

IMPACT OF PERCEIVED ORGANIZATIONAL POLITICS ON EMPLOYEES' JOB SATISFACTION IN THE COMMERCIAL BANKING SECTOR OF SRI LANKA

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ABSTRACT

This research has been mainly based on the model of perceived organizational politics proposed by Ferris, Russ and Fandt (1989). Four constructs namely perceptions of organizational politics, job satisfaction, perceived control and understanding have been taken into consideration. Further the locus of control introduced by Robbins (2005) was also taken as the next construct. The research studies carried out on the relationships between the above mentioned variables seem to be inconsistent. Some researchers have found that no correlation exists between these variables whereas other studies indicate a weak to moderate relationship between these variables. Many theoretical findings and researches on the perception of organizational politics – job satisfaction relationship have been originated from the western organizational context. It seems that information about Sri Lankan environment is almost nil. The researcher has attempted to find out whether there is a relationship, positive or negative among the above mentioned five constructs in the Sri Lankan environment. The researcher selected the commercial banking sector for this study as it is the most developed and promising sector. The sample of the study consists of 300 employees currently engaged in the commercial banking sector. The sample respondents were chosen randomly. After one month long questionnaire collection, 300 useful questionnaires were collected to identify the relationship in this research. The data was analyzed by using regression analysis and correlation analysis. Hypotheses of the study were tested with the help of the analyzed data. The results indicate that locus of control is positively related to perceived organizational politics. In other words, internal locus of control personalities perceives a lower level of organizational politics compared to external locus of control personalities. Perceived organizational politics impact negatively on job satisfaction. Perceived control and understanding influence the negative relationship between perceived organizational politics and job satisfaction at a moderate level. Besides, internals acquire higher job satisfaction compared to externals. These conclusions were drawn subject to number of limitations such as sampling errors and findings cannot be generalized to organizations other than commercial banks which have quite unique job characteristics.

Key words: Locus of Control, Perceived Organizational Politics, Job Satisfaction, Perceived Control, Understanding.

INTRODUCTION

Organizations in society today play an important role in the development endeavor of the mankind. Therefore achievement of the organization's goals effectively and efficiently has always become a must for well being of individuals and the society as a whole. The employees of those organizations bear the primary responsibility to achieve the organization's goal effectively and efficiently. In the ever-changing competitive world, the success of the organization depends on the performance of its total workforce and the attitude of them. But in practice, some of the members of the organizations express more satisfaction and show greater involvement in their organizations while in some organizations employees express dissatisfaction and show less involvement in their organizations. It is observed that the working environment has an impact on the individual work related attitudes.

Organizational politics is a controversial concept. While there is no doubt that internal politics is a common phenomenon in every organization, very little is known about the nature and boundaries of such politics. An individual's political behavior may help to formulate his perceptions of the work environment. In other words, political behavior affects perceptions of organizational politics. Accordingly, one's perceptions of politics should affect one's political behavior. As suggested by Kacmar and Ferris (1989) and Kacmar and Carlson (1994), perception of organizational politics represent the degree to which respondents view their work environment as political in nature, promoting the self interests of others, and thereby unjust and unfair from the individuals point of view. Given the situation of resource scarcity and the perspective that people are self-interested, it seems that no one can avoid the influence of organizational politics. Ferris, Russ and Fandt (1989) proposed a model, which indicated the antecedents and consequences of perceptions of organizational politics. Their model charged the negative outcomes resulted from perceptions of organizational politics, which are job anxiety, job involvement, organizational withdrawal and job dissatisfaction. Many other researchers extended and developed the model using various other antecedents and outcome variables. As the scholars have expanded Ferris, Russ and Fandt (1989) model in different ways the researcher felt it may be useful exercise. Therefore, the motivations to design this research stem from above inferences.

Robbins (2005), identified number of factors that appear to encourage political behavior. Some are individual characteristics, derived from the unique qualities of the people the organization employs. One of the personality traits which affect the perception of organizational politics is the locus of control. In this study, locus of control is the predictor for perceptions of organizational politics. However, according to O'Connor and Morrison (2001), previous researchers seem not be able to identify the significant and consistent relationship between locus of control and perceptions of organizational politics. They reasoned that could be prior researchers' reliance on global measures instead of specific work locus of control scale. The relationship between locus of control and job satisfaction which has been identified also caused interest on the preciseness for prior researches. Besides, after literature review, none of previous researchers have identified the relationship between locus of control and job satisfaction in the model of perceived organizational politics developed by Ferris et al. (1989). Consequently, using a more precise work locus of control scale developed by Spector (1988) to acquire a more

precise prediction and recruit the relationship between locus of control and job satisfaction to contribute the model developed by Ferris et al. (1989) in the purpose of achieving a sounder model stimulates to design this research.

Job satisfaction has been employed into the model, which Ferris et al. (1989) developed. The most interested and arguable topic seems to be the relationship between job satisfaction and performance. However, given the results done by researches could employ job satisfaction to predict productivity (Forber and Domm, 2004), further research regarding to the negative relationship between perceptions of organizational politics and the components of job satisfaction seems necessary to elaborate the relationship between above two constructs.

