

# Rebelliousness and Street-Level Bureaucrats' Discretion: Evidence From Malaysia

Mohammed Salah Hassan<sup>1</sup>, Raja Noriza Raja Ariffin<sup>2</sup>, Norma Mansor<sup>3</sup> & Hussam Al Halbusi<sup>4</sup>

<sup>1</sup>Department of Administrative Studies and Politics, University of Malaya, Malaysia; <sup>2</sup>Department of Administrative Studies and Politics, University of Malaya, Malaysia; <sup>3</sup>Social Wellbeing Research Centre (SWRC), University of Malaya, Malaysia; <sup>4</sup>Department of Business Strategy and Policy, University of Malaya, Malaysia

#### Abstract

Street-level bureaucrats are a fundamental part of the implementation process of any policy. This study provides an examination of the factors that shape the behavior of street-level bureaucrats at the frontlines of policy implementation. This study investigates how rebelliousness generates an impact on the discretion of street-level bureaucrats and to what extent client meaningfulness plays a moderating factor. It utilizes a survey questionnaire distributed among inspectors of the Department of Labor in the Ministry of Human Resources of Malaysia (n=241). The result of this study demonstrates that rebelliousness has a negative relationship with discretion, and client meaningfulness has a direct positive correlation with discretion. However, the relationship between rebelliousness and discretion is stronger with a high level of client meaningfulness. The objective of this study is to examine street-level bureaucrat behavior through the lens of Lipsky's theory which will provide an answer to the broad question of the factors that contribute to the existence of an imperfect implementation process. This study sheds light on the importance of client meaningfulness in moderating the behavior of street-level bureaucrats while interacting with inspectees. The novelty of this study is by highlighting two main constructs that are likely contributing to the implementation process by directly and indirectly impacting bureaucrats' discretion: rebelliousness, and client meaningfulness.

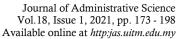
*Keywords*: Rebelliousness, Discretion, Client meaningfulness, Street-level bureaucrats, Structural equation modeling

### INTRODUCTION

Received: 10 January 2021 Accepted: 21 March 2021 Published: 30 June 2021

The concept of discretion is fundamental in the study of street-level bureaucracy. According to the street-level bureaucrats' theory by Lipsky (1980), frontline public employees exercise discretion when they interact with citizens

during the policy implementation process. Frontline public employees are called street-level bureaucrats are consistently interacting with citizens as part of their job. The decisions taken by these bureaucrats have a profound influence on the implementation process of any policy as these judgments are often within a legal discretionary space (Hupe & Hill, 2015). The ability to decide freely is conceptualized under the concept of





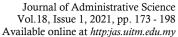
discretion. The ability of a bureaucrat to act accordingly and freely is critically shaped by many factors. Hence, this study stresses the importance of rebelliousness and client meaningfulness and its impact on the ability of bureaucrats to decide freely.

Rebelliousness is understood as the perceived threat that a bureaucrat might experience while carrying out responsibilities at the workplace (Brehm & Brehm, 2013). Also, rebelliousness is a concept that mainly deals with the individual's response when their freedom to act is restricted (Tummers, Steijn, & Bekkers, 2012). Previous research on rebelliousness argues that rebellious bureaucrats experience personal conflict when deciding freely. Hence, bureaucrats who demonstrate this phenomenon will experience a limitation in their freedom to decide when implementing policies (Tummers, 2012).

On the other hand, client meaningfulness refers to the perceptions of the street-level bureaucrats on the benefits that a policy might offer to their clients (Tummers & Bekkers, 2014). Maynard-Moody and Musheno (2003) highlighted that street-level bureaucrats who experience positive client meaningfulness can implement policy successfully, this is support by the notion put forward by and Lipsky (2010) who has theorized that bureaucrats generally focus on helping their client to achieve policy implementation success.

Tummers and Bekkers (2014, p. 528) argue that client meaningfulness has a direct impact on street-level bureaucrats' freedom to act. This relationship can be explained as if a schoolteacher who wants to provide the best teaching method, he or she is capable of, the teacher will do whatever is necessary within their discretion to implement new teaching methods that will improve the learning of the students. This example reflects how street-level bureaucrats when experiencing meaningfulness toward their clients and will implement the regulation and ensure that a positive impact on their clients for long-term success. Additionally, street-level bureaucrats theory argues that bureaucrats who experience more discretion will, to a certain degree, want to have a positive impact on their client's lives (Lipsky, 2010; Palumbo, Maynard-Moody, & Wright, 1984).

In most countries, translating regulation into action poses a substantial challenge as it necessitates the bureaucrats to respond efficiently and effectively to all stakeholders (Hupe & Hill, 2015). This study was motivated by the fact that many





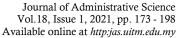
countries around the world share a common trend of weak policy implementation and specifically the enforcement stage. Munguia (2019) emphasized that developing countries, especially Southeast Asian countries, share a common trend of weakness in the implementation process, especially concerning labor laws. Also, these weaknesses are likely related to the enforcers themselves. Overall, the evidence suggests in developing countries, it is common for the implementation and enforcement of regulations to be at a low level of effectiveness (Almeida & Ronconi, 2016; Kanbur & Ronconi, 2018).

Broecke, Forti, and Vandeweyer (2017) and Bhorat and Ravi Stanwix (2019) both have stipulated that regulation enforcement of labor laws and especially minimum wage regulation are deficient in developing countries. Bhorat and Ravi Stanwix (2019, p. 4) stated that "the literature does broadly agree that enforcement of and compliance with minimum wage laws are low in most developing countries. Formal enforcement efforts are weak, and a substantial proportion of workers still receive sub-minimum wages".

Ronconi (2010) argues that it is commonly not the absence of labor regulation in developing nations that are the problem. Rather it is the large amount of non-compliance with standing rules due to "imperfect enforcement", coupled with the weakness in government institutions, capacity, and commitment to enforce regulation by the bureaucrats.

Issues with the enforcement of labor laws, especially minimum wage regulation in Malaysia were stressed by M Kulasegaran, the previous Minister of Human Resources, who recently stated that "30% of employers are not complying with minimum wage ruling" (Bernama, 2019). Also, A study by the Malaysian Federal Bank (Bank Negara) in 2018 highlights that low-skilled workers in Malaysia wages are receiving less wages than other benchmarks economics that are similar to Malaysia labor productivity. The Federation of Malaysian Manufacturers urged the government to give a detailed roadmap for the implementation of the minimum wage policy (Lee, 2020).

