

## **Organizational Politics and Bank Frontline employee Outcomes with the Mediating Role of Work Engagement**

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### **Abstract**

The purpose of the study is to investigate the organizational politics and its outcomes with the mediating role of work engagement. Data was collected from 250 employees of the private banks of Rawalpindi/Islamabad through questionnaire. Data was analyzed through correlation and structural equation modeling. The result reveals that organizational politics has a significant and negative effect on the work engagement, while work engagement has a significant and a positive effect on the organizational commitment and extra role performance and negative effect on turnover intentions. Work engagement plays a partial mediating role among organizational politics and organizational commitment and turnover intention. Practical implications of the findings, as well as future recommendations are suggested.

The success of the organization depends up on the performance, attitude, hard work, loyalty and the sincerity of the employees. When people inclined more toward success the more they involve themselves in politics. In a fast changing environment success is not only rests with dedication and hard work but employees have the power to influence and get what they want to have, this thing had a lot of influence on the performance and the turnover of the employees. Organizational politics is the growing phenomena and the most debatable topic of these days. *The study on the organizational politics has been increasing from the last few decades (Gull & Zaidi, 2012). Mayes and Allen (1977) described organizational politics as the*

*management of links/power to gain the goals which are not approved by the organization. Politics in the working environment is based on the contentment and the discontentment with the work by the employees. The more the employees involved in the work they show more contentment and less involvement shows more discontentments.*

*The performance of the employees always got affected by the environment of the organization. Sowmya and Panchanatham (2012) concluded that workplace politics can be studied in different perceptions and they conducted it with the turnover intentions of the employees. There are many variables involved which got affected by the organizational politics. Results are in both way i.e. negative and positive. In turnover, the organizational politics had a negative effect. And in the response of the employees are ready to leave the organization. Politics affects the job outcomes i.e. turnover intentions, job satisfaction and stress (Poon, 2003). According to Poon (2003), employee with high level politics experience more negative job outcomes as compare to employee with low level of politics. Perception of organizational politics affects various job outcomes like satisfaction, job burnout, job stress and job commitment whereas social support moderates the relationships (Vigoda-Gadot & Talmud, 2010).*

Numerous studies have been conducted on organizational politics and job outcomes but very few are conducted in Pakistani context. Moreover, one study by Karatepe (2013) took work engagement as a mediator between the relationship of organizational politics and job outcomes. He collected the data from senior managers. However, Karatepe (2013) suggested that the study that data must be collected directly from frontline employees instead of collecting data from senior managers. Moreover, he collected the data from hotel industry. The current study was an attempt to follow the suggestion of Karatepe (2013) and focus on identifying the relationship between organizational politics, work engagement, organizational commitment, extra role performance and turnover intentions. Further the study explored the mediating role of work engagement. The topic is getting importance day by day due to a general rising trend in the practical environment. Organizational politics have both positive and negative impacts on the environment and the employees are getting directly affected by the phenomenon.

### **Literature Review**

From last 2 decades a lot of studies have been carried out on organizational politics (Aronow, 2004). Vigoda-Gadot and Talmud (2010) argued that due to an increase in the importance of organizational politics, most of the studies are being conducted in different directions and focused on different political tactics that are to be applied on the current working environment. The researchers thought that these tactics cannot be understood properly through the techniques which were influencing the environment but it would understandable well through the way employees perceive the politics.

According to Gull and Zaidi (2012), who conducted the study on the health sector of Pakistan, if employees perceived more politics in the working environment their level of satisfaction with the job decreased and if they perceived less organizational politics the job satisfaction level of satisfaction went high. Kodisinghe (2010) concluded its research on the banking sector of the Srilanka. The results show the less organizational politics will be perceived if the internal locus of control is high and vice versa. And job satisfaction gets negative impact from the perceived organizational politics. Job satisfaction is higher when the internal locus of control is more than the external control. While organizational politics get the negative influence from the perceived control and understanding to put it on the satisfaction level of the job.