This research expects to identify the impact of the level of perceived organizational politics on employees' job satisfaction in the field of commercial banking sector of Sri Lanka.

LITERATURE FRAMEWORK

Robbins (2005, p.105) states two specific personality attributes that have been found to be powerful predictors of behavior in organization. The first is related to where one perceives the locus of control in one's life. It means some people believe that they are masters of their own fate. Other people believe that what happens to them is due to luck or chance. The first types, those who believe that they control their destinies, have been labeled internals, whereas the latter, who see their lives as being controlled by outside forces, have been called externals. A person's perception of the source of his or her fate is termed locus of control.

Ferris et al., (1989) suggested the concept of the perception of organizational politics (Perception of Organizational Politics Scale – POPS) as a good measure of Organizational Politics. Moreover, Kacmar and Ferris (1991, pp. 193-194) and Ferris and Kacmar (1992, p. 93) argued that the higher the perceptions of politics are in the eyes of an organization member, the lower in that person's eyes is the level of justice, equity, and fairness. While these studies distinguished between politics and fairness, it became a consensus that these variables are strongly related. Thus, other studies (Ferris et al., 1996b; Folger et al., 1992) have used the theory of procedural justice to argue that organizational politics is related to the leader – member exchange relationships as well as to the efficiency of human resource systems and to decision-making processes. Lack of minimal justice and fairness in these systems was found to be a major cause of higher perceptions of organizational politics and therefore of hampered organizational performance. All these studies relied on Kurt Lewin's (1936) argument that people respond to their perceptions of reality, not to reality itself. Likewise, politics in organizations should be understood in terms of what people think of it rather than what it actually represents. Similarly, studies proposed that in many cases perceptions of justice and fairness reflect a political climate in the workplace and may also be related to formal and informal work performance (Drory, 1993; Cropanzano et al., 1997). These ideas were replicated extensively and advocated in many studies (Ferris et al., 1996a,b; Ferris and Kacmar, 1992; Kacmar and Ferris, 1991; Vigoda, 2002, Vigoda-Gadot, 2003). Ferris et al. (1989) stated that organizational politics is not only invisible and symbolic but also different across individuals because of subjective perception, as a result, the same

political behavior can be interpreted into political or non-political behavior by different observer, depending on each observer's prior experience and frame of reference. Kacmar and Ferris (1991) also mentioned that perceptions of organizational politics consist of an individual's perceptions of others' political activities instead of one's own, such as favoritism, suppression of competing entities, and the manipulation of organizational policies.

Job satisfaction is generally regarded as an employee's attitude toward the job and job situation. Spector (1997, p.1) defines job satisfaction simply as "the degree to which people like their jobs". Some people therefore enjoy work and consider it a central part of their lives while others do so only because they have to.

Keller and Dansereau (1995) stated that perceived control refers to the extent to which employees feel that they have control over their work unit and relationships with supervisors. To have perceived control, or to feel empowered, subordinates should perceive that their work environment is liberating rather than constraining the employees' ability so that their actions matter the outcomes that stemming from their decisions.

Understanding, as Ferris et al. (1989) suggested, refers to the extent to which one understands how and why things happen the way that they do in organizations.

Recent research and observation have identified a number of factors that appear to encourage political behavior. Some are individual characteristics, derived from the unique qualities of the people the organization employs. At the individual level, researchers have identified certain personality traits, needs, and other factors that are likely to be related to political behavior. In terms of traits, they found that employees who are high self-monitors, possess an internal locus of control, and have a high need for power are more likely to engage in political behavior. The high self-monitor is more sensitive to social cues, exhibits higher levels of social conformity, and is more likely to be skilled in political behavior than the low self-monitor. Individuals with an internal locus of control, because they believe they can control their environment, are more prone to take a proactive stance and attempt to manipulate situations in their favor (Robbins, 2005). Hence, internals may be more familiar with political tactics than externals. The components of locus of control are internals and externals. Internals believe that they can handle the environment. They are automatic, aggressive, and independent because they believe the environment is under their control (Spector et al., 2001). The organizational politics in their eyes may be low because they believe their destiny is in their hands and they can manipulate the environment. In contrast, externals are described as passive and they believe their lives as being controlled by external forces. Dunk and Nouri (1998) proposed that externals tend to believe that outcomes are more a function of outside forces than their actions. Therefore, internals are assumed to passively related to performance. Internals believe they can handle the environment. The situation of organizational politics in their eyes may not mean an influence on their work outcomes, because they only believe their ability. Hyatt and Prawitt (2001) proposed that the characteristics of locus of control influence their assessment on work environment. They indicated that the internals generally perceive a relatively strong link between personal efforts and outcomes. Internals believe that their actions make a difference. Those individuals are more effective at manipulating ambiguous work environment to find the information they need to perform their jobs that result in performing better in situations

