed or overused. But, many times, some of the company resources are indirectly put to misuse. The lack of knowledge, rules, regulations, guidelines, and its significance lead to its misuse. The misusing of resources may be done even with educated person or uneducated person. The misuse of company resources covers broad areas such as the internal and external factors of the company.

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The internal factors which can be misused by either the employees or officers of the company are the following: The Financial resources like funding, investment opportunities, and sources of income; Physical resources such as company's location, equipment, and facilities; Human resources like employees, target audiences, and volunteers; Access to natural resources, patents, copyrights, and trademarks; Current process such as employee programs, software systems, and department hierarchies.

The external factors of the company are economy, finance, weather, infrastructure, laws, trends, and customer base. These factors can also be misused either by the employees or officers of the company. Economy: the global economy is one of the biggest external factors that may affect the company or business. The market fluctuations based on politics, terrorism attacks, wars, and devaluation of currency eventually affect the business enterprises. Finance: the interest rates, the availability of credit, and consumer loans are considered external factors that the management of the company rarely can control. Weather: the storms, tornadoes, hurricanes, and wildfires are considered outside the control of the company. Infrastructure: the zoning laws, highway construction, and housing development are also considered external factors of the business. Laws: the state and local changes in the laws can have a direct impact of the business.

Interview revealed in this study some of the reasons which constitute the misuse of resources such as the oversupply of resources and the absence of guidelines in using such resources; By not considering the employees as part of the company or institution; Due to the absence of Code of Ethics and the absence of the application of Vision and Mission of the company. Lack of daily monitoring of the company resources by the head or superior of the department. The presence of the head or officer of the department who tolerate the misuse of company resources; By closing the eyes of the witness considering the co-employee as a friend; Dishonesty of employees by using office supply for personal use at home; Failure to reuse or recycle the company resources.

What intervention can be proposed in preventing the misuse of company or institution resources?

The firm or institution resources are to be used for work assignment and should be protected. Firm or institution assets are meant for job in business and not for personal use. The researchers believe that all have a responsibility of protecting and safeguarding firm or institution resources from loss, theft, misuse, and waste. The intervention that can be proposed in preventing the misuse of firm or institution resources were obtained from the interview of the selected firm or institution employees.

There are some tips from the interviewees in preventing the misuse of firm or institution resources. These interviewed results were from the selected employees and can be used as basis in minimizing the misuse of resources.

Interviewee Number 1 (Tertiary Faculty)

When employees do not feel that they are part of the company's success or organization, they usually misuse the resources or assets of the firm. In order to avoid this, it should be necessary that vision and mission of the firm or institution should be shared to the employees at the start of their employment or work. There should be a proper allocation and equal opportunity in the use of time, office supplies, internet, and telephone of the firm or institution.

Interviewee Number 2 (Cooperative Employee)

The employees of the company may misuse the company or institution resources due to the absence or lack of company policies directing to the use of company resources. The office supplies, company vehicle, and internet of the firm should be used for authorized business purposes. Company or institution property should never be used for personal gain and employees should not allow firm or institution resources can be used for illegal activities. There should be a constant monitoring of employees in order to prevent the misuse of institution resources.

Interviewee Number 3 (Bank Employee)

The Code of Business Conduct and Ethics for Employees is the most important document in a Commercial Bank that may help in preventing the misuse of company resources. This document was considered by the employees as a values-based, rather than compliance-based, which means it goes beyond a simple listing of right and wrong. One of the reasons why bank employees used properly the company resources is due to their integrity and trustworthiness. Each member of the bank is personally accountable in reading and understanding the Code of Business Conduct and Ethics for Employees making no room for the misuse of company resources.

Interviewee Number 4 (Business Coordinator of College Institution)

The school management is always providing the needs of the faculty/staff and office such as office supplies, internet connection, telephone, aircon, and other facilities needed for the smooth operations and in attaining the objectives of the school. However, there are instances that the employees and faculty were misusing the office supplies, internet, telephone, and even aircon more than the required number of hours due to the personal usage and consumption. It can only be avoided if the faculty and staff have a strong desire to maintain and abide the policy of the school.