Chughtai and Buckley (2008) conducted research on work engagement and its relationship with state and trait trust: A Conceptual Analysis they worked on three states of trust from top management then supervisors then coworkers. They concluded that the concept of work engagement arises from positive psychology. They also concluded that level of the work engagement goes high when level of trust on each level goes high. More the trust between the employees more the work engagement would be. Field and Buitendach (2011) concluded that there is a positive significant relationship of happiness and work engagement with organizational commitment. That the staff will remain committed with the organization if there is high level of happiness and work engagement. Albdour and Altarawneh (2014) concluded that the employees with high level of work engagement showed high level of normative and affective commitment.

Schaufeli and Salanova (2007) identified that when the level of work engagement goes high the employees are more committed with the organization and along with the commitment employees are more satisfied with the job which results in lower absenteeism level and turnover intentions.

Chughtai (2014) found a positive relationship of job involvement with the variables like extra role performance and organizational citizenship behavior. Brown and Leigh (1996) found a significant relation between job involvement and performance. Darlinevandale and Gemmel (2006) found that in role and extra role performance behavior both effect performance positively. Rotenberry and Moberg (2007) studied the relationship between job involvement and in-role performance and from their research the found a positive and significant relationship between them.

From many researches it has been viewed that organization politics and the turnover intension had a strong relationship. When the work place politics goes up employees are more intended to leave the organization. Sowmya and Panchanatham (2012) identifies that the turnover intention is actually detachment of the employee from the work. Due to the turnover intention employees can't pay attention to the work which reduces the performance level and ultimatley leads the employee to actually leave the organization. Their finding showed a significant relationship between the organizational politics and turnover intension. According to the study of Karatepe (2013) work engagement plays a mediating role between organizational politics and the outcomes of the work engagement. Miller et al. (2008) studied that in spite of any direct relation between organizational politics and job outcomes, an unfair environment conditions and treatment with the employees reduces the work engagement level of the employees which further effect the job outcomes.

From the above discussion following schematic diagram and hypotheses may be inferred:

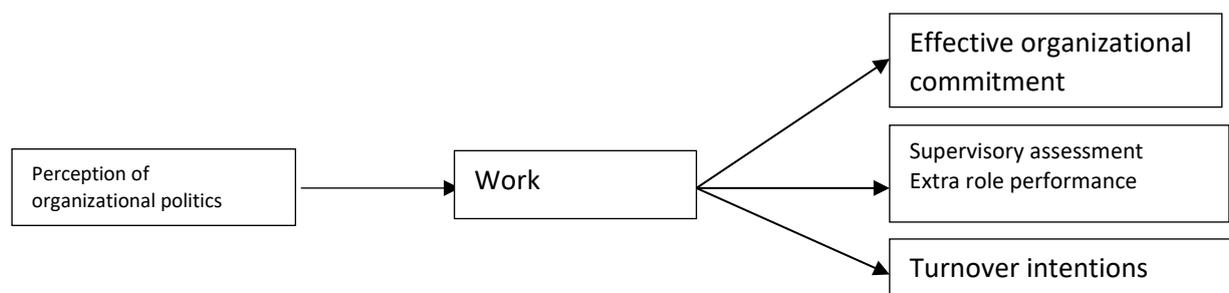


Fig. 1. Schematic Diagram of Research Model

Karatepe (2013) from their research found that organizational politics puts a negative effect on the work engagement that is used as a mediator. Gotsis and Kortezi (2010) also found organizational politics as a negative factor which exerts power and influences on other employees. Due to the organizational politics performance standards and rewards are not clear in the organization (Rosen et al.,2006).

Karatepe (2013) studied the relationship of work engagement with different factor like organizational commitment extra role performance and turnover intensions. Researcher found that work engagement have a positive relationship with extra role performance and commitment with the organization, and a negative relationship with turnover. Llorens et al. (2006) also found positive relationship between work engagement and organizational commitment. According to the findings of the Karatepe (2013) the work engagement had a positive relationship with extra role performance but a negative relationship with turnover. We may conclude the following hypotheses:

H1-There is negative effect of perception of organizational politics on work engagement.

H2- Work engagement has a positive impact on the effective organizational commitment.

H3- Work engagement has a positive impact on the extra role performance.

H4- Work engagement has a negative impact on the turnover intentions.