that allow them to exercise control and to take actions under the ambiguous circumstances. Hence, internals may be more familiar with political tactics than externals. Ferris et al. (1989) mentioned three potential responses to political situation like increased job anxiety, decreased job satisfaction and withdrawal from the organization. He suggested that an increase in perceived organizational politics is associated with a decrease in job satisfaction. One possible explanation for this association is that decisions, such as resource allocation decisions, that are governed by political considerations are usually viewed as unfair. If employees perceive decisions to be unfair they will be unhappy. Furthermore, the stress that follows from working in a politically charged environment will add to employees' dissatisfaction with their job. The significant negative relationship between perceived organizational politics and job satisfaction has been identified by researchers (Kacmar et al., 1999; Randall, Cropanzano, Borman, & Birjulin, 1999). Kacmar and Baron (1999) cited eleven studies that reported a relationship between politics and job satisfaction. Drory (1993) found that perceptions politics were negatively related to job satisfaction and organizational commitment. He found that organizational politics had a potentially damaging effect on lower status employees but no negative effect on higher status employees. Vigoda (2000) was found perceptions of organizational politics had a negative relationship with job attitudes of job satisfaction and organizational commitment. According to Mowday, Steers and Porter (1979), organizational politics is the fundamental variable in determining job attitudes. It comprises involvement in and identification with the organization and it is greatly affected by job satisfaction and overall climate.

Central to the Ferris et al., (1989) model is the notion that the effects of experiencing politics are moderated by other variables. In particular, they focused on perceived control and understanding as important moderators of the relationship between perceived politics and outcomes. According to Ferris et al., (1989), if people perceive that politics go on in the work environment, and if they have little understanding or control over the process, politics can be interpreted as a threat and would be expected to lead to more negative outcomes. However, if employees understand the political game well and feel that they have a high degree of control over the process and outcomes, more favorable outcome should result. Poon (2004) believed that perceived control is arising from job autonomy and participative decision making. The idea of participative decision making has been suggested as a method of increasing job satisfaction, which is the subsequent response to the perceived organizational politics. Matteson and Ivancevich (1987) thought that participative decision making can provide employees with a feeling of control which makes them feel less threatened, such as the threats from high level of perceived organizational politics. To acquire self-determining, according to Poon's (2004) opinion, people must perceive that they have control, which is the belief that one can determine one's own behavior and influence one's own environment and has been found to predict a broad range of cognitive and motivational outcomes. Ashforth and Saks (2000) thought that the perceived control refers to employees' belief about the extent to which they have autonomy over their job and are allowed to participate in making decisions on issues that affect their task domain; the autonomy over their job includes freedom to schedule work and determine how work is done. When employees have job autonomy, they will feel personally responsible for work outcomes that will lead them to feel satisfied and

motivated. Terick and Larocco (1987) proposed that individuals will feel pressure derived from factors such as perceptions of organizational politics, as a result, impacting on job satisfaction. However, as long as individuals acquire the perceived control, the pressure derived from ambiguous political environment could be reduced. Ferris, Frink, Galang, Zhou, Kacmar, and Howard (1996) believed that political work environments can pose as an opportunity or a threat for employees, and whether workplace politics is perceived as an opportunity or a threat depends on employees' level of understanding. Understanding can reduce the uncertainty and threat of organizational politics according to Poon's (2004) belief.

People with an internal locus of control believe that the causes of behavioral consequences originate within the individual, thus they seem to pursue what their wants because they believe they can manage their lives. A recent study (Spector et al., 2001) recruited 24 nations to test the effect of locus of control on well-beings, including job satisfaction. Study indicated, even the level of well-beings differs from country to country, the result consistently supports that locus of control are positively related to well-beings. This notion makes no variation even there is the cultural difference. People who have the tendency as internals will be freer to change the work environment for achieving higher well-being such as satisfaction. Muhonen & Torkelson (2004) reported that external locus of control was positively related to stressors and symptoms of ill-health, whereas it was negatively related to job satisfaction, for both men and women. However, the same study also revealed that locus of control was a significant predictor of both symptoms of ill health and job satisfaction. A large amount of research comparing internals with externals has consistently shown that individuals who rate high in externality are less satisfied with their jobs than internals (Robbins, 2005).

RESEARCH OBJECTIVES

The general objective of this study was to identify the relationships among locus of control, perceptions of organizational politics, job satisfaction, perceived control and understanding of commercial banking sector in Sri Lanka.

The specific objectives of this study were,

- To investigate two type of personality characters such as internal locus of control characters and external locus of control characters.
- To examine the relationship between locus of control and perceptions of organizational politics.
- To identify the relationship between perceptions of organizational politics and job satisfaction.
- To discover the moderating effects of perceived control and understanding on the relationship between perceptions of organizational politics and job satisfaction.
- To inspect how locus of control influence on the level of job satisfaction.
- To make suggestions and recommendations for the employers in the commercial banking sector to further improve their employees' job satisfaction level and reducing the level of perceptions of organizational politics.

CONCEPTUALIZATION

The purpose of this research was mainly based on Ferris et al. (1989) model for exploring alternative relationships among each construct. The conceptual model (Figure 1) depicts the tentative relationship between Locus of control, Perceptions of organizational politics, Job satisfaction, Perceived control and understanding.

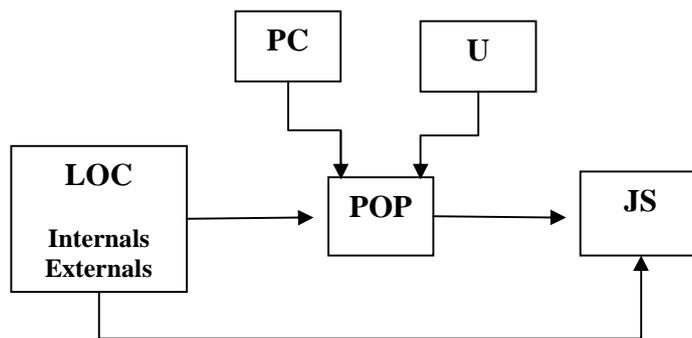


Figure 1: Conceptual Model

LOC – Locus of Control , POP – Perceptions of Organizational Politics , JS – Job Satisfaction , PC – Perceived Control , U - Understanding

The conceptual model consists of five variables, namely, Locus of control, Perception of organizational politics, Job satisfaction, Perceived control and Understanding. In this model, Locus of control is used as the independent variable to predict the level of perceptions of organizational politics and Job satisfaction. The variable, Perceptions of organizational politics is employed to be the dependent variable for Locus of control and to be the predictor for Job satisfaction. Job satisfaction is the outcome or dependent variable of Perception of organizational politics and Locus of control in this study. Perceived control and Understanding are the two moderators in the relationship between Perceptions of organizational politics and Job satisfaction.

Hypotheses

Based on the tentative causal relationship shown in the conceptual model, the following hypotheses were developed for testing.

- H₁: Externals will perceive higher level of organizational politics than internals.
- H₂: Perceptions of Organizational Politics have a negative impact on job satisfaction.
- H₃: Individuals who engage in perceived control will reduce the negative impact of perceived organizational politics on job satisfaction.
- H₄: individuals who engage in understanding will reduce the negative impact of perceived organizational politics on job satisfaction.
- H₅: Internals acquire higher job satisfaction compared to externals.

METHODOLOGY

Sample and the method of data collection

The research focus of this study aimed at identifying the level of perceived organizational politics of employees' in the field of commercial banks and assess the job satisfaction.

Six (6) commercial banking organizations in the field of commercial banking sector (including both the public and private sector commercial banks) at present are selected as the sample. 300 employees were selected on a simple random sampling basis from the sample organizations with equal proportion. The data collection method of the study was questionnaire method. Some interviews were done with some sample employees to verify the collected data.

A pilot study was conducted to test the questionnaire with the aim of testing the validity of the questionnaire. Reliability analysis on item-scale was performed. In the questionnaire, Cronbach's alpha of all the five measures were above 0.86. The questionnaire was prepared based on the Likert's 5 scale model. The questionnaire consists of six sections. Section 1 consists of 13 questions to measure the Locus of control of employees' with five point scale ranging from Extremely disagree to Extremely agree. The higher score of the five point Likert scale means the higher tendency toward externals. Section 2 consists of 14 questions to measure the Perception of organizational politics of employees' with five point scale ranging from Extremely disagree to Extremely agree. The higher score of the five point Likert scale means the higher level of perceived organizational politics. Section 3 consists of 36 questions to measure the Job satisfaction of employees' with five point scale ranging from Extremely disagree to Extremely agree. The higher score of the five point Likert scale means the higher job satisfaction. Section 4 consists of 5 questions to measure the Perceived control of employees' with five point scale ranging from extremely less to extremely much. The higher score of the five point Likert scale means the higher perceived control of employees'. Section 5 consists of 3 questions to measure the Understanding of employees' with five point scale ranging from extremely less to extremely much. The higher score of the five point Likert scale means the higher understanding the work people do on the job. Section 6 is the personal profile.

Data was analyzed using SPSS version 15 software package. The suitable tools were used to test the hypotheses and find the reliability. Reliability measures Cronbach's alpha was used to test the reliability of the data, Pearson correlation was used to find out the relationship between two or more variables, Scatter diagram was used to get an understanding about the relationship between two variables, Correlation coefficient was used to measure the degree of correlation that exists between two variables, Simple Regression Analysis and ANOVA was used to find the nature of relationship and find out significance difference among the variables, Arithmetic mean technique also used to make the analysis effectively.

RESULTS

In this study, researcher identified the impact of perceived organizational politics on employees' job satisfaction. The data collected from survey on the employees in the field of commercial banks in Sri Lanka by administering a questionnaire. Firstly, Preliminary analysis was made on collected data, and then the data was analyzed with related hypotheses developed by the researcher.

56.7% of the participants were male. Among the total participants, 65.7% were married. 18.3% of the respondents were less than 25 years old. 67% of the respondents possessed advance level qualifications. 35.7% of the participants were in the position of clerical

staff. 50% of the respondents were working in the public sector commercial banks and the rest were in the private sector commercial banks. 32% of the respondents earn Rs.30,000 – Rs.40,000 per month. 61.7% of the total have service period of more than 10 years within the same organization.

The Descriptive statistics of the questionnaire identifies the mean value of the research questionnaire. The descriptive analysis recruits 13 items for the variable of Locus of control, 14 items for the variable of perception of organizational politics, 36 items for the variable of Job satisfaction, 5 items for the variable of Perceived control and 3 items for the construct of Understanding. The mean value represents the tendency of the participants for each construct. The descriptive statistics of the questionnaire items is given in the Table 1.

