

How organizational Politics Impact workers job related outcomes?

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Abstract

The construct perceived organizational politics has become an inspiring catch-all in the eyes of researchers for a decade as it has many negative consequences for employees as well as for the organizations. Most of the past studies have focused on organizational related consequences of organizational politics; however, little has been examined regarding employee related outcomes. Therefore, this study aims at investigating the impact of organizational politics on work engagement, citizenship behaviors and turnover intention. The data from 226 employees working in the banking sector on the basis of convenience sampling was collected and SPSS was used to analyze the data. The results revealed a negative impact on organizational politics on work engagement and citizenship behavior and positive impact on turnover intention. Further, work engagement was noted to partially mediate organizational politics-citizenship behavior, and organizational politics-turnover intention associations. The study contributed to job-demand resource theory and has implications for the policymakers and HR managers.

Keywords: Perceived Organizational Politics, Work engagement, Turnover Intention, Organizational Citizenship Behavior, Banking Sector Politics

Introduction

Work engagement (WE) has become a great challenge for the organizations of today as it is related to workers as well as organizational performance. Engaged workers are more likely to perform for themselves, which ultimately contribute their organizational performance (Guo, Kang, Shao, & Halvorsen, 2019). However, 87% of the world's employees are not fully engaged in their work (Islam & Tariq, 2018). It is argued that identifying workers' engagement in their work is not sufficient, as there must be studies that could find the reasons of lack of work engagement and its consequences (Islam & Tariq, 2018). Many studies in the past are conducted to identify the consequences of work engagement such as affective commitment, job satisfaction, in-role behaviors, etc. However, less has been investigated with respect to organizational citizenship behavior (OCB). OCB's are extra-role behaviors that employees' perform beyond their formal job descriptions and are not part of their job descriptions (Organ, 1988). An employee who works in jobless countries has to be more concerned about their OCB's. Particular to the banking sector, employees have to work more to satisfy their customers and achieve their targets, thereby, have more quitting intentions. According to Islam, ur Rehman Khan, Norulkamar Ungku Bt. Ahmad, and Ahmed (2013) almost twenty-four percent of the banking employees in

Pakistan left/switched their job in the year 2011-12. Moreover, 82% of worldwide employees have withdrawal intentions (Islam, Ahmad, Ahmed, & Ahmer, 2019). This study argues that both the issues (i.e. turnover intention and OCB) may be resolved through enhancing workers engagement. Nevertheless, there are certain less focused toxic organizational related factors remained ignorant by the researchers in the past (for the exception Guo et al., 2019) and needs proper attention.

This study considers perceived organizational politics (POP) as a toxic organizational related factor that can negatively influence employees' work engagement and job-related outcomes. In a political environment, workers focus more on negativity rather positivity and are more involved in non-productive work. Further, employees with the mindset to work are discouraged by their seniors and peers, which increase their turnover intention and reduce their COBs.

Literature is clear about the demographical variables (e.g. age, gender, qualification and experience, etc.) impact on organizational politics, turnover intention and OCB (Hochwarter, Kacmar, Perrewe, & Johnson, 2003), therefore, these are considered as the control variables in this model.