Hence, the motivation of this study is to understand why there is a weak implementation and specifically during the enforcement stage of minimum wage regulation, by focusing on the examination of factors that shapes street-level





bureaucrats' discretion. Therefore, this study focuses on labor inspectors as they play a significant role in implementing all labor laws in Malaysia.

This study is governed by street-level bureaucrats' theory which argues that the implementation process of any policy is fundamentally dependent on street-level bureaucrats' behavior. The theory of street-level bureaucracy highlight discretion as a fundamental factor and argues that personal characteristics influence bureaucrats' discretion and ultimately will influence the whole implementation process. In this study, we focus on personal traits such as client meaningfulness and rebelliousness as the main constructs that are reshaping street-level bureaucrats' discretion (Tummers, Steijn, & Bekkers, 2012; Lipsky, 2010).

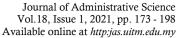
The novelty of this study is by providing a comprehensive examination of the relationship between rebelliousness and discretion; also, to investigate the moderating role of client meaningfulness. This study will provide a new understanding of the factors that shape discretion to further the understanding of street-level bureaucrat behavior. Finally, by focusing on what factors may influence bureaucrats' discretion, this study will provide an answer to the broad question of why weak implementation exists.

### THEORETICAL FRAMEWORK

#### **Street-Level Bureaucrats Discretion**

The concept of discretion has been debated extensively in the literature, see Lipsky (1980), Saetren (2005), Durant, Maynard-Moody, and Portillo (2011), and Hupe and Hill (2015). In this paper, the concept is conceptualized based on Evans's (2010) interpretation, and the scholar noted that discretion incorporates the bureaucrats' degree of perceived freedom when deciding on policy implementation. Also, Davis (1969, p. 4) noted that "a public officer has discretion whenever the effective limits on his power leave him free to choose among possible courses of action or inaction."

Moreover, Tummers and Bekkers (2014, p. 529) offered an irrefutable description of the concept as "the perceived freedom of street-level bureaucrats in making choices concerning the sort, quantity, and quality of sanctions, and rewards on offer when implementing a policy." For example, discretion is the extent of freedom of





public lawyers who feel they can decide what and how to provide the best assistance to their clients (Berkman & Plutzer, 2010). In this study, we distillate discretion as the perceived freedom based on the bureaucrat's perception; this is primarily grounded by Thomas Theorem, who argues that a person's behavior is based on their perception of reality (Lewin, 1936).

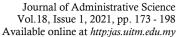
Discretion can also be defined as the "component in the decision-making process that determines an individual's action or non-action" (Carrington, 2005, p. 144). Carrington conceptualized discretion into two viewpoints, the first component is related to the freedom of the individual. In this case, the street-level bureaucrats must select between varied actions that are available to them, and discretion is fundamentally the choice to act or not act (Carrington, 2005).

Based on street-level bureaucracy theory, Lipsky (2010) illustrates this concept as the judgments of street-level bureaucrats in line with their nature of service. He also argues that street-level bureaucrats are accountable for their own decisions which they are aware have a profound impact on their clients.

Lipsky also added that street-level bureaucrats are often faced with situations that demand them to depart from service values and focus on coping with the expectation of the public. Furthermore, Lipsky argues that discretion is essential among street-level bureaucrats as it is a very crucial element to their interaction with the public daily. He argued that to comprehend street-level bureaucrat's discretion, there is a need to analyze the agency's internal factors and factors relating to their personal characteristics that contribute and shape their discretion (Lipsky, 2010).

Bureaucrats have substantial discretion in determining the proper guidelines to apply and how policies are enforced. Policymakers may unswervingly inspire public employees to employ discretion to accomplish policy objectives (Brodkin, 1997). Other scholars also propose that discretion is an indirect action that bureaucrats implement as a coping mechanism to be able to achieve the inconsistency between street-level bureaucrats' capacity and client's needs and because of creating personal relationships with the clients (Maynard-Moody & Musheno, 2003).

Street-level bureaucrats generally involve in a sensitive relationship with their clients, the ability to act freely will shape the behavior of those bureaucrats when



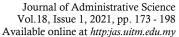


interacting with the public by shaping their decision with regards to who is deserving of punishment and whom to forgive. Also, Clients' knowledge of the discretion of street-level bureaucrats will be by experiencing the choices street-level bureaucrats make of what information they want to provide to them. Hence, this will determine the quality of the relationship. Discretion can also be experienced by clients by how bureaucrats choose to share services they can offer to their clients to assist them to comply with the enforcement of a policy (Meyers, Glaser, & Donald, 1998; Meyers & Vorsanger, 2007).

Street-level bureaucrat's freedom to make choices concerning their clients is an important factor that shapes the dealings between bureaucrats and clients, these interactions are the actual indicator of a policy outcome (Lipsky, 2010). Additionally, these public employees will be able to support or even harm the policy enforcement process, therefore, defining the policy outcomes Hence. tensions will emerge between policy necessities and the bureaucrat's ability to deliver services to citizens (Meyers et al., 1998).

Even when policymakers and street-level bureaucrats do share an interest in the accomplishment of policy objectives, they must frequently function with clearly different priorities. Policymakers pursue to please stakeholder demands for visible results; a bureaucrat's focus is to manage demands for competent performance combined with clients' hopes for approachable services. Thus, bureaucrats must balance the demands from the policy and the demands of the clients, if not, the discretionary behavior of these individuals will subvert the policy implementation process (Meyers et al., 1998).

Lipsky (2010) maintains that the human factor is fundamental to policy enforcement and that street-level bureaucrats will always maintain some freedom to make their own decisions. Discretion occurs when a street-level bureaucrat's power leaves him or her free to choose among different likely courses of action (Davis, 1969). In other words, discretion can be viewed as the gap between the organization rules and guidelines in which frontline public employees exercise and the opportunity of a bureaucrat's independence to make decision-making (Loyens & Maesschalck, 2010). Lipsky maintains that there will exist a space between policy intentions and how street-level bureaucrats shape the policy outcome, and this is because the policy details are not concluded before implementation, or the policy goals are often not clearly detailed. Secondly, space might exist because of the pursuit of policy goals that are beyond





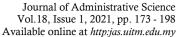
reach, this will demand from SLBs to be very responsive to challenges and issues and most of these challenges are not predictable (Lipsky, 2010).

