Perceptions of politics and perceived performance in public and private organisations: a test of one model across two sectors

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English
This article suggests a theoretical model and empirical examination of the relationship between organisational politics and perceived employees’ performance across two separate settings: the private sector and the public sector. 700 employees of private sector and public sector organisations provided data on perceptions of organisational politics, job satisfaction, organisational commitment, job distress and burnout, as well as self-reported turnover intentions, negligent behaviour and absenteeism. Our findings indicate that politics perceptions differ substantially across sectors and prove higher in the public than in the private sector. The theoretical model was tested using an SEM technique and was found valid in both sectors. However, when closely analysed, the same model still fits private sector organisations better than public sector ones.

Français
Cet article propose un modèle théorique et un examen empirique du rapport entre la politique de l’organisation, la performance des employés perçue dans deux cadres différents: le secteur privé et le secteur public. 700 employés d’organisations appartenant au secteur privé et au secteur public ont fourni des données sur les perceptions de la politique de l’organisation, la satisfaction professionnelle, l’attachement à l’organisation, la détresse dans l’emploi et l’épuisement ainsi que les intentions de rotation signalées par l’employé, la négligence et l’absentéisme. Nous concluons que les perceptions politiques diffèrent considérablement selon les secteurs et sont plus importantes dans le secteur public que dans le secteur privé. Le modèle théorique a été testé à l’aide d’une technique SEM et a été jugé valable dans les deux secteurs. Cependant, lorsqu’on analyse de près, on découvre que le même modèle convient toujours mieux aux organisations du secteur privé que du secