Do formal management practices impact the emergence of bootlegging behavior?

Innovation in an organization often relies on initiatives by employees who take action to develop their ideas and obtain buy-in by organizational decision-makers. To achieve this, employees sometimes apply unorthodox approaches, ignoring formal structures to further elaborate their ideas' potential and promote their implementation. They work without formal legitimacy and gather their own resources until sufficient clarity allows for informed decisions. Finally, they bypass formal communication channels to convince top management of the merits of their ideas. Despite the significance of such bootlegging behavior, research has barely addressed the antecedents of this deviance. Drawing on strain theory and social cognitive theory, we study whether the emergence of bootlegging behavior is influenced by formal management practices, in particular, strategic autonomy, front-end formality, rewards, and sanctions. Additionally, we investigate the role of employees' self-efficacy related to innovation tasks at the entrepreneurial stage to explain the emergence of bootlegging. We tested the proposed relationships with empirical field survey data using structural equation modeling. In summary, this paper concludes that intrapreneurial self-efficacy, strategic autonomy, and rewards for innovation accomplishments foster bootlegging. Front-end formality has a positive effect on bootlegging by increasing intrapreneurial self-efficacy, but it reduces the likelihood that employees will ignore formal structures when promoting their ideas and gathering their own resources to support their bootlegging efforts. © 2014 Product Development & Management Association.