

# CONTRIBUTIONS OF DIFFERENT ORGANIZATION POLITICS PERCEPTION

Study on Interaction among Perception of Organization Politics, Performance, and Trust on the Role of Compensation

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*In order to create a sustainable competitive advantage, companies This paper investigates the contribution of perception of organization politics (PoP) for teacher's trust building and relation to teacher's performance. This study was attempted to discern the important features of different perceptions of politics at work environment, on teacher's trust and performance relationship. We proposed three hypotheses. First hypothesis is teacher's perception of organizational politics will have negative relationship with teacher's trust, second is teacher's trust will have positive relationship with teacher's performance. The 3rd hypothesis was Trust will act as mediation on teacher's perception of organization politics and performance relationship. The result of this study showed that both first and second hypotheses were accepted. The teacher's perception of organizational politics showed negative relationship to trust significantly ( $r=-0.30, p<.01$ ) and in case of this study, teacher's trust showed positive relationship to performance significantly ( $r=0.18, p.<.05$ ). In the case on mediation, trust was fully mediated the relationship between PoP and performance ( $\beta=-.222^{**}; \beta'=-.184$ ), and also trust showed moderated the relationship between PoP and performance. Implication of the findings for organizations and suggestions for future research are discussed.*

## Abstract



Keywords: Perception of organizational politics, trust, Commitment

Regarding to the competitions in globalization, a firm should recognize of having sustained competitive advantage to gain the best performance. This sustained competitive advantage is relatively enduring form of competitive superiority based on some distinctive and enviable competence or capability (Peter B., 1998). Organizational competences described as firm-specific resources and capabilities that enable the organization to develop, choose and implement value-enhancing strategies. These competencies and capabilities were include all firm-specific assets, knowledge, skills and capabilities embedded in the organization's structure, technology, processes and interpersonal relationship, managerial competencies, input-based competencies, transformational competencies, and output-based competencies (Lado et al, 1994). Human resources provide the basis for sustained competitive advantage when they add rare or exceptional value in the firm's industry or strategic group (Peter B., 1998).

Employee or members of organization must be sufficiently in both motivation and compensation, in order to improve the indicators of human resource performance (Jin et al, 2004). Performance which endorsed organization's competitive advantage was also enforced by employees' work attitudes (Podsakoff & MacKenzie, 1997) such as effective commitment (Mathieu and Zajac, 1990), complain behavior (Shirom et al, 1999), and trust (Samuel Aryee et al, 2002).

Sufficiently on compensation as critical factor, was also not only a question of labor costs but also employee motivation (Lawler, 1995). Employee's negative perception of their organization policy will support on employee distress and direct to the negative behavioral performance (Ladebo, 2006). This study attempt to discern the important features of different perceive of politics and on trust and performance outcomes relationship.

#### Perceptions of Organizational Politics

Most individuals view organizational politics (OP) as being characterized by self-serving and manipulative behaviors that are detrimental to the well-being of the employees and the organization. Therefore, most OP definitions convey negative connotations. This implies that political actors engage in behaviors that are perceived to be manipulative, subversive, and abusive of legitimate power to the detriment of other members and the organization itself. Sometimes heightened political activity in the workplace promotes the defamation of character or down playing of the achievement of another employee to achieve one's self-interest (Vigoda, 2000). However, Pfeffer (1981) suggested that OP might not be as disruptive as perceived by some individuals, and that political activities can sometimes facilitate organizational change and adaptation to the environment.

Scholars have used employees' perceptions of organizational politics (POP) as a means of assessing political behaviors in the workplace

(Ferris & Kacmar, 1992; Kacmar & Carlson, 1997). This is based on the notion that an individual's attitudes and behaviors are determined by their perceptions of reality and not by reality itself (Lewin, 1936). Often, negative outcomes are associated with POP and empirical evidence suggests that higher levels of perceived politics leads to such outcomes as: negative psychological states; anxiety and job stress (Poon, 2003; Valle & Perrewe, 2000); withdrawal behaviors (Poon, 2003; Valle & Perrewe, 2000; Vigoda, 2000); negligent and aggressive behaviors (Vigoda, 2000, 2002); reduced organizational citizenship behaviors (Randall et al., 1999; Vigoda, 2000b); and reduced individual and organizational performance (Vigoda, 2000).

**Trust.** Trust is necessary to reduce the risk of opportunistic behavior, and develop a long-term orientation (Arrow, 1974; Williamson, 1975, 1979; Anderson and Weitz, 1989; Ganesan, 1994). Trust is a perceptual construct that is typically measure of a collective opinion held by key individual of one organization toward another individual or organization (Sockeye et al, 2000). The element of trust was typically applied to associate with attitude toward organization. Trust was also view as a mechanism of governance to price and authority to establish an organizational structure and system to achieve goals (creed et al., 1996; bradac et al., 1989). In order to response the perception of organization politics, sometimes people are more likely to see politics as a threat. In this situation, people often response with defensive behavior, reactive and protective behavior

to avoid action, blame or change. People who consistently rely on defensiveness find that they lose the trust and support (Judge, 2007). Thus we predict:

*Hypothesis 1: Perception of organizational politics is negatively related to trust*

**Performance.** For a couple of decades ago organizational industrialists have been researching the interaction of work and workers with the emphasis on personnel related matters and issues in improving the working environment (Porter and Lawler, 1968). Employees who trust and are treated fairly might be willing to enlarge their work roles more than employees who are exposed to lower individual-directed fairness behaviors (Dan et al, 2005). Trust as a motivational orientation, depict an interaction setting to secure their own interest own interest (Deutsch, 1960; Mead, 1938). Trust helps defuse such conflict, because trusting partners are more likely to interpret each other's equivocal actions in a manner conducive to the stability of the relationship. For instance, when confronted with disappointing manner, a partner might either explain the inadequate performance. In such equivocal situations, trust facilitates mutual understanding and allows for the benefit, and thus reduces the costs of conflict (Dyer & Chu, 2003) that such costs are negatively related to performance (Zaheer et al., 1998). Thus we predict:

*Hypothesis 2: employee trust is positively related to employee performance*

In order to the teacher personal characteristics such as gender, age (Koustelios, 2001, Oshagemi, 2000, Hickson, 1999, Aryee, 1994), length of service (Oshagemi, 2000), level of study (Oshagbemi, 1997), we predict:

*Hypothesis 3: Teacher occupation will have different perception of politics on their personal characteristics (gender, ages, length of service and level of study)*

In some other research, organizational threatened justice was found to be one of the most important antecedents of both trust in supervisor and trust in organization (Pillai et al., 2001; Aryee et al., 2002). Trust in supervisor was also has a fully mediates the relationship between organizational justice and outcomes (Ertürk, A., 2007), Thus we predict:

*Hypothesis 4: The effect of perceive organizational politics on performance relationship will increase when trust support this relationship*

**Participant.** Participants were 108 teachers, included lecturers and researchers from various Schools. Participants were approximately 33.23 years old and work for 8.61 year. Participants level of study; 12(11.1%) were graduate from senior high school and below, 21 (419.4%) were graduate from diploma level, 43 (39.8%) were graduate from undergraduate level, 26 (24.1%) were graduate from master degree and 6 (5.6%) were graduate from doctoral degree. The participants that have leader/managerial level were 37 (34.3%) and 71

(65.7%) participants were men, 60 (55.6%) has marriage.

**Measure Development Strategy**

Items were written by the authors or obtained from previous research. After review of wording, content, and so forth, 68 item sets for total items were retained for inclusion in the instrument. Responses were made on a 5-point Likert-type scale with scale anchors ranging from 1 (strongly disagree) to 5 (strongly agree).