### Rebelliousness

This concept is defined as "the motivational state that is hypothesized to occur when freedom is eliminated or threatened with elimination" Brehm and Brehm (2013, p. 37). In the literature, this concept is referred to as "psychological reluctance" by Brehm (1966), the scholar also considered rebelliousness as a tool that maximizes the need for satisfaction of an individual who is facing a lack of appropriate freedom. The bureaucrat's reluctance originates from his or her own need for unrestricted discretion, as they strive to preserve independence during the decision-making process and eliminate any constraint on their freedom of choice (Pavey & Sparks, 2009).

Rebelliousness is mainly a desire to restore a bureaucrat's behavioral freedom, and this is because bureaucrats are convinced that they possess legal individual freedom that allows them to act according to a formal operational procedure and the ability to make a decision based on discretionary limits (Lipsky, 2010). Hence, rebelliousness can be reflected as the amount of reluctance to act depends on the magnitude of the perceived threat to the individual's freedom. The unpleasant motivational state of reluctance can result in cognitive and behavioral efforts to re-establish the person's freedom. This will inevitably be accompanied by the experience of hostility, aggressiveness, and anger (Rains, 2013).

Rebelliousness has four fundamental elements, the first is the emotional attitude towards freedom of choice, which can be understood as bureaucrats' perception of the importance of having the freedom of choice while they are on the job and how they might react to any limitation on their ability to decide freely. The second element is the threat to freedom, which is defined as "any event that makes it more difficult to exercise freedom, constituting a threat to that freedom" (Burgoon, 2002, p. 222). The third element is reactance, which can be understood as the emotional response from the person that faces a threat to their freedom. This refers to the negative provocation and hostile feeling of bureaucrats who view their freedom as violated and perceive that their individuals' freedom to choose has been eliminated, it is also argued that the higher the impact of threat is, the stronger the rebellious behavior (Brehm & Brehm, 2013). The fourth element is the restoration of freedom. Brehm (1966) highlighted that if a person's





freedom is perceived to be threatened or eliminated, the individual would be motivated to re-establish such freedom, he also added "If a person's behavioural freedom is reduced or threatened with reduction, he will become motivationally aroused. This arousal would presumably be directed against any further loss of freedom and to the re-establishment of the freedom that had already been lost or threatened" (p. 2).

Perhaps, a bureaucrat who experiences rebelliousness is an individual who refuses to act, advocating hostility and anger due to a particular threat that is limiting their freedom. In this context, bureaucrats' freedom is understood as their capability to act freely - also referred to as discretion. Hence, bureaucrats do experience reluctance due to a primary factor, this factor can be an attack on their freedom which is related to a perceived threat in the workplace from their clients, or an attack on their freedom by their colleague or the people they interact with such as their supervisors or managers (Brehm & Gates, 1999).

Finally, this factor contributes to how these government employees use their freedom or discretion to undertake their responsibility at the workplace. Lipsky (2010) argues that street-level bureaucrats occasionally face the issue of psychological reactance, he highlighted that when a bureaucrat faces a threat on their ability to decide while on the job, they might display hostility and uncomforted. Also, bureaucrats will strive to restore that freedom of choice by developing coping mechanisms that will assist them in their elimination of these threats. In conclusion, street-level bureaucrats' freedom of choice and ability to act by employing their discretion is well connected to their state of mind, and their rebelliousness in the workplace and while on the job.

# The Moderating Role of Client Meaningfulness

Client meaningfulness refers to "the perception of professionals about the benefits of them implementing the policy for their own clients" (Tummers et al., 2012, p. 12). Hence, client meaningfulness reflects the perception of the value that is added to the client by enforcing a policy during the implementation stage. This emotional feeling toward the client will determine the success of any policy. Maynard-Moody and Musheno (2003) highlighted that street-level bureaucrat who experiences client meaningfulness when implementing a policy are the frontline employees who focus on helping their clients achieve success and on building a relationship of trust and understanding, which reflects an increase on the level of compliance.



The concept of client meaningfulness is well connected to the concept of street-level bureaucrats' discretion and, the overall bureaucrats' behavior. When bureaucrats experience meaningfulness toward their clients they tend to sense that they can assist in terms of making it accessible for clients to comply with the regulation. This, in turn, increases the bureaucrat's freedom to enforce a policy (Hupe & Hill, 2015).

Consequently, the street-level bureaucrat who experiences a high level of discretion positively influences further client meaningfulness (Tummers et al., 2012). An interesting study that was done by Sandfort (2000) illustrates that in the case of the United States public welfare, street-level bureaucrats have demonstrated that when government employees experience client meaningfulness, they experience great discretion, which ultimately reflects a positive correlation between these two factors.

Overall, client meaningfulness is a significant factor that is well documented in the study of bureaucrats, this construct does have an impact on discretion and the whole enforcement process. Therefore, client meaningfulness is related to the awareness bureaucrats have that their policy is valued and will bring benefits to their clients. The client's meaningfulness and discretion share a positive relationship where, when granting discretion during the policy, enforcement will increase client meaningfulness. Unrestricted discretion as the ability to decide freely makes it likely to alter policy goals toward client needs, which in turn increases the meaningfulness of the policy toward the client as street-level bureaucrats will act freely to ensure a positive outcome of the policy toward clients (Tummers & Bekkers, 2014).

Based on the literature, the research hypothesis posted by this study are:

- H-1: Street-level bureaucrats who experience a high level of rebelliousness, will negatively influence their discretion.
- **H-2:** Street-level bureaucrats who experience a high level of client meaningfulness, will experience a discretion increase.
- H-3: The relationship between rebelliousness and discretion is stronger when street-level bureaucrats experience a high level of client meaningfulness.



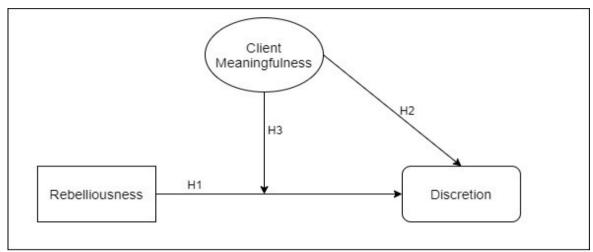


Figure 1: Research Model

### **METHODOLOGY**

To examine the hypotheses presented in this study, primary data were gathered from labor inspectors working in the Department of Labor of the Malaysian Ministry of Human Resources. Permission to collect this data was acquired from the Department of Labor before distributing the survey questionnaire to the inspectors.