Table 1: Descriptive Analysis for questionnaire items.

Variable	Total number of questions	Mean
Locus of control	4	1.4067 – 1.8633
	9	2.0367 – 2.8267
Perception of organizational politics	3	1.8767 – 1.9833
	7	2.1600 – 2.8633
	3	3.0733 – 3.8633
	1	4.4700
Job satisfaction	4	2.3700 – 2.7900
	20	3.0500 – 3.9900
	12	4.0767 – 4.4000
Perceived control	3	2.5533 – 2.9967
	2	3.2367 – 3.4500
Understanding	3	3.1900 – 3.3067

In the category of Locus of control, participants are denoted as internal locus of control by each items gaining less than 3 point in a 5 points Likert scale as shown in Table 1. In the category of Perception of organizational politics, participants tend to perceive lower perceived organizational politics because 10 items out of 14 are less than 3 points in a 5 points Likert scale. In the category of Job satisfaction, participants tend to achieve higher job satisfaction because 32 items out of 36 are gained more than 3 points in a 5 points Likert scale. In the category of Perceived control, participants tend to perceive moderate control in their jobs because half of the items are less than 3 points and rest more than 3 points in a 5 points Likert scale. In the category of Understanding, participants had higher understanding because the entire item gained more than 3 points in a 5 points Likert scale.

The five hypotheses of the study were tested using Regression analysis and Correlation analysis.

H₁: Externals will perceive higher level of organizational politics than internals.

The results of data analysis give the presence of two types of people with internal locus of control and external locus of control. The Table 2 represents the frequencies of locus of control mean and perception of organizational politics mean.

Table 2: Frequencies table of Locus of control mean, Perception of organizational politics mean, Job satisfaction mean, Perceived control mean and Understanding mean.

Variable	Mean value	Cumulative Percent
Locus of control	Less than 3	93.7%
	More than 3	6.3%
Perception of organizational politics	Less than 3	71.7%
	More than 3	28.3%
Job satisfaction	Less than 3	8.3%
	More than 3	91.7%
Perceived control	Less than 3	38.3%
	More than 3	61.7%
Understanding	Less than 3	15.7%
	More than 3	84.3%

It indicates that large number of employees in the field commercial banking sector has the characteristic of internal locus of control. That is 93.7% of total sample employees. Only 6.3% of the sample employees are external locus of control characters. The degree of perceived organizational politics is also analyzed in the study. 71.7% of employees recorded lower perceived organizational politics while 28.3% of sample employees recorded high degree of perceived organizational politics. These figures indicate that according to the present study most of the employees are internal locus of control personalities and they perceive lower level of organizational politics within their organizations. It means that there is a positive relationship between the level of locus of control and the level of perceived organizational politics.

The Pearson correlation matrix indicated a positive correlation between the variables level of locus of control and perception of organizational politics. It is 0.517 significant at 0.01 level (2 tailed). To test the hypothesis H₁, Linear regression analysis was done. The regression model is presented in Table 3.

Table 3: Model Summary (a)

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.517(a)	.267	.265	6.81214

a Predictors: (Constant), Locus of Control

b Dependent Variable: Perceived Organizational Politics (POP)

The linear regression analysis indicate that there exists a considerable relationship (R= 0.517) between these two variables. Based on the values of R, R square and adjusted R square, it can conclude that the linear regression model is capable in explaining the

relationship that prevails between the perception of organizational politics and the locus of control. The standard error of the estimate is considerably low. The ANOVA test is used to test the acceptability of the model from a statistical point of view. The ANOVA table is presented in Table 4.

Table 4: ANOVA^b (a)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5041.80	1	5041.8	108.64	.000(a)
Residual	13828.7	298	46.405		
Total	18870.5	299			

a Predictors: (Constant), Locus of Control

b Dependent Variable: Perceived Organizational Politics

According to the ANOVA test, the F value of 108.647 is significant at the 0.000 level, the locus of control is successful in explaining the variations of the perceptions of organizational politics.

Table 5: Coefficient^a of the Linear Regression (a)

Model	Standardized Coefficients		t	Sig.
	B	Std. Error	B	Std. Error
(Constant)	19.42	1.770	10.97	.000
Locus of Control	.619	.059	10.42	.000

a Dependent Variable: Perceived Organizational Politics

Hypothesis developed suggests that internals will perceive lower level of organizational politics and externals will perceive higher level of organizational politics. The coefficient of the linear regression (Table 5) indicates a significant positive coefficient Beta as 0.619. It means that when level of locus of control is increased by 1 unit, the degree of perception of organizational politics will increased by 0.619 units.

$$POP = 19.425 + 0.619 LOC$$

Given the significant support from above statistical tests, confirms that, there is a positive association between the construct of locus of control and perceived organizational politics. It means that the externals perceive higher level of organizational politics and the internals perceive lower level of organizational politics.

H₂: Perceptions of Organizational Politics have a negative impact on job satisfaction.