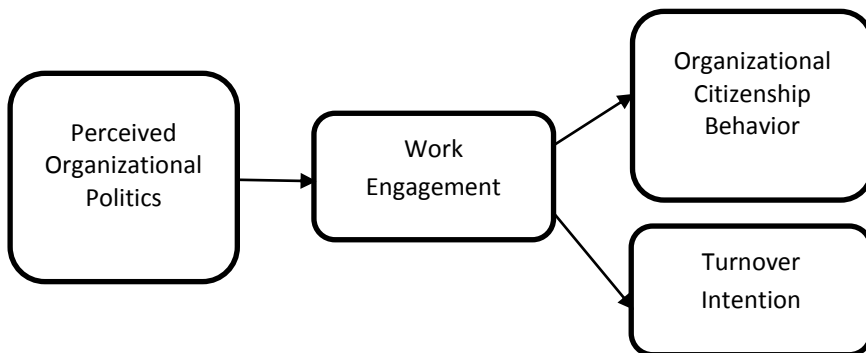


Figure 1-Theoretical Model

Hypotheses Development

According to Gotsis and Kortezi (2010), exercising powers within an organizational setting in influencing way is referred to as organizational politics. Organizations, where performance and reward systems are not clear, are more likely to have politics. One of the reasons for high politics might be the employee's perception of unfair distribution of promotions and rewards. Such type of issues is more in case of the service sector (Wan, 2010). Suffice to say that, organizations with fewer resources do not have proper reward and promotion systems and lack of resources create a political environment in the organizations, which negatively associated with work engagement. Coetzee and De Villiers (2010) also noted the same in South African financial

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institutions. These arguments can further be supported by job-demand resource (JDR) theory. JDR model talks about motivational and health processes. According to health processes, when a job is not designed properly, leads to chronic health related issues and burnout. Whereas, the motivational process talks about the linkage between work engagement and job resources that, in the presence of resources, workers are more likely to do their job (Bakker & Demerouti, 2007).

On the other hand, literature is clear about work engagement's impact on workers' job-related outcomes such as commitment with organization, job satisfaction and leave intention (Bakker & Demerouti, 2007). However, the association of work engagement with workers' extra-role behaviors still need to shed light. Employees that are engaged in their work are always ready to put more efforts for their organization as well as for their colleagues (Moliner, Martinez-Tur, Ramos, Peiró, & Cropanzano, 2008). Based on the above stated literary gaps and review of past studies we hypothesized that:

H1: POP is negatively associated with work engagement.

H2: Work engagement is positively associated with OCB (a) and negatively associated with turnover intention (b).

Most of the studies on the topic of turnover remained unable to find the exact reasons of employee turnover; therefore, researchers have suggested future studies to focus more on turnover intention rather actual turnover (Islam et al., 2013). Therefore, the focus of this study is on turnover intention as intentions may be reduced by providing employees with proper resources. The literature on the associations between POP and turnover intention is not clear as Valle and Perrewe (2000) noted a positive association, Larwood, Wright, Desrochers, and Dahir (1998) noted negative association and Cropanzano, Howes, Grandey, and Toth (1997) noted an insignificant association between the same variables. Based on JDR model, this study assumes a positive association between POP and turnover intention among banking employees. Similarly, literature is scant about POP-OCB association. This study argues that employees in a political environment are less likely to perform beyond their job descriptions as they are more engaged in non-productive activities. Thus, we hypothesized that:

H3: POP is positively associated with turnover intention (a) and negatively associated with OCB (b).

The above literature highlighted mixed results between POP and employees job-related outcomes. In addition, the mechanism between POP and employees job-related outcomes is also scarce (Chang, Rosen, & Levy, 2009). This study considered an emerging variable (work engagement) based on JDR between POP and job-related outcomes. According to JDR, organizational factors influence employees work engagement, which ultimately affects their outcomes (Bakker & Demerouti, 2007). Applying the same notion, this study argues that POP negatively associated with work

engagement and OCB while positively associated with turnover intention where work engagement mediates these associations. Therefore, we hypothesized:

H4: work engagement mediates the association between POP and OCB.

H5: Work engagement mediated the association between POP and turnover intention.

Methods

We collected data from 226 employees working in the banking sector of Pakistan based on convenience sampling. The main reason to select the banking sector is the high turnover and switching among employees. In addition, banking employees have to work more than their job descriptions (i.e. OCB). First, we select a sample of 240 based on “item response theory with the criteria of ten respondents against each item of the scale”. Second, we contacted the branch managers to take permission to collect data. While collecting data, banking employees were given full confidence in the secrecy of their responses. Finally, we collected 231 questionnaires; however, due to missing values and outliers only 5 were used in the final analysis. Based on demographical traits, most of the participants were male (i.e. 69%), holding a master’s degree (i.e. 59%), between the age of 26-35 years (i.e. 62%).