**Perception of organization Politics.** Perception of organization Politics were measured using 26 items taken from Kacmar, K. M. & Baron, R. A. (1999). Participants were asked i.e., “People in this organization attempt to build themselves up by tearing others down”. A Five-point likert-type scale was used, and the individual items were averaged (Cronbach’s  $\alpha = .805$ ; M=2.878, SD= .44).

**Trust.** Trust was measured using 6 items taken from Podsakoff et al, 1990. Participants were asked i.e., “I have a divided sense of loyalty toward my manager”. A Five-point likert-type scale was used, and the individual items were averaged (Cronbach’s  $\alpha = .816$ , M=3.46, SD=.62).

**Performance.** Performance was measured using 7 items taken from William and Andersons (1991). Participants supervisor were asked i.e., “Adequately completes assigned duties”. A Five-point likert-type scale was used, and the individual items were

Figure 1. Model Goodness of fit

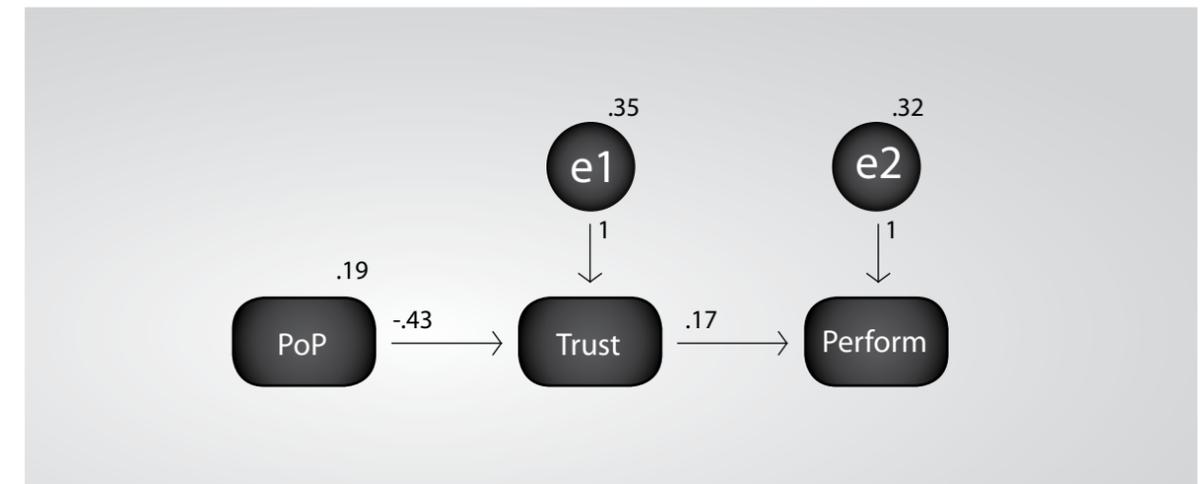


Table 1. Correlation and Cronbach’s  $\alpha$  coefficient

	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Gender	1.34	.477										
2. Grade	4.89	1.155	-0.03									
3. Marital	1.46	.554	0.35**	0.01								
4. boss	1.66	.477	0.11	-0.12	-0.03							
5. Ages	33.23	8.040	-0.15	0.20	-0.43	-0.15						
6. experience	8.61	6.780	-0.16	0.24*	-0.35**	-0.32	0.69					
7. work	5.86	4.928	-0.02	0.41*	-0.31**	-0.20**	0.54**	0.76**				
8. PoP	2.87	.439	0.04	0.01**	0.10**	0.09*	-0.17**	-0.19	-0.03	.805		
9. Trust	3.46	.624	0.01	-0.07	-0.02	-0.02	0.12	0.11	0.02	-0.30**	.816	
10. Performance	3.85	.576	-0.12	-0.17	-0.05	-0.08	0.16	0.30**	0.05	-0.22*	0.18	.822

averaged (Cronbach’s  $\alpha = .822$ ; M=3.85, SD=.58).