Table 2 indicated that, 71.7% of sample employees recorded lower perceived organizational politics and 28.3% of employees recorded higher degree of perceived organizational politics in the field of commercial banking sector. On the other hand, large number of employees recorded high degree of job satisfaction. 91.7% of the employees were highly satisfied with their jobs and 8.3% of employees recorded lower level of job satisfaction. These data indicate that according to the present study, most of employees are perceived lower level of organizational politics and they acquired higher level of job satisfaction. It means that there is a negative relationship between the level of perception of organizational politics and the level of job satisfaction.

The Pearson correlation matrix indicated a negative correlation between the two variables of perception of organizational politics and job satisfaction (-0.559). It is found significant at 0.01 level (2-tailed). To test the hypothesis 2, Linear regression analysis was done. The regression model is presented in Table 6.

Table 6: Model Summary (b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559(a)	.312	.310	16.00561

a.Predictors: (Constant), Perceived organizational Politics

b Dependent Variable : Job Satisfaction

The linear regression analysis indicate that there exists a considerable relationship (R= 0.559) between these two variables. Based on the values of R, R square and adjusted R square, it can conclude that the linear regression model is capable in explaining the relationship that prevails between the job satisfaction and the perception of organizational politics.

The ANOVA test is used to test the acceptability of the model from a statistical point of view. The ANOVA table is presented in Table 7.

Table 7: ANOVA^b (b)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34620.6	1	34620.6	135.1	.000(a)
Residual	76341.5	298	256.180		
Total	110962.1	299			

a.Predictors: (Constant), Perceived Organizational Politics

b Dependent Variable: Job Satisfaction

According to the ANOVA test, the F value of 135.142 is significant at the 0.000 level, the perception of organizational politics is successful in explaining the variation of the job satisfaction.

Table 8: Coefficient^a of the Linear Regression (b)

Model		Standardized Coefficients		t	Sig.
		B	Std. Error	B	Std. Error
1	(Constant)	181.118	4.456	40.649	.000
	POP	-1.354	.117	-11.625	.000

a Dependent Variable: Job Satisfaction

Hypothesis developed suggests that perception of organizational politics have a negative impact on employees' job satisfaction. The coefficient of the linear regression (Table 8) indicates a significant negative coefficient Beta as -1.354. It means that when the level of perception of organizational politics is increase by unit, the degree of job satisfaction will decrease by 1.354 units.

$$JS = 181.118 - 1.354 POP$$

Given the significant support from the above statistical tests, confirms that there is a negative relationship between the construct of perception of organizational politics and job satisfaction. It means that the employees who perceive lower organizational politics acquire higher job satisfaction and the employees who perceive higher level of organizational politics acquire lower job satisfaction.

H₃: Individuals who engage in perceived control will reduce the negative impact of perceived organizational politics on job satisfaction.

According to the study, table 2 indicates that large number of employees in the field of commercial banking sector recorded high degree of perceived control on their jobs. That was 61.7% of the sample employees. Only 38.3% of sample employees recorded lesser perceived control on their jobs. To test the hypothesis and to identify the moderating effect of perceived control, linear regression is adopted. In the linear regression equation, both variables perceived organizational politics and perceived control are recruited to be the predictors to predict job satisfaction.

Table 9: Correlations between Perceived organizational politics, Perceived control and Job satisfaction

		POP	PC	JS
POP	Pearson Correlation	1	-.234(**)	-.559(**)
	Sig. (2-tailed)		.000	.000
	N	300	300	300
PC	Pearson Correlation	-.234(**)	1	.401(**)
	Sig. (2-tailed)	.000		.000

JS	N	300	300	300
	Pearson Correlation	-.559(**)	.401(**)	1
	Sig. (2-tailed)	.000	.000	
	N	300	300	300

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation matrix indicated a negative correlation (-0.559) between the two variables of perception of organizational politics and job satisfaction (Table 9). The correlation between perception of organizational politics and perceived control is also a negative value (-0.234). But it is a higher value than the correlation between perception of organizational politics and job satisfaction (-0.234 > -0.559). It means that the correlation between perception of organizational politics and perceived control is more positive than the correlation between perception of organizational politics and job satisfaction. On the other hand, the correlation between job satisfaction and perceived control is a positive value (0.041). All these correlation values are significant at 0.01 level (2-tailed). According to these figures it means that the perceived control has a moderating effect on the relationship between perception of organizational politics and job satisfaction to reduce its negative relationship. The linear regression is presented in Table 10.

Table 10: Model Summary (c)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624(a)	.389	.385	15.10268

a Predictors: (Constant), Perceived Control, Perceived Organizational Politics
b Dependent Variable: Job Satisfaction

The linear regression analysis indicated that there exists a considerable relationship (R= 0.624) among the three variables perceived organizational politics, perceived control and job satisfaction. Based on the values of R, R square and adjusted R square, it can conclude that the linear regression model is capable in explaining the relationship that prevails between the perceived organizational politics, perceived control (predictors) and the job satisfaction (dependent variable).

The ANOVA test used to test the acceptability of the model from a statistical point of view. The ANOVA table is presented in Table 11.

Table 11: ANOVA^b (c)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	43219.16	2	21609.	94.7	.000(a)

Residual	67742.98	297	228.09		
Total	110962.1	299			

a Predictors: (Constant), Perceived Control, Perceived Organizational Politics

b Dependent Variable: Job Satisfaction

According to the ANOVA test, the F value of 94.741 is significant at 0.000 level, the predictors of perceived organizational politics and perceived control are successful in explaining the variation of the job satisfaction.