Measures

We requested respondents to answer on a five-point Likert scale. Employees’ POP was measured using Hochwarter et al. (2003) 6-item scale. Employee’s level of work engagement was measured using Schaufeli, Bakker, and Salanova (2006) 9-item scale. The turnover intention was measured using a 3-item scale of Lichtenstein, Drumwright, and Braig (2004), while OCB towards organization was measured by a 6-item scale of Settoon and Mossholder (2002).

Results

First, we examined the data regarding normality, missing values, multicollinearity and outliers as these may have a negative impact on the results. We noted five questionnaires were having missing values and they were replaced with the series mean method. Regarding outliers, we used stem and leaf method using SPSS and data was found free from missing values. We followed the instructions of Byrne (2010) and examined normality through kurtosis and skewness with the cut-off values of ± 3 & ± 1 respectively and data was found to be normally distributed. Finally, regarding multicollinearity, we followed the criteria of Tabachnick, Fidell, and Ullman (2007) that the correlation among variables must be less than 0.85 and no multicollinearity was found in the data.

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Table 1
Correlation and Descriptive Analysis

| Variables | Mean | SD | α | 1 | 2 | 3 |
|-----------|------|------|----------|---------|---------|---------|
| 1-POP | 4.01 | 0.62 | 0.79 | 1 | | |
| 2-WE | 3.61 | 0.69 | 0.81 | -0.42** | 1 | |
| 3-OCB | 3.81 | 0.73 | 0.76 | -0.33** | 0.39** | 1 |
| 4-TOI | 4.09 | 0.75 | 0.78 | 0.48** | -0.47** | -0.27** |

“Note: POP=perception of organizational politics, WE=work engagement, OCB=organizational citizenship behavior, TOI=turnover intention”

The values of correlation, standard deviation, mean and internal consistency are given in Table 1. The values show that most of the respondents are agree about the presence of politics in their organizations (M=4.01) and turnover intention (M=4.09). On the other side, the values of internal consistency (i.e. α) are well about the standard value of 0.70 (Hair, Anderson, Babin, & Black, 2010). We noted that perceptions of politics in the organizations negatively correlate with employees’ citizenship behavior ($r=-0.33$, $t<2.58$) and level of work engagement ($r=-0.42$, $t<2.58$), but positively related with their turnover intention ($r=.48$, $t<2.58$). Further, work engagement and OCB’s were also noted to have a negative association with turnover intention ($r=-0.47$ & -0.27 , $t<2.58$) respectively.

Table 2

Hypotheses testing through regression

| Hypotheses | | R^2 | β | P |
|-----------------|---------|-------|---------|------|
| H ₁ | POP-WE | .23 | -0.38 | 0.00 |
| H _{2a} | WE-OCB | .19 | 0.33 | 0.00 |
| H _{2b} | WE-TOI | .31 | -0.41 | 0.00 |
| H _{3a} | POP-TOI | .28 | 0.44 | 0.00 |
| H _{3b} | POP-OCB | .18 | -0.21 | 0.00 |

First, three hypotheses of the study were tested using regression analysis and the values are given in Table 2. We noted that perception of organizational politics has a negative impact on employees work engagement ($\beta=-0.38$, $t<2.58$) and citizenship behavior ($\beta=-0.21$, $t<2.58$), while it is positively influenced on turnover intention ($\beta=0.44$, $t<2.58$). These results support our hypotheses H₁, H_{3b}, & H_{3a} respectively. Further, we noted that employees who are more engaged are more likely to involve in citizenship behaviors ($\beta=0.33$, $t<2.58$) and less likely to have leave intention ($\beta=-0.41$, $P<0.01$), which support suggested hypotheses H_{2a}, & H_{2b}.