**Model of fit.** Evaluate the adequacy of the model of fit, the index of fit show Goodness of fit with Model of fit use to evaluate the adequacy of the model of fit, GFI=.979, AGFI=875, CFI= .829 , NFI = .801, RMSEA= .152 and RMR=.017.

Table 1 showed that Perception of organizational politics is negatively related to trust ( $r=-0.30$ ,  $p<.01$ ) and trust is positively related to employee performance ( $r=-0.18$ ,  $p>.05$ ). Hypothesis 1 that sought Perception of organizational politics is negatively related to trust was supported. Hypothesis 2 that sought trust is positively related to performance, in case of this study, 2 were

Table 2. Mediation effect analysis of trust on PoP-outcomes relationship

	Trust (Y1)	Performance (Y2)	
		β Step1	β Step2
PoP (X)	-.304**	-.222**	-.184**
Trust (Y1)	._**	._**	.125**
R <sup>2</sup>	.092**	.049**	.064**
F	10.763**	5.503**	3.567**
ΔR <sup>2</sup>			.064**
F change			3.567**

\* p < .05.; \*\* p < .01.

supported. There are no significant different PoP-gender relationship ( $r=.04$ ,  $t=-.367$ ,  $p>.05$ ), and different PoP-level of study relationship ( $r=.01$ ,  $F=.129$ ,  $p>.01$ ). But there are significant different PoP-ages relationship ( $r=-.19$ ,  $t=38.819$ ,  $p<.01$ ), and different PoP-experience relationship ( $r=-.19$ ,  $t=8.280$ ,  $p<.01$ ). Hypothesis 3 sought that teacher occupation will have different perception of politics on their personal characteristics (gender, ages, length of service and level of study), thus hypotheses 3 was separated supported.

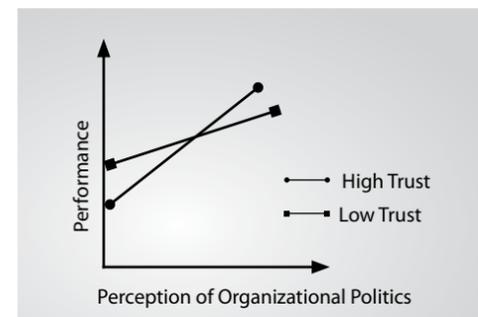
To test hypothesis 4 that sought the effect of Perception of Politics on performance relationship will increase when employee has trust more to organization. Table-II showed that trust was fully mediated the relationship between PoP and performance ( $\beta =-.222^{**}$ ;  $s \beta =-.184$ ). And the indirect effect from PoP mediated by trust to performance is  $-.304 \times .125 = .038$  (path coefficient).

Table 3. Moderation effect analysis of trust to PoP - performance correlation

	Performance		
	β in regression		
	r	β Step1	β Step2
PoP (X)	-.220*	-.184**	-.174**
Trust (Y1)	.180*	.125**	.119**
Pop * Trust		-	-.267**
R <sup>2</sup>		.064**	.135**
F		3.567**	5.401**
ΔR <sup>2</sup>			.110**
F change			8.557**

To test the moderation effect on PoP-Performance relationship, Table III showed that trust moderated the relationship between PoP and performance ( $\beta$  and F change of  $X * Mo$  was significant). Figure 1 was also explain the interaction using the un standardize regression weight, plotting knowledge characteristics at + 1 SD from its mean and personal job fit at two lines representing + 1 SD from its mean. The independent variables of knowledge characteristics and personal job fit has been mean-centered (minus by the variable means) in order to avoid the multi collinearity among independent variables and moderator.