Table 12: Coefficients^a of the Linear Regression (c)

Model		Standardized Coefficients		t	Sig.
		B	Std. Error	B	Std. Error
1	(Constant)	151.157	6.441	23.468	.000
	POP	-1.192	.113	-10.545	.000
	PC	1.600	.261	6.140	.000

a Dependent Variable: Job Satisfaction

The coefficient of the linear regression (Table 12) indicates a significant negative coefficient Beta as -1.192. It means that when the level of perception of organizational politics and the perceived control (predictors) are increased by 1 unit, the degree of job satisfaction (dependent variable) will decreased by 1.192 units. But the coefficient of the perceived organizational politics and job satisfaction was -1.354. It means that by applying the perceived control as a moderator to the relationship between perceived organizational politics and job satisfaction, the negative coefficient of the linear regression was reduced. In other words, it has minimized the negative relationship between perceived organizational politics and job satisfaction.

Given the significant support from the above statistical tests, confirms that the moderator perceived control has the moderating effect to reduce the negative relationship between perceived organizational politics and job satisfaction. It means that the employees who had perceived control on their jobs, then they can reduce the pressure derived from organizational politics and can acquire a better level of job satisfaction.

H₄: individuals who engage in understanding will reduce the negative impact of perceived organizational politics on job satisfaction.

According to the study, table 3 indicates that 84.3% of the sample employees in the field of commercial banking sector recorded a high degree of understanding the work people do on the job. Only 15.7% of sample employees recorded lesser understanding.

To test the hypothesis and to identify the moderating effect of understanding, linear regression is adopted. In the linear regression equation both the two variables perceived organizational politics and understanding are recruited to be the predictors to predict job satisfaction.

Table 13: Correlations between Perceived organizational politics, Understanding and Job satisfaction.

Pearson Correlation		POP	U	JS
POP	Pearson Correlation	1	-.065	-.559(**)
	Sig. (2-tailed)		.262	.000
	N	300	300	300
U	Pearson Correlation	-.065	1	.051
	Sig. (2-tailed)	.262		.377
	N	300	300	300
J S	Pearson Correlation	-.559(**)	.051	1
	Sig. (2-tailed)	.000	.377	
	N	300	300	300

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation matrix (Table 13) indicated a negative correlation (-0.559) between the two variables of perception of organizational politics and job satisfaction. The correlation between perception of organizational politics and understanding is also a negative value (-0.065). But, it is a higher value than the correlation between perception of organizational politics and job satisfaction (-0.065 > -0.559). It means that the correlation between perception of organizational politics and understanding is more positive than the correlation between perception of organizational politics and job satisfaction. On the other hand, the correlation between job satisfaction and understanding is a positive value (0.051). According to these figures, it means that the understanding has a moderating effect on the relationship between perception of organizational politics and job satisfaction to reduce its negative relationship. The linear regression analysis is presented in Table 14.

Table 14: Model Summary (d)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559(a)	.312	.308	16.02992

a Predictors: (Constant), Understanding, Perceived Organizational Politics

b Dependent Variable: Job Satisfaction

The linear regression analysis (Table 14) indicates that there exists a considerable relationship (R= 0.559) among the three variables perceived organizational politics, understanding and job satisfaction. Based on the values of R, R square and adjusted R square, it can conclude that the linear regression model is capable in explaining the

relationship that prevails between the perceived organizational politics, understanding (predictors) and job satisfaction (dependent variable).

The ANOVA test is used to test the acceptability of the model from a statistical point of view. The ANOVA table is presented in Table 15.

Table 15: ANOVA^b (d)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34645.4	2	17322.7	67.4	.000(a)
Residual	76316.6	297	256.958		
Total	110962.	299			

a. Predictors: (Constant), Understanding, Perceived Organizational Politics

b. Dependent Variable: Job Satisfaction

According to ANOVA test, the F value of 67.415 is significant at 0.000 level, the predictors of perceived organizational politics and understanding are successful in explaining the variation of the job satisfaction.

Table 16: Coefficients^a of the Linear Regression (d)

Model		Standardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	179.64	6.512	27.587	.000
	POP	-1.352	.117	-11.563	.000
	Understanding	.143	.458	.311	.756

a Dependent Variable: Job Satisfaction

The coefficient of the linear regression (Table 16) indicates a significant negative coefficient Beta as -1.352. It mean when level of perception of organizational politics and perceived control (predictors) are increase by 1 unit, the degree of job satisfaction (dependent variable) will decrease by 1.352 units. But the coefficient of the perceived organizational politics and job satisfaction was -1.354. It means that by applying the understanding as a moderator to the relationship between perceived organizational politics and job satisfaction, the negative coefficient of the linear regression has reduced. In other words, it has minimized the negative relationship between perceived organizational politics and job satisfaction.

Given the significant support from the above statistical tests, confirms that the moderator understanding has the moderating effect to reduce the negative relationship between perceived organizational politics and job satisfaction. It means that employees' level of understanding can reduce the pressure derived from perception of organizational politics and acquire a better level of job satisfaction.