H5- Work engagement plays a mediating role between the organizational politics and the organizational commitment.

H6-Work engagement plays a mediating role between the organizational politics and the turn over intentions.

H7- Work engagement plays a mediating role between the organizational politics and extra role performance.

### Methodology

The purpose of every research is to test the hypothesis. The study was causal and cross sectional in nature. Quantitative survey method is used to gather the required data. The population of the study was employees from private banking sectors of Rawalpindi and Islamabad. Data were collected from the frontline employee of the private banks of Rawalpindi/Islamabad, Pakistan. Employees were briefed about the confidentiality of their response about the organizational politics. All the questions in the questionnaire were close ended. Scales of organizational politics by Kacmar and Ferris (1991), work engagement by Schaufeli et al. (2006), affective organizational commitment by Allen and Meyer (1990), extra role performance by Netemeyer and Maxham, (2007) and turnover intensions by Boshoff and Allen (2000) were adopted. Sample description is given in table 1.

Table 1. Sample characteristics

Sample size	250
Experience (%)	
Less than 1-5 years	60.5
6-10 years	20.2
11-15 years	9.0
16-20 years	7.0
21 and above	8.0
Gender (%)	

Male	59.7
Female	40.3
Educational Qualification (%)	
Bachelor degree	36.1
Masters or above	63.9

**Measurement Model Results**

Five constructs namely perception of organizational politics, work engagement, organizational commitment, extra role performance and turnover intentions were measured through 12, 9, 8, 3 and 3 items respectively. CFA of each construct were measured to ensure the discriminant validity. 5 items of organizational politics, 3 items of work engagement, 3 items of organizational politics were dropped due to insignificant loadings. The result of overall confirmatory factor analysis revealed the following values: CMIN-159.340, DF-95, CMIN/DF-1.67, AGFI-.943, GFI-.958, RMR-.058, CFI-.969 and RMSEA-.057. CFA results demonstrated an overall fit.

**Structural Model Results**

Table 1 reports the results of correlations along with means and standard deviation values. All required results (associations) were found significant except the relationship of organizational politics and work engagement. Accordingly, the effect of organizational politics on work engagement was not drawn in path analysis. Rest of the condition of mediation for organizational politics to organizational commitment, and turnover intentions treating work engagement as a mediator were satisfactory. Path analysis is reported in table 2. Path analysis was conducted after data imputation through AMOS. The model fit values i.e. CMIN-13.525, DF-4, CMIN/DF-3.381, AGFI-.912, GFI-.922, RMR-.078, CFI-.953 and RMSEA-.068 demonstrated an overall fit.

Figure 1. Path Analysis

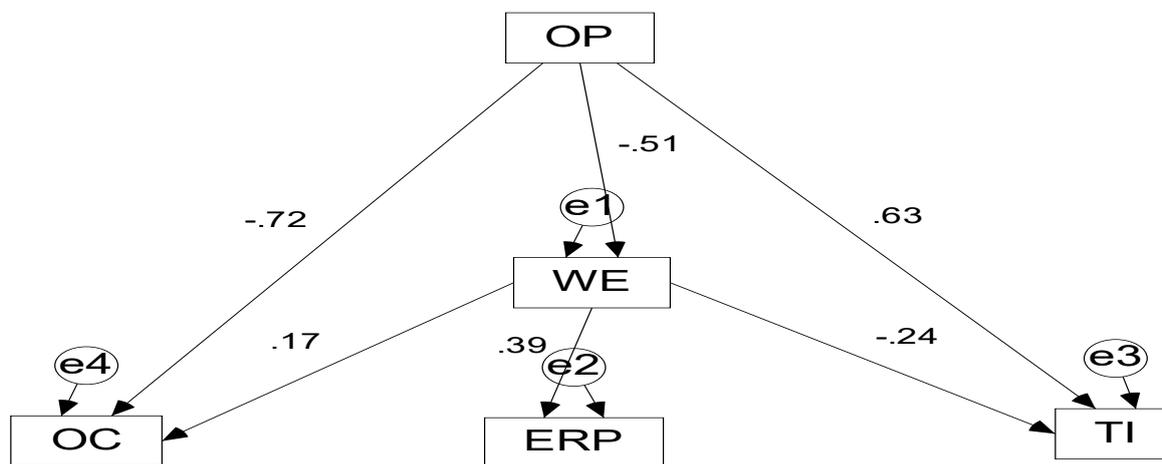


Table 2. Means, Standard Deviation and Correlation of Study Variables

Variable	Mean	SD	1	2	3	4	5
1.Organizational Politics	2.7508	.767	1				
2.Work Engagement	2.3353	.925	-.513**	1			