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Table 3
Mediating analysis

| Variables | POP-WE-OCB | | | POP-WE-TOI | | |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | M ₁ (β) | M ₂ (β) | M ₃ (β) | M ₁ (β) | M ₂ (β) | M ₃ (β) |
| Age | 0.08 | 0.04 | 0.03 | 0.07 | 0.05 | 0.02 |
| Gender | 0.02 | 0.01 | 0.03 | 0.04 | 0 | 0.03 |
| Qualification | 0.11 | 0.06 | 0.09 | 0.04 | 0.08 | 0.05 |
| <u>Independent Variable</u> | | | | | | |
| Perceived Org. Politics | | -.23** | -.16** | | .37** | .21** |
| <u>Mediating Variable</u> | | | | | | |
| Work engagement | | | -.11** | | | .25** |
| R ² | 0.01 | 0.29 | 0.42 | 0.01 | 0.31 | 0.46 |
| ΔR^2 | - | 0.28 | 0.13 | - | 0.30 | 0.15 |

We followed the instructions of Barron and Kenny (1986) to test the mediating role of work engagement between perceived organizational politics and OCB and turnover intention. First, all the demographical variables were treated as control as it is mentioned that these have an impact on the studied variables. Second, perception of organizational politics was added as an independent variable and noted its significant impact with OCB ($\beta=-0.23^{**}$) and turnover intention ($\beta=0.37^{**}$) with the variance of 28% & 30% respectively. Finally, work engagement was added as an independent variable to note its significant impact on OCB ($\beta=-0.11^{**}$) and TOI ($\beta=0.25^{**}$) with a variance of 13% & 15% respectively. We noted that by adding mediating variable, the values of perception of organizational politics remained significant in both the analysis, thus, work engagement was found to have a partial mediating role between POP-OCB and POP-TOI associations (see Table 3). These findings support suggested hypotheses H₄ & H₅.

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Discussion and Implications

In this study, we aim to test a model that was developed considering the emerging challenges of the Pakistani banking sector based on job demand resource theory. The study was comprised of five hypotheses and all were supported by the data. First, we noted that employees with the perception of organizational politics are less likely to engage in their work. This finding can be supported with the results of the latest study of Karatepe (2013) who worked on front line employees of the service industry in Iran. Second, we noted that employees who claimed themselves as more engaged in their work are more likely to perform beyond their job descriptions (i.e. OCB) and show fewer intentions to leave their current organization. Guo et al. (2019) recently conducted a study in China and collected data in the form of dyads (i.e. supervisor and supervisees) to note that work engagement reduces employees' intention to leave their organization and are ready to perform extra for their organization. Third, we noted a partial mediating role of work engagement between organizational politics-OCB and organizational politics-turnover intention associations. These findings are in line with JDR model as due to lack of proper evaluations, employees feel political environment and less likely to focus on their work, which ultimately has a negative impact on their citizenship behavior and positive impact on their leave intention.

Our study has theoretical and practical implications. Theoretically, this study contributed in JDR theory that due to lack of resources employees more likely to involve in negative politics to have more resources, which negatively affect other employees' work engagement, helping behaviors and leaving intentions. Practically, this study suggests policymakers to establish a politics-free environment. The political free environment could only be possible in the presence of trust-based culture. We also suggest HR managers create auto promotion policies as in most of the cases promotions are the reasons for negative politics in the organizations. This suggestion is not unique as Zappos has introduced "Holacracy" and dissolved organizational hierarchy with auto promotion policies. It is also important to understand that implementing such type of culture is not easy as HR managers must plan and focus from the start i.e. from recruitment and selection. When organizations would be able to find person-organization fit and job fit the issue of organizational politics may be resolved.

This study has some limitations. First, the data for this study was collected only from the banking sector though it is an issue with entire organizations. Second, the majority of the respondents in this study were male, which may raise a question on gender-biased results. Third, due to the time and cost factor data was cross-sectional. Finally, future researchers must consider other variables to understand the mechanism between organizational politics and employees job-related outcomes.

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