In this study, the use of non-probability sampling is used as a method. That means the method was deemed more fitting for the purpose of the study as the research-tested for a theoretical assumption. Hulland, Baumgartner, and Smith (2018) concluded that a study that uses theories to explain the phenomenon in a different context in the field of social science is likely an examination of theoretical generalization and not a sample generalization. Non-probability sampling is the correct method to be implemented.

Purposive sampling is highlighted as a non-random technique that does need a set of several participants nor the need for underlying theory. To determine the sample size, the research determines the sample needed based on the people who are the targeted population and their willingness to provide information. A non-probability sample means that the selection is the appropriate sample must be based on the shared

Journal of Administrative Science Vol.18, Issue 1, 2021, pp. 173 - 198 Available online at http:jas.uitm.edu.my



characteristics of the population. The objective of the sampling is fixated on the people with particular characteristics, mainly those who assisted in attained this study research objectives (Bernard, 2011; Hulland et al., 2018). The sample population is bureaucrats within the Labor department who have the discretion to enforce regulations. The only qualification criteria to be used to ensure that the survey target only labor inspectors is to focus on street-level bureaucrats who are called labor Inspectors who have the discretion to enforce regulations.

Another approach was taken into consideration to ensure the appropriate sample size is implemented. The was following Hoogland and Boomsma (1998), and Wolf, Harrington, Clark, and Miller (2013) which reflected that a minimum of 200 respondents is needed for the analysis of Structural Equation Modeling (SEM). The distribution of the survey was via the Google Form platform and sent to a total population of 350 labor inspectors in Malaysia. A total of 241 respondents had answered the online survey. Nevertheless, prior to conducting the survey, senior human resources were approached in each organization to ask permission for the study: once permission was granted, the survey was distributed. Survey packets containing the questionnaire and the covering letter explained the purpose of the survey, assured the confidentiality of their responses.

### Measurement

- i) Discretion was measured using 6-items adapted from Tummers (2012); this construct focuses on measuring the perceived freedom of the street-level bureaucrats when implementing a policy and was with a Cronbach's alpha of 0.83.
- ii) Client meaningfulness was also adopted from Tummers (2012) using the 5-items scale and was with a Cronbach's alpha of 0.86.
- iii) Rebelliousness was measured using a 12-item scale adopted from Shen and Dillard (2005) and was with a 0.83 Cronbach's alpha value.

### **Data Analysis and Result**

We examined the hypotheses by applying structural equation modeling (SEM) with partial least squares (PLS), using Smart PLS 3.2.8 software (Ringle, et al., 2015). According to Henseler, et al., (2009) and Hair et al., (2017), this is a powerful, robust



statistical procedure as it does not require strict assumptions about the distribution of the variables and is appropriate for complex causal analyses with both first- and second-order constructs. Significantly, to test the statistical significance of the path coefficients, the PLS analysis used 5,000 subsamples to generate bootstrap t-statistics with n –1 degrees of freedom (where n is the number of subsamples) (Al Halbusi et al., 2019).

### **Demographic Analysis of The Respondents**

The demographic information of the respondents consists of (a) Gender, (b) Age, (c) Years of Experience, (d) Years as Labor Inspectors, and (e) Level of Education. Therefore, as shown in Table 1, in categorizing the gender of employees, it was documented that 47.3% of the respondents are male and 53.7% are female. In categorizing the age, 3.3% of employees are between 18 to 24 years old, 27.8% are between the age of 25 to 34 years, 40.2% are between the age of 35 to 44, 24.8% are between the age of 45 to 54, and 3.7% are 55 or older. In terms of years of experience by categorizing the study subjects, 4.5.1% had worked in their organization for 1 year, 14.5% of the employees worked between 2-5 years, 24.4% employees worked between 6-10 years, 36.9% for whom worked between 11-20 years, 16.5% of the employees worked for 21-30 years and 2.9 has worked for 31 years and above. In regard to years as labor inspectors 12.4% for the inspectors among 1-2 years, 17.8% are for the inspectors 3-5 years, 34.0% for the inspectors who worked 6-10 years, 18.6% for inspectors are 11-15 years, and 17.0% are for the inspectors 16 years and above. In terms of educational level, 6.6% had SPM or high school, 25.3% had STPM/matriculation or pre-university, 53.5% completed bachelor's degree, 14.1% had master's degree, and 0.4% had a Doctorate's degree.

Table 1: Demographic Analysis of the Respondents

Demographic Item	Categories	Frequency	Percentage	
Gender	Male	114	47.3	
	Female	127	52.7	
	Total	241	100.0	
Age	18 to 24	8	3.3	
	25 to 34	67	27.8	
	35 to 44	97	40.2	
	45 to 54	60	24.8	
	55 or older	9	3.7	
	Total	241	100	
Years of Experience	1 year	11	4.5	
	2-5 years	35	14.5	

184



	6-10 years	59	24.4
	11-20 years	89	36.9
	21-30 years	40	16.5
	31 years and above	7	2.9
	Total	241	100
Years as Labor Inspectors	1-2 years	21	14.3
	3-5 years	30	20.4
	6-10 years	48	32.7
	11-15 years	32	21.8
	16 years and above	16	10.9
	Total	241	100
Level of Education	SPM or high school	30	12.4
	STPM/matriculation or pre uni	43	17.8
	Bachelor's degree	82	34.0
	Master's degree	45	18.6
	Doctoral degree	41	17.0
	Total	241	100

## **Assessment of Common Method Variance (CMV)**

This study has employed one approach to controlling the common method variance (CMV). Cognitive Rigidity was used as a "Marker Variable" to control any method bias statistically. This variable, theoretically, is unrelated to the research model as it was used only for remedies. This statistical technique was endorsed by Chin et al. (2013) and Podsakoff et al. (2003).

The study stressed that the common method bias control variable involved three items of 'Cognitive Rigidity'. These are unrelated items to the main idea of this research. The common method of bias control items was shown to have an impact on each PLS model's construct. This stage was followed by the path coefficients, which were estimated after introducing common method bias control constructs on the models' constructs. Hence, that the original estimated path coefficient of Rebelliousness was observed to have a value of 0.215, and after analyzing the path coefficient with the marker items estimated by construct level correction (CLC) is with a value of 0.220. Thus, the results show that these changes are minor and deemed as insignificant. Therefore, based on the changes, the study found that common method bias in this study is not an issue. The results, as mentioned above, are indicated below in Table 2.



Table 2: CMV (Marker Variable Estimation)

Dalationahin	Original	CLC	Original	CLC	
Relationship	Estimates	Estimation	Estimates	Estimation	
	Path coefficients	Path coefficients	t-value	t-value	
Rebelliousness -> Discretion	0.215	0.220	3.502	3.507	
Client Meaningfulness -> Discretion	0.091	0.099	1.435	1.439	

Note: Bold values are the values after including the marker variable

#### Measurement Model

We assessed the measurement model by following individual item reliability, internal consistency reliability, convergent validity, and discriminant validity. Table 3 indicated that the results revealed no serious problems with item reliability as most items exceed the recommended 0.707 level (Hair et al. 2017). To evaluate the constructs' internal consistency, we used Cronbach's alpha and composite reliability; it ranged from 0.770 to 0.901 and from 0.787 to 0.915 respectively higher than the 0.70 cut-offs (Hair et al., 2017). In support of convergent validity, the average variance extracted (AVE) for the constructs ranged from 0.658 to 0.727, in excess of the 0.5 thresholds (Hair et al., 2017).

Table 3: Measurement Model, Item Loadings, Construct Reliability and Convergent Validity

Constructs	Items	Loading (> 0.5)	Cronbach's Alpha (> 0.7)	CR (> 0.7)	AVE (> 0.5)
Rebelliousness	REBEL1	0.771	0.901	0.915	0.682
	REBEL2	0.886			
	REBEL3	0.770			
	REBEL4	0.774			
	REBEL5	0.871			
	REBEL6	0.771			
	REBEL7	0.734			
	REBEL8	0.821			
	REBEL9	0.792			
	REBEL10	0.738			
	REBEL11	0.853			



	REBEL12	0.811			
Client Meaningfulness	ClMG1	0.835	0.778	0.787	0.727
	ClMG2	0.781			
	ClMG3	0.750			
	ClMG4	0.838			
	ClMG5	0.751			
Discretion	DISCR1	0.763	0.770	0.833	0.658
	DISCR2	0.849			
	DISCR3	0.789			
	DISCR4	0.826			
	DISCR5	0.750			
	DISCR6	0.755			

Notes: CR= Composite Reliability, AVE= Average Variance Extracted

For discriminant validity, we uncovered no issues; the AVE for each construct was greater than the variance that each construct shared with the other latent variables (see Table 3) (Hair et al., 2017). Henseler, Ringle, and Sarstedt (2015) propose an alternative, more reliable method, the heterotrait-monotrait ratio (HTMT) of correlations, based on a multitrait-multimethod matrix. As Table 5 shows, the HTMT values are below 0.90, which confirms the discriminant validity of each pair of variables.

Table 4: Discriminant Validity via Fornell and Larcker Criterion

	Client Meaningfulness	Discretion	Rebelliousness
Client Meaningfulness	0.654		
Discretion	0.519	0.677	
Rebelliousness	0.469	0.528	0.694

Notes: Bold values on the diagonal are the square roots of the average variance extracted, shared between the constructs and their respective measures

Table 5: Discriminant Validity via (HTMT Criterion)

	Client Meaningfulness	Discretion	Rebelliousness	
Client Meaningfulness				
Discretion	0.490			
Rebelliousness	0.367	0.555		



Notes: HTMT should be less than 0.90.

# **Structural Model: Hypothesis Tests**

Table 6 presents the findings related to our  $H_1$ – $H_2$ . In support of  $H_1$ , rebelliousness relates negative to discretion ( $\beta$  = -0.269, t = 2.674, p < 0.004). Thus,  $H_1$  is supported. For the  $H_2$  client meaningfulness was significantly related to discretion as hypothesis 2 was supported.

To test our moderation prediction in  $H_2$ , we used standardized scores of the variables, to minimize multicollinearity (Low & Mohr, 2001). We entered rebelliousness and client meaningfulness in Step 1, then their interaction term in Step 2. According to the results in Table 5, there is a significant rebelliousness and  $\times$  client meaningfulness interaction effect ( $\beta = 0.195$ , t = 2.410, p < 0.008). Hence,  $H_2$  with the interaction effect is supported. To interpret this interaction, we followed Dawson (2014) and plotted high versus low street-level bureaucrats who experience a high level of client meaningfulness regression lines (+1 and -1 standard deviation from the mean). This step indicates that the negative relationship between rebelliousness and discretion weaken (slope is more pronounced) when client meaningfulness is high rather than low (Figure 2). In clear support of  $H_3$ , the relationship between rebelliousness and discretion is reduced at high levels of client meaningfulness.

Table 6: Structural Path Analysis: Direct Effect and Interaction Effect

						Bias a Corre Boots 95%	ected strap	
Hypotheses	Relationship	Std Beta	Std Error	T- Values	P- Values	LL CI; 95%	95% UL CI	Decision
H-1	Rebelliousness -> Discretion	-0.269	0.294	2.674	0.004	0.047	;0.401	Accepted
H-2	Meaningfulness -> Discretion	0.165	0.043	3.795	0.000	0.068	;0.238	Accepted
Н-3	Rebelliousness × Client Meaningfulness -> Discretion	0.195	0.172	2.410	0.008	0.088	;0.352	Accepted

Notes: N=147. Bootstrap sample size = 5,000. SE=standard error; LL=lower limit; CI=confidence interval; UL=upper limit 95% bias-correlated CI



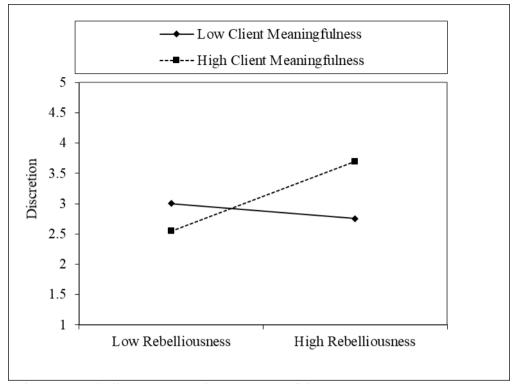
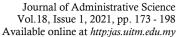


Figure 2: Rebelliousness × Client Meaningfulness Interaction on Discretion

### **DISCUSSION**

The question posed by this study is how rebelliousness shapes street-level bureaucrats' discretion. Rebelliousness is illustrated in the literature is when a bureaucrat demonstrates rebel or unorthodox traits while in contact with the public. These individuals view themselves as a person with limited freedom to act, with the central objective of protecting this freedom to act from any limitation (Brehm, 1966; Brehm & Brehm, 2013).