Figure 2 contribution of Trust PoP interaction to performance



### Discussion

Perception of organizational politics that is negatively related to trust, consist with previous studies, such as trust have negative relation to PoP (Vigoda Gadot, 2007; Othman, 2008), reduce the felt of employee obligations of responsibilities (Ladebo, 2006), reactive and protective behavior to avoid action, blame or change (Judge, 2007). Teacher that assessed political behaviors in the workplace (Ferris & Kacmar, 1992; Kacmar & Carlson, 1997) will decrease their trust at work (Othman, 2008). And in advance, they will act the negative behavior of work such as motivate to gain the high performance (Deutsch, 1960; Mead, 1938; Dan et al, 2005). By incorporating the issue of POP, this study may have contribution to the understanding of how to manage organizational politics and the treatment can undermine trust climate. This study shows that PoP is an important element both in influencing and developing trust.

Teacher's occupation has different perception of politics on their personal characteristics consist with previous studies such as Vigoda Gadot (2007) that PoP related to education and ages. Higher education of teacher will support the positive perception of organization politics. This was also support by the teacher which is have higher position will also act more wise to percept the condition of political behavior at work. The marriage teacher's which is percept have more live interpersonal management and relationship experience, will have positive perception of political behavior at work, than the single

teacher. But the longer tenure the teacher at work, they will have relatively more percept negatively behavior at work approving the PoP's.

Trust that is positively related to performance, consist with previous studies such as Samuel Aryee et al (2002), creed et al., (1996) and bradac et al., (1989) that sough trust was view as a mechanism of governance to price and authority to establish an organizational structure and system to achieve goals and the study of Ertürk, A., (2007) sough that trust in supervisor was also has a fully mediates the relationship between organizational justice and outcomes. Employee's trust to system and organization will support their behavior to defuse such conflict to stabilize the relationship that might either explain the inadequate performance and thus reduces the costs performance (Dyer & Chu, 2003)

Finding that trust was mediate the relationship between PoP and performance and also trust moderated the relationship between PoP and performance, sought that trust has a significant improvement to PoP-performance relationship. Thus, intervention of trust on perception of organization politics would have significant effect on performance changes.

### Managerial Implication

The PoP relationship with trust and also trust relationship to performance have number of implications. Firstly, in order to increase the teacher trust at their work, the

school manager/leaders should making sure the situation of political behaviors in the workplace was controllable (Ferris & Kacmar, 1992; Kacmar & Carlson, 1997) such as by manage the role of justice, trust and job ambiguity (Othman, 2008). Secondly, the leader should proof the work reality (Lewin, 1936) support the empirical evidence of perceived politics leads (Poon, 2003; Valle & Perrewe, 2000, Hochwarter, 2003; Randall et al., 1999; Valle & Perrewe, 2000; Vigoda, 2000; Witt, Andrews, & Kacmar, 2000, Randall et al., 1999). Thirdly, the leaders also may reduce the risk of opportunistic behavior, and develop a long-term orientation of teacher's work (Arrow, 1974; Williamson, 1975, 1979; Anderson and Weitz, 1989; Ganesan, 1994) to setting up their own interest own interest (Deutsch, 1960; Mead, 1938). Finally, Leaders should build the productive organization culture and working system (creed et al., 1996; bradac et al., 1989, Dan et al, 2005) to improve the working environment (Porter and Lawler, 1968). These findings was also demonstrate trust is more useful to meaningfully the perception of politics on performance.

### Limitation and Future Research Direction

Notwithstanding these contributions, this study also has several limitations. Although this allows us to rule out employee perception of politics on job related explanations for the observed findings (i.e., trust and commitment), it is an open question as to whether these results on different occupations. By incorporating the issue of justice as an antecedent of POP, the future studies was hope to make an advance contribution to the understanding of how to manage organizational politics, precisely, gaining higher behavioral performance.

Finally, although these results support our several hypotheses, additional research should be conducted to measure the other outcomes and as noted, this research has a single occupation. They are teachers from several school levels. Thus exploration in different occupations and work environment is challenge. Also investigate other mediation variables and several of moderators. In order to confirm the causal ordering of this model, using experimental or quasi experimental research designs is needed to help rule out potential alternative explanations for these results (Morgeson, 2006). ■

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