



Perceptions of Politics and Organizational Justice on Bank Employees

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Abstract: This study aims to investigate the organizational politics perception of bank employees and its impact on organizational justice perception and performance. A comparative descriptive qualitative analysis method was used to analyze data obtained from literature review and field research. Purposive sampling technique was employed to determine 5 informants, with key informants being managers in a bank in Surabaya. The results showed that organizational politics in the bank is relatively high and has a negative impact on employees' organizational justice perception. The contribution of this research lies in providing a deeper understanding of organizational politics in the banking industry and offering guidance for management to enhance efficiency and the quality of the work environment.

Abstrak: Penelitian bertujuan untuk menyelidiki persepsi politik organisasi pegawai bank dan dampaknya terhadap persepsi dan kinerja keadilan organisasi. Metode analisis kualitatif deskriptif komparatif digunakan untuk menganalisis data yang diperoleh dari tinjauan pustaka dan penelitian lapangan. Teknik purposive sampling digunakan untuk menentukan 5 informan, dengan informan kunci adalah manajer di sebuah bank di Surabaya. Hasil penelitian menunjukkan bahwa politik organisasi di bank relatif tinggi dan berdampak negatif terhadap persepsi keadilan organisasi karyawan. Kontribusi dari penelitian ini terletak pada memberikan pemahaman yang lebih dalam tentang politik organisasi di industri perbankan dan menawarkan panduan bagi manajemen untuk meningkatkan efisiensi dan kualitas lingkungan kerja

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Introduction

Competition in the banking world is increasing with the arrival of foreign financial technology companies and e-commers to Indonesia. According to Barney (1991), a company will have a competitive advantage if its resources have the characteristics of valuable, rare, inimitable, and not substituted, which is abbreviated as VRIN. The concept of resource-based view - RBV (Wernerfelt, 1984) argues that all company resources, both tangible and intangible, will play a role in supporting competitive advantage if they meet the VRIN criteria. Tangible resources are very easy to find and can be seen in each bank with public status in Indonesia, for example the number of branch offices, number of employees, number of fixed assets, and other physical resources. However, existing research tends to ignore intangible resources that will affect the company's performance.

In highly regulated industries, Hillman (2005) argues that industry players tend to rely on political resources as factors supporting company performance. This is because these political resources will have a positive impact because they help in dealing with existing regulations (eg Okhmatovskiy, 2010; Sheng et al., 2011). Previous research has argued and also reported a positive correlation between political resources and organizational performance (eg Selznick, 1949)). This will certainly create a political culture within the organization.

For employees, organizational politics is behavior that manipulates someone, commits embezzlement, bribes transactions and of course individuals who carry out these activities are contrary to the organization (Harris et al., 2005; Valle & Perrewe, 2000). Organizational politics is considered a source of conflict by discomfort of employees in the workplace (Cheong & Kim, 2018; Kormych & Zavalniuk, 2020) and creating a sense of injustice for those who are excluded (Agung & SeTin, 2021). However, this is inversely proportional to the work results which of course have a positive side for those who can control the political situation of a high organization. This can be seen in career advancement, fame and status, increased power or position, completion of personal goals, increased sense of control, and the formation of success that employees want. Organizational politics is also able to increase the positive effect of job satisfaction and optimal work in an organization (Akuffo & Kivipõld, 2021).

In the research of Horner et al. (2017), which aims to determine the needs and implementation in the organizational environment, as well as explore inappropriate behavior in the climate of an organization (Li, 2022). Some discuss more specifically the influence or impact of organizational politics on the work environment and politically charged organizations (Kumari & Saradadevi, 2016) such as employees experiencing stress, burnout, and the desire to move (Chang et al., 2009; Hochwarter & Treadway, 2003; Miller et al., 2008; Vigoda-Gadot & Talmud, 2010). The presence of stress, boredom, and inadequate organizational support can transform this situation

into a daunting task (Suhariadi et al., 2023) lead to political tendencies in employees (Ahmed, 2018), exacerbating conflicting employee relations.