This study is governed by street-level bureaucracy theory, which argues that personal characteristics of bureaucrats such as rebelliousness and client meaningfulness are factors that contribute to their behavior during the implementation process and also will reshape the interaction between the bureaucrats and the public by influencing



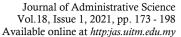


bureaucrat's discretion during the enforcement stage (Hill & Hope, 2015; Lipsky, 2010; Tummers, Steijn, & Bekkers, 2012).

Street-level bureaucrats in general who display rebelliousness are individuals who feel that someone or something is taking away their right to choose. Hence, rebelliousness produces the desire to restore a person's freedom, which directly affects the street-level bureaucrats' desire to employ discretion and act freely. Also, the literature argues that if the street-level bureaucrats show attitudes of reluctance, it will have a negative impact on discretion, thus, this study demonstrates a negative significant correlation between these two constructs as predicted by the literature (Brehm & Brehm, 2013; Shen & Dillard, 2005; Steindl, Jonas, Sittenthaler, Traut-Mattausch, & Greenberg, 2015).

This study indicates that the relationship between rebelliousness and labor inspectors' (street-level bureaucrats) discretion in Malaysia is negatively significant. The hypothesis posed by this study is that rebelliousness has a negative significant association with discretion which was supported by the data collected in this study, which means with a decrease in rebelliousness, the discretion of street-level bureaucrats will increase. This association is explained by Brehm and Brehm (2013), who argue that when bureaucrats experience rebelliousness to act it will negatively impact discretion because of these individuals' sense that their freedom is suppressed. This is supported by the argument put forward by the theory of physical reluctance, which argues that reluctant individuals are likely to experience a loss or an attack on their freedom, and thus their freedom to decide is undermined. The concept of rebelliousness also maintains that individuals who are rebellious will be motivated to resist or counteract, which means that these individuals who feel that their freedom is compromised do tend to view their discretion as limited and sometimes the powers which are given to them as not sufficient to act and achieve their job goal. Furthermore, these individuals will minimize their own freedoms, as a method to protect whatever is left which will result in the difficulty of them freely making choices in their workplace.

The literature discussing rebelliousness suggests that a rebellious bureaucrat will realize that his or her power to act is limited and view their ability to make a free judgment based on what they consider the proper course of action as unachievable. This is because the perceived freedom to make decisions is seen as taken away from them (Brehm & Brehm, 2013).



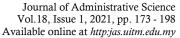


The literature does not assume any specific motive for bureaucrats to perceive that their freedom to act is threatened, and it is not addressed in the previous studies' theoretical models (Brehm & Rozen, 1971; Brehm & Brehm, 2013). However, there is a limited discussion on what constitutes a threat to the freedom and discretions of bureaucrats. The main argument is that any kind of pressure put on the bureaucrats while doing their everyday job and while using their discretion, will constitute a threat. The concept emphasized that threat is caused by external pressure, where it is likely that the working environment and the people within this setting and the organization are causing a threat to personal freedom (Steindl et al., 2015).

Lipsky (2010) has also argued that if the freedom of street-level bureaucrats is threatened, bureaucrats will resist efforts that limit their discretion. Lipsky also added that the discretion of bureaucrats is consistently threatened by factors relating to organizational factors or the client (inspectees), as they are responsible for the pressure that the bureaucrats face, which forces the bureaucrats to be reluctant in deciding and act freely when enforcing regulations.

The result of this study can be explained by the notion that inspectors are likely to have found other ways to cope with the reluctance and the threat to their discretion by developing what Lipsky calls coping mechanisms. Lipsky (2010) concluded that street-level bureaucrats experience pressures in the workplace; these individuals will develop ways to ease these pressures. Lipsky also added that due to the high demand for their services and the limited resources available, the street-level bureaucrats cannot fully meet the demands of the public. Hence, because of the exhausting work pressure they endure, the never-ending demands will deter them from making a positive impact on their clients (Durose, 2011; Nielsen, 2006; Winter & Nielsen, 2008).

The result of this study reflects a significant correlation between client meaningfulness and discretion. A study by Lodenstein, Dieleman, Gerretsen, and Broerse (2016) suggested that street-level bureaucrat's perception of their clients relates to the possibility of the region they work in and if that country has citizen participation laws. This idea reflects that if such laws are in place, public employees are more likely to perceive their clients positively and accept their claims. In other words, how bureaucrats perceive their client demands and the legitimacy of their demands are a critical factor that shapes the client meaningfulness. The proposition made by the clients will also have a profound impact on how bureaucrats will react, and if the claims made





by the clients are based on an existing set of rights and are proved to be entitled to. Street-level bureaucrats will provide their services to ensure the demands of the client are fulfilled. However, street-level bureaucrats view their clients negatively when new demands are made. On this note, perceptions of street-level bureaucrats on the legitimacy of the demands and the needs of clients are based on widespread social understating of the social contract between the authority (bureaucrats) and the clients. Situations, where bureaucrats may perceive that the demands of their clients are genuine or were based on vested interests for the clients themselves, will ultimately shape the bureaucrat's behavior toward their clients.

When examining the moderating role of client meaningfulness on the relationship between rebelliousness and discretion, the result demonstrates a stronger relationship with a high level of client meaningfulness. According to Tummers et al. (2012, p. 12), client meaningfulness can be understood as the perception of street-level bureaucrats regarding the benefits that they can offer to their clients when enforcing regulations. For instance, "do they perceive that they are helping their patients by implementing this policy?". This relationship can be explained by the work of Durant et al. (2011) who cited that street-level bureaucrats rely on their discretion to achieve success in their job. Hence, the desire to employ discretion to achieve this success is dependent on how they perceive their client and the tendency of street-level bureaucrats' willingness to help their clients. An early examination of this relationship was made by Sandfort (2000). The scholar concluded that street-level bureaucrats experience high levels of discretion, there was a positive influence on their perception of their client's meaningfulness.

Finally, when taking into consideration the assumption made by street-level bureaucrats' theory and that is personal characteristics have a profound impact on bureaucrat's discretion and this claim is supported by the result of this study. The result represents an overall answer to the broad question of why there is imperfect enforcement, and that is because bureaucrats in Malaysia are experiencing rebelliousness which means that they do sense that their freedom is suppressed which ultimately negatively impacts discretion and the whole implementation process.



### CONCLUSION AND RECOMMENDATION

This study enhances the understanding of the implementation process by considering how variables within the street-level bureaucracy theory shape discretion, the inspectors, and how it impacts bureaucrat's behavior. A key takes from the results of this study is that inspectors who exert rebellious behavior significantly shaped their discretion. This means that bureaucrats are experiencing constraints on their ability to decide freely. Also, client meaningfulness had a positive relationship with discretion. This means that street-level bureaucrats view their clients positively which is likely due to many clients' minimum demands. Finally, bureaucrats' client's meaningfulness impacts the relationship between rebelliousness and discretion as it shapes whether street-level bureaucrats perceive their clients as making genuine demands. This perception will contribute to the positive client meaningfulness of the bureaucrats. To ensure street-level bureaucrats' interaction with the public is effective, proper training programs must be given to them to empower bureaucrats with the knowledge on how to interact with clients/citizens. Training programs must emphasize providing step-by-step guidance to bureaucrats on how to interact with clients depending on the client's situation and the problem they are facing (Lipsky, 2010).

These training programs must focus on cultivating bureaucrats with the right strategy to implement regulations. A study by Mayntz (1984) has identified direct strategies that will help bureaucrats to enforce regulation effectively. The first is the use of command-and-control tools to reach policy objectives, this can be done through prioritizing clients who are historically known for a higher violation rate. secondly, bureaucrats must provide information to their clients regarding ways to comply with minimum wage regulations and information on the objectives of minimum wage policy and the benefits the policy brings to clients. This will increase the level of awareness of clients. As much of the non-compliance activities are due to the lack of information regarding a policy (Hupe & Hill, 2015; Lipsky, 2010).

In conclusion, rebelliousness and client meaningfulness are important factors that shape how street-level bureaucrats interact with clients, these constructs have a profound impact on the discretion of bureaucrats and will determine the success of any regulation enforcement, training programs, and selection of the right individuals to be responsible for the enforcement process will likely have a fundamental impact on the implementation process.



# **Limitations of the Study**

No research is without any limitations. Firstly, the use of survey research has some limitations. Labor inspectors as respondents might have perceived that they as public employees are being evaluated indirectly. Hence, such factors might inflate their answers to represent their working environment and the issues they face while on the job and factors influencing their discretion as aspects that have little impact on them. However, to overcome this issue, the implementation of the average score is applied to reduce the effect. Second, the street-level bureaucrats may have considered the independent variables in this study as factors that are not of interest to them or might perceive them as not the right factors that should be studied.

### REFERENCES

- Al Halbusi, H., Williams, K. A., Mansoor, H. O., Hassan, M. S., & Hamid, F. A. (2019). Examining the Impact of Ethical Leadership and Organizational Justice on Employees' Ethical Behavior: Does Person–Organization Fit Play a Role? *Ethics & Behavior*, 30 (7), 514–532. https://doi.org/10.1080/10508422.2019.1694024.
- Almeida, R., & Ronconi, L. (2016). Labor inspections in the Developing World: Stylized facts from the enterprise survey. *Industrial Relations: A Journal of Economy and Society*, 55(3), 468-489.
- Bhorat, H. K., & Ravi Stanwix, B. (2019). Compliance with Labor Laws in Developing Countries. *IZA World of Labor*.
- Bernama. (2019 June 27, 2019). 30% of Employers Not Complying With Minimum Wage Ruling. *Bernama*. Retrieved from Https://Www.Freemalaysiatoday.Com/Category/Nation/2019/06/27/30-Of Employers-Not-Complying-With-Minimum-Wage-Ruling.
- Bernard, H.. (2006). Research Methods in Anthropology Qualitative & Quantitative Approaches.
- Brehm, J., & Gates, S. (1999). Working, Shirking, and Sabotage: Bureaucratic Response to a Democratic Public: University of Michigan Press.
- Brehm, J. W. (1966). A Theory of Psychological Reactance. Oxford, England: Academic Press.



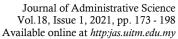
- Brehm, J. W., & Rozen, E. (1971). Attractiveness of Old Alternatives When a New Attractive Alternative is Introduced. *Journal of Personality and Social Psychology*, 20(3), 261-266. https://doi.org/10.1037/h0031909.
- Brehm, S. S., & Brehm, J. W. (2013). Psychological Reactance: A theory of Freedom and Control: Academic Press.
- Broecke, S., Forti, A., & Vandeweyer, M. (2017). The Effect of Minimum Wages on Employment in Emerging Economies: A Survey and Meta-Analysis. *Oxford Development Studies*, 45(3), 366-391.
- Brodkin, E. Z. (1997). Inside the Welfare Contract: Discretion and Accountability in State Welfare Administration. *Social Service Review*, 71(1), 1-33.
- Burgoon, M. (2002). *The Persuasion Handbook: Developments in Theory and Practice*. Thousand Oaks, California: SAGE Publications, Inc.
- Carrington, K. (2005). Is There a Need for Control? *Public Administration Quarterly*, 140-161.
- Chin, W. W., Thatcher, J. B., Wright, R. T., & Steel, D. (2013). Controlling for Common Method Variance in PLS Analysis: The Measured Latent Marker Variable Approach. In *New Perspectives In Partial Least Squares and Related Methods* (pp. 231-239). Springer, New York, NY.
- Davis, K. C. (1969). Discretionary Justice: A Preliminary Inquiry: LSU Press.
- Durant, R. F., Maynard-Moody, S., & Portillo, S. (2011). Street-Level Bureaucracy Theory. In: Oxford University Press.
- Durose, C. (2011). Revisiting Lipsky: Front-Line Work in UK Local Governance. *Political Studies*, 59(4), 978-995. https://doi.org/10.1111/j.1467-9248.2011.00886.x.
- Evans, T. (2010). Professional Discretion in Welfare Services: Beyond Street-level Bureaucracy: Ashgate.
- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: Updated Guidelines on Which Method to Use. *International Journal of Multivariate Data Analysis*, 1(2), 107-123.
- Henseler, J., Ringle, C.M. and Sinkovics, R.R. (2009), "The Use of Partial Least Squares Path Modeling in International Marketing", Sinkovics, R.R. and Ghauri, P.N. (Ed.) New Challenges to International Marketing (Advances in International Marketing, Vol. 20), Emerald Group Publishing Limited, Bingley, pp. 277-319. https://doi.org/10.1108/S1474-7979(2009)0000020014.



- Henseler, J., Ringle, C.M. & Sarstedt, M. A New Criterion for Assessing Discriminant Validity in Variance-Based Structural Equation Modeling. *J. of the Acad. Mark. Sci.* 43, 115–135 (2015). https://doi.org/10.1007/s11747-014-0403-8.
- Hoogland, J. J., & Boomsma, a. (1998). Robustness Studies in Covariance Structure Modeling: An Overview and a Meta-Analysis. *Sociological Methods & Research*, 26(3), 329–367. https://doi.org/10.1177/0049124198026003003.
- Hulland, J., Baumgartner, H., & Smith, K. M. (2018). Marketing Survey Research Best Practices: Evidence and Recommendations from a Review of JAMS articles. Journal of the Academy of Marketing Science, 46(1), 92–108. https://doi.org/10.1007/s11747-017-0532-y.
- Hupe, P., & Hill, M. (2015). Understanding Street-Level Bureaucracy: Policy Press.
- Kanbur, R., & Ronconi, L. (2018). Enforcement Matters: The Effective Regulation of Labour. *International Labour Review*, 157(3), 331-356.
- Lipsky, M. (2010). Street-level Bureaucracy, 30th ann. Ed.: Dilemmas of the Individual In Public Service: Russell Sage Foundation.
- Lee, E. (2020). *The State of the Nation: Where Malaysia Stands on Minimum Wage Scale*. Retrieved from https://www.theedgemarkets.com/article/state-nation-where-malaysia-stands-minimum-wage-scale.
- Lodenstein, E., Dieleman, M., Gerretsen, B., & Broerse, J. E. (2016). Health Provider Responsiveness to Social Accountability Initiatives in Low-and Middle-Income Countries: A Realist Review. *Health Policy and Planning*, 32(1), 125-140.
- Loyens, K., & Maesschalck, J. (2010). Toward a Theoretical Framework for Ethical Decision Making of Street-Level Bureaucracy: Existing Models Reconsidered. *Administration & Society*, 42(1), 66-100.
- Maynard-Moody, S. W., & Musheno, M. C. (2003). *Cops, Teachers, Counselors: Stories from the Front Lines of Public Service*: University of Michigan Press.
- Mayntz, R. (1984). German Federal Bureaucrats: A Functional Elite Between Politics And Administration. In *Bureaucrats and Policy Making: A Comparative Overview* (pp. 174-205). Holmes & Meier.
- Meyers, M. K., Glaser, B., & Donald, K. M. (1998). On the Front Lines of Welfare Delivery: Are Workers Implementing Policy Reforms? *Journal Of Policy Analysis and Management*, 1-22.
- Meyers, M. K., & Vorsanger, S. (2007). Street-level Bureaucrats and the Implementation of Public Policy. *The handbook of public administration*, 153-163.



- Munguia, Luis F, Minimum Wages and Enforcement Effects on Employment in Developing Countries (January 24, 2019). Available at SSRN: https://ssrn.com/abstract=3442352 or http://dx.doi.org/10.2139/ssrn.3442352
- Nielsen, V. L. (2006). Are Street-Level Bureaucrats Compelled or Entited to Cope? *Public Administration*, 84(4), 861-889.
- Palumbo, D. J., Maynard-Moody, S., & Wright, P. (1984). Measuring Degrees of Successful Implementation: Achieving Policy Versus Statutory Goals. *Evaluation Review*, 8(1), 45-74.
- Pavey, L., & Sparks, P. (2009). Reactance, Autonomy and Paths to Persuasion: Examining Perceptions of Threats to Freedom and Informational Value. *Motivation and Emotion*, 33(3), 277-290. https://doi.org/10.1007/s11031-009-9137-1.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies. *Journal of applied psychology*, 88(5), 879.
- Rains, S. A. (2013). The nature of psychological reactance revisited: A meta-analytic review. *Human communication research*, 39(1), 47-73.
- Ronconi, L. (2019). Enforcement of Labor Regulations in Developing Countries. *IZA World of Labor*.
- Ronconi, L. (2010). Enforcement and Compliance With Labor Regulations in Argentina. *ILR Review*, 63(4), 719-736.
- Saetren, H. (2005). Facts and Myths About Research on Public Policy Implementation: Out-of-Fashion, Allegedly Dead, but Still Very Much Alive and Relevant. *Policy Studies Journal*, 33(4), 559-582.
- Sandfort, J. R. (2000). Moving Beyond Discretion and Outcomes: Examining Public Management from the Front Lines of the Welfare System. *Journal Of Public Administration Research And Theory*, 10(4), 729-756. Retrieved from https://academic.oup.com/jpart/articleabstract/10/4/729/994992?redirectedFrom =fulltext
- Shen, L., & Dillard, J. P. (2005). Psychometric Properties of the Hong Psychological Reactance Scale. *Journal of Personality Assessment*, 85(1), 74-81. Retrieved from http://www.tandfonline.com/doi/abs/10.1207/s15327752jpa8501 07.
- Steindl, C., Jonas, E., Sittenthaler, S., Traut-Mattausch, E., & Greenberg, J. (2015). Understanding Psychological Reactance. *Zeitschrift für Psychologie*.





- Tummers, L. (2012). Policy Alienation of Public Professionals: The Construct and Its Measurement. *Public Administration Review*, 72(4), 516-525.
- Tummers, L., & Bekkers, V. (2014). Policy Implementation, Street-Level Bureaucracy, and The Importance of Discretion. *Public Management Review*, 16(4), 527-547. Retrieved from http://www.tandfonline.com/doi/abs/10.1080/14719037.2013.841978.
- Tummers, L., Steijn, B., & Bekkers, V. (2012). Explaining the Willingness of Public Professionals to Implement Public Policies: Content, Context, and Personality Characteristics. *Public Administration*, 90(3), 716-736.
- Winter, S. C., & Nielsen, V. L. (2008). Implementering af politik. Arhus: Academica.
- Wolf, E. J., Harrington, K. M., Clark, S. L., & Miller, M. W. (2013). Sample Size Requirements for Structural Equation Models: An Evaluation of Power, Bias, and Solution Propriety. *Educational and Psychological Measurement*, 76(6), 913–934. https://doi.org/10.1177/0013164413495237.