3.Organizational Commitment	2.7660	.315	-.811**	.543**	1		
4.Extra Role Performance	4.0736	.564	.002	.388**	.103*	1	
5.Turnover Intention	2.6546	.875	.751**	-.559**	-.706**	-0.56	1

Table 3. Structural Model Result (Path Analysis)

Hypotheses	Standardized Estimates	Path	t-value
WE<--- OP	-.513***		-6.499
TI <--- OP	.630***		9.349
OC <---OP	-.723***		-11.905
ERP <--- WE	.388***		4.575
TI <--- WE	-.236***		-3.494
OC <--- WE	.172**		2.830

**Mediation Analysis (Bootstrapping-2000)**

		Bias Corrected Percentile Method	Upper Bound	Lower Bound
OC<---WE<---OP	-.088	.005	-.032	-.162
TI<---WE<---OP	.121	.006	.203	.054

OP- Perception of Organizational Politics WE- Work Engagement TI- Turnover Intentions  
 OC- Organizational Commitment ERP- Extra Role Performance

Path Analysis (Table 3) clearly indicates that organizational politics has a significant negative effect on work engagement (Beta:  $-.513 p < .05$ ). The result of this study also aligned with the results of previous studies e.g. Karatepe, 2013, Coetzee and De Villiers (2010) and Christian et al. (2011). So this proves that organizational politics negatively affect the level of work engagement. Hence, this proves that H1 is true. According to path analysis work engagement has a significant and a positive effect on the organizational commitment (Beta:  $.172 p > .05$ ). The results of the study also relates to the previous studies. According to the Christian et al. (2011) the positive effect of work engagement on commitment. Karatepe (2013) also concluded the same results. So this proves the proposed hypothesis H2 is true. Work engagement also has a positive and significant impact on the extra role performance (Beta:  $.388, p > .05$ ). According to the Christian et al. (2011) highly engaged employees go out of their way to perform their role and tasks in the organization and also ready to perform extra for their organization and display extra role performance. Karatepe (2013) also founds similar results between the work engagement and extra role performance proving H3 true. Work engagement has a negative and a significant impact on the turnover intention (Beta:  $-.236, p > .05$ ). According to the earlier study of Karatepe (2013) if the employees do not feel to engage themselves in the work loses the interests in the job and eventually eager to quit the organization. Thus H4 is true. Results of Bootstrapping clearly indicate that the mediator i.e work engagement plays a partial mediating role between organizational politics and

organizational commitment and between organizational politics and turnover intention. Results are aligned with the findings of Karatepe (2013). However, he found full mediation among the relationships. Results, thus, proves H5 and H6 are true. As organizational politics is not having significant relationship with the extra role performance as shown in table 2, mediation could not be run. So H7 is rejected.

Organizational politics cannot be ignored in any way. It works in almost all sectors of all industries. Banking sector is not any exception. Proper management of organizational politics strengthens the commitment, work engagement and extra role performance and weakens the turnover intentions. Work engagement must be focused as it mediates the relationships of organizational politics and job outcomes.

### **Limitations and future directions**

Data was only collected from the limited branches of private sector banks of Pakistan. Sample size was not large as well. For the future research it is recommended the data can be collected on large scale from both private and public sector of banks. Moderating role of gender, education, level and experience may also be checked.

### **Management Implication**

Research proposed many implications. The manager should know about the level of the politics in the organization and evaluate the employees on the basis of their work engagement. They should make sure that none of the employee get affected by the organizational politics. Fair deal along with distributive and procedural justice must be checked and implemented. Favoritism, nepotism and unfair polices should be replaced by the fair polices. The retention to the highly motivated and enthusiastic employees should be given more preference.

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