Considering the background, the research question of this study is what is the perspectives of banking sector employees regarding organizational politics and its implications on their perceptions of organizational justice and performance? Given the escalating competition in the banking industry due to the emergence of foreign financial technology enterprises and e-commerce in Indonesia, organizational politics is recognized as a crucial factor that could impact employee performance. To explore this comprehensively, a qualitative approach will be used to gain deeper insights into the dynamics of organizational politics, employee responses, and its influence on their behavior and performance. The results of this study aim to provide in-depth insight into the influence of organizational politics on employee performance. This qualitative investigation will offer a more comprehensive understanding of the complex interplay between organizational politics and employee performance, thereby making an important contribution to advancing management strategies that are more effective in dealing with organizational political issues in the banking sector.

Literature Review

Another important variable that affects performance is the perception of employee organizational justice which is certainly influenced by perception of organizational politics, which is a complex phenomenon, especially because its existence is interpreted through the individual perceptions of its members. Perception of organizational politics have significant effects on diverse worker and organizational outcomes such as stress, turnover intention, and job satisfaction (Hochwarter et al., 2020). Various meta-analyses (Chang et al., 2009) and reviews (Ferris et al., 2019) have provided support for many of the model linkages, although not all have been consistently validated. Over time, the model has been continuously expanded and reinforced, revealing robust relationships between organizational, work environmental, and personal factors, leading to individuals' subjective perception that organizations may operate in less than rational ways (Valle et al., 2019).

Each individual's perception of organizational politics is a function of their particular characteristics, the social relationships they have developed within the organization, and specific outcomes and consequences such as reward allocation and work attitudes (Miller et al., 2008). Ferris et al. (1989) define the perception of organizational politics as a process of social influence in which individual behavior is strategically designed to maximize short-term and long-term interests, both consistent and conflicting with the interests of others. Ferris et al. (2000) state that perceptions of organizational politics involve individual attributions to self-interested behavior, and are defined as an individual's subjective evaluation of the extent to

which his or her work environment is shaped by peers and superiors who exhibit self-interested behavior. Ferris et al. (1989) mention three aspects of the perception of organizational politics. Kachmar and Ferris (1991) described three dimensions firstly, "general political behavior," where individuals engage in self-serving actions to achieve desired outcomes; secondly, "go along to get ahead," characterized by passive behavior and silence for personal gain; and thirdly, "pay and promotion policies," involving individuals participating in policy implementation and displaying political reactions in decision-making processes.

In organizations with ambiguous rules and policies, individuals tend to organically develop self-interest-driven guidelines and strategies, aiming to improve their position within the organization (Haq, 2011). Kachmar and Carlson (1997) elaborate that in the absence of clear guidelines, individuals tend to establish rules that serve their own interests and enable them to wield authority as rule-makers. Such tendencies are more likely to be adopted by individuals who are skilled in navigating uncertain situations and exerting influence over others. Consequently, politics in organization negatively affects employees perceptions of organizational justice (Bedi & Schat, 2013), subsequently impacting their overall performance.

Methods

Creswell (2012), qualitative research is a means for exploring and understanding the meaning individuals or groups ascribe to a social human problem. The process of research involves emerging questions and procedures; collecting data in the participants setting; analyzing the data inductively, building from particulars to general themes; and making interpretations of the meaning of data. The final written report has a flexible writing structure. According to Creswell (2012) too, qualitative methods are divided into five types, there is phenomenological research, grounded theory, ethnography, case study and narrative research. From that statement above the qualitative methods used to help the writer in describing the data. The result of the analysis will form description of the investigation that has been carried out through observations of the individual or group. The qualitative methods especially describing is the best way to help the writer to analyze the data.

The qualitative research of the instrument is the researcher themselves. Being an instrument, the researcher must have a broad theory and insight, so that they are able to ask, analyze, photograph, and construct the social situation under study to become clearer and more meaningful. This research is qualitative descriptive research. Descriptive method is a method in examining the status of a group of humans, an object, condition, system of thought or event in the present. This type of research seeks to explain certain social phenomena. Research can be divided into several types, based on the criteria of differentiation including the final function and

approach. Descriptive research usually has two objectives, to know certain physical developments and describe in detail certain social phenomena.

Location of the study was carried out at a Bank in Surabaya. Purposive sampling technique is used in the selection of research informants, data collection is done by holding question and answer or direct interviews with sources, observation and documentation. Therefore, the manager of bank in Surabaya was chosen as the key informant in this study. We interviewed 7 informants who had worked at the Bank for at least 3 years. Good access to the research site allows us to interview all categories of informants from among stakeholders in the bank including: top, middle to staff. Total there are 5 informants in this study. Whereas in analyzing the data the author uses data analysis with a qualitative approach referring to Miles et al. (2014) by using interactive models through three lines of activities that occur simultaneously, namely: data reduction, data presentation and conclusion / verification

Result & Discussion

Three factors of perception from Kacmar and Ferris (1991) were adopted by Kachmar and Carlson (1997): first is general political behavior, which includes the behavior of individuals who act in a self-serving manner to get rewarded results; the second is going together to move forward, which consists of a lack of action by the individual (eg, remaining silent) to secure a valued outcome; and the last is salary and promotion policies, which involve organizations that behave politically through the policies they make.

General Political Behavior

I was a little surprised when I first entered this bank, because the political culture (organizational politics) is very high. Not only the top (top management), even the bottom is also quite thick with politics (Informant C)

Informant B explained that politics in an organization does have positive and negative impacts this is in accordance with what was explained by Landells and Albrecht (2017). It depends on the priority scale. Priority based on proximity or indeed based on the qualifications required for the position. Informant A also stated that sometimes the assessment was unfair according to what was happening in the field. There is always a dominating group in the department, and for those who are not included in that group, the assessment will be different from the actual performance.

I think it's because of the high level of politics in this bank, until there is a friend of mine who has worked for a dozen years and in my opinion his performance is quite good in solving the existing problems, but his position is still only transferred. (Informant E)

To manage the organizational politics, particularly in the dimension of general political behavior, leaders need to implement strategic policies aimed at enhancing the positive influence of politics in the organization and minimizing its negative impact so that the perception of organizational justice can be increased.

Going Together to Move Forward

Yeah, sometimes it's better to tell them what they want to hear than to tell the truth. Since it's useless, it's better to just work as little as possible. (Informant D)

Meanwhile, informant B said that there were several employee behaviors that did not prioritize performance, this was because the assessment system was not up to standard. promotions, bonuses and so on are not in accordance with the qualifications possessed by the employee. This is indeed due to several interests, both internal and external to the company. Informant A also explained that the changes that occur in the organization are sometimes aimed at the interests of only a few groups, not the organization. This causes some employees to feel that they do not need to have good performance due to high organizational politics.

The above explanation aligns with Haq's (2011) findings, which indicate that in organizations, certain individuals tend to avoid conflicts and refrain from opposing the influence of others. Although this behavior may seem non-political, it constitutes a form of political behavior (Ferris & Kacmar, 1992; Kacmar & Carlson, 1997).

Salary and Promotion Policies

When it comes to bonus salaries, it depends on the position, but here are some new policies made to increase bonuses if they meet the target. But if the promotion remains the same, who is known, who is close to the leader, he is easily promoted. (Informant A)

Informant B said that in the salary section there were several new policies regarding basic salary and allowances, while in promotions most of the placements were moved horizontally instead of vertically promoted. Informants C, D and E also confirmed this statement by stating that the salary policy did have changes that made the staff more out of their comfort zone so that staff were required to achieve and even exceed the target if they wanted to get a high salary. As for the promotion of positions, it is still attached to political policies which are considered negative by employees because they are beneficial for certain groups.

Salary and promotion policies influenced by political behavior can also impact individuals who do not engage in political activities within the organization (Ul Haq, 2011). As a result, those who perceive unfair treatment in rewards may be motivated to participate in political activities in the future (Kacmar & Ferris, 1991)(Kacmar & Carlson, 1997).

Conclusion

The results of this study concluded that the perception of organizational politics in the bank was very attached and the majority tended to be negative rather than positive. This is certainly enough to affect individual performance which will have an impact on overall organizational performance. Starting from employees who feel unfair because their department is dominated by certain groups, feel that it is useless to speak but is not taken into consideration, then the last is the promotion policy so that work is not optimal even though there is a new policy on salary determination that aims to increase employee motivation in achieving target.

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