Interviewee Number 5 (Government Employee)

There should be enough support from the government much more in providing the needs of the offices in every department specifically the office supplies, internet connection, telephone, vehicles, aircon facility, and other equipment for the use of official need and for the success of daily operations. The most commonly misuse resources I noticed are the office supplies,

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the internet usage, and the allotted time for work. The misusing of resources can be minimized through strict monitoring by the direct head and in every transaction it should always be reflected in the logbook signed by the requested person with specific purpose stating the number of units requested and the number of days that will be consumed much more if the items are office supplies. Gate pass are the existing requirement by the management for those who go out during office hours for official transactions related to work assignments and it should be continued to have a greater productivity per employee and prosperity for the nation.

Interviewee Number 6 (Salon Business)

The Salon Business is more on quality services relying so much on the expertise of the employees and workers. The management continuously providing the necessary supplies, internet connection, telephone, and aircon facility to have a smooth operations of the business. As the manager of the two branches in Cagayan de Oro, I observed that the commonly misused resources are the office supplies, followed by the internet usage, and third is the telephone usage. In order to avoid the misuse of resources, the management provided guidelines and sanctions of the violations.

Summary of the Interview from the Employees:

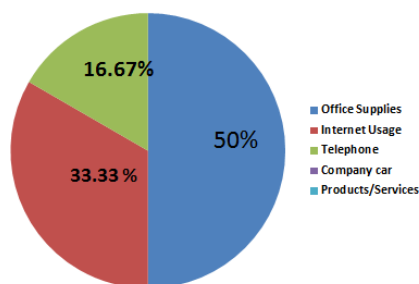


Figure 1.4 Misused Company/Institution Resources By the Interviewees

Figure 1.4 depicts the misused resources according to the interviewees. First in the rank is Office Supplies with 50% followed by Internet Usage with 33.33% of the interviewee respondents. Third in the rank is Telephone Usage with 16.67% of the interviewee respondent.

Interview revealed that one of the reasons why these items commonly misused resources are due to personal interest of the workers, satisfaction of employees, and involvement the head in the department.

CONCLUSIONS AND RECOMMENDATION

Intentional insider misuse of company or institution resources (i.e. IS misuse, office supplies) represents a significant threat to organizations. In an organization whether government or non-government institution, the presence of misuse of resources committed by the employees based on the results of this study still exists.

This study makes significant progress toward explaining the commonly misused resources of the company or institution. Figure 1.1 shows the commonly misused company or institution resources. First in the rank is Office Supplies with 40% followed by Internet Usage with 30% of the employee respondents. Figure 1.2 illustrates the awareness and involvement of employees on the commonly misused resources. First in the rank is the category of Aware but Involved with 40% followed by the category of Aware and not Involved with 30% of the employee respondents. Figure 1.3 shows the reporting of employees of the commonly misused resources to the management. First in the rank is the variable of Witness but does not Report to the management with 70% followed by Witness and Does the Report to the management with 30%.

The results of the interview suggested that there should be a clear policy established by the firm or institution. Employees should thoroughly be oriented of the vision and mission of the organization to avoid the misuse of company resources. Although it is true that overuse, underuse, and misuse will not change quickly, but still a firm or institution has a chance of change if it has always a document of the Code of Business Conduct and Ethics for employees so that they would be guided accordingly in day to day assignment in line with the company goals and objectives.

There should be a close monitoring system or device applied and implemented by the direct head in every office or department in order to minimize the misuse of resources if it could not be eliminated. Today, evolution in technology makes appropriate and affordable management systems and internal controls for small entities. All persons or employees in the

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organization should help in the implementation and the practice of the good usage of company or institution resources not only today but in the coming years of the operations.

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