H₅: Internals acquire higher job satisfaction compared to externals.

The results of data analysis gave the presence of two types of people with internal locus of control and external locus of control. According to the study large number of employees in the field of commercial banking sector have the characteristics of internal locus of control. Table 3 indicates that 93.7% of the respondents have higher tendency toward internals while 6.3% of the respondents have higher tendency toward externals. The degree of job satisfaction is also analyzed in the study. 91.7% of employees recorded higher degree of job satisfaction while 8.3% of the sample employees recorded lower level of job satisfaction. These figures indicated that most of the employees are internal locus of control personalities and they acquire higher level of job satisfaction from their job. It means that there is a negative relationship between locus of control and the level of job satisfaction.

The Pearson correlation matrix indicated a negative correlation between the variables locus of control and job satisfaction. It is -0.364 significant at 0.01 level (2 tailed).

To test the hypothesis H₅, Linear regression analysis was done. The regression model is presented in Table 17.

Table 17: Model Summary (e)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.364(a)	.133	.130	17.97092

a Predictors: (Constant), Locus of Control

b Dependent Variable: Job Satisfaction

The linear regression analysis indicated that there exists a considerable relationship (R= 0.364) between these two variables. Based on the values of R, R square and adjusted R square, it can conclude that the linear regression model is capable in explaining the relationship that prevails between the locus of control and the job satisfaction.

The ANOVA test is used to test the acceptability of the model from a statistical point of view. The ANOVA table is presented in Table 18.

Table 18: ANOVA^b (e)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	14721.81	1	14721.81	45.5	.000(a)
Residual	96240.33	298	322.954		
Total	110962.1	299			

a Predictors: (Constant), Locus of Control

b Dependent Variable: Job Satisfaction

According to the ANOVA test, the F value of 45.585 is significant at the 0.000 level, the locus of control is successful in explaining the variations of the job satisfaction.

Table 19: Coefficients^a of the Linear Regression (e)

Model	Standardized Coefficients		t	Sig.
	B	Std. Error	B	Std. Error
1 (Constant)	161.178	4.669	34.525	.000
Locus of Control	-1.058	.157	-6.752	.000

a Dependent Variable: Job Satisfaction

Hypothesis developed suggests that locus of control gave a negative impact on employees' job satisfaction. The coefficient of the linear regression (Table 19) indicates a significant negative coefficient Beta as -1.058. It mean when level of locus of control (independent variable) is increase by 1 unit, the degree of job satisfaction (dependent variable) will decrease by 1.058 units.

$$JS = 161.178 - 1.058 LOC$$

Given the significant support from above statistical tests, confirms that, there is a negative association between the construct of locus of control and job satisfaction. It means that internals acquire higher job satisfaction and externals acquire lower level of job satisfaction.

CONCLUSION

According to the results, the following conclusions are made on the perceived organizational politics of employees and their job satisfaction in the field of commercial banks in Sri Lanka. This research recruits five constructs to build several relationships. The major objectives of this research was to identify the interrelationships among locus of control, perceived organizational politics, job satisfaction, perceived control and understanding.

There is a significant relationship between locus of control and perceived organizational politics of employees. The research conclusion suggests that the employees' tendency toward internals or externals will result in different level of perceived organizational politics, to be specific, internals will perceive lower organizational politics and externals will perceive higher organizational politics.

There is a reciprocal relationship between the degree of perceived organizational politics and job satisfaction of employees. Accordingly, high degree of perceived organizational politics leads to reduce the job satisfaction of employees and low degree of perceived organizational politics lead to increase the job satisfaction of employees.

The moderating effect of the moderator perceived control reduces the negative impact of perceived organizational politics on job satisfaction of employees'.

The moderating effect of the moderator understanding reduces the negative impact of perceived organizational politics on job satisfaction of employees'.

There is a significant relationship between locus of control and job satisfaction of employees'. The research conclusion suggests that, the employees' tendency toward internals or externals will result on different level of job satisfaction, to be specific,

internals will acquire higher job satisfaction and externals will acquire lower job satisfaction.

This study assessed the impact of perceived organizational politics on employees' job satisfaction in commercial banking sector of Sri Lanka. This study is the first attempt to investigate the type of locus of control personalities and assess the perceived organizational politics of employees in the banking sector as in the Sri Lankan environment. Further, it studied the job satisfaction of them. Therefore, this study explains that the level of perceived organizational politics of employees and their job satisfaction in the commercial banking sector of Sri Lanka. The present study included the locus of control to predict the level of perceived organizational politics and job satisfaction of employees. It is accepted in the literature that locus of control plays an important role in human performance and encouraging political behavior. This study also tested the moderating effects of two moderators perceived control and understanding on the relationship between perceived organizational politics and job satisfaction. Therefore, the contribution of the study appears to be profound than the other studies.

Finally, unlike many previous studies, this study tested a model of perception of organizational politics using a sample of employees from a Asian country. This is an addition to the scant number of studies on organizational politics in a non-western context.

The researcher feels that by doing this study an addition had been made to the empirical base of research findings on the perception of organizational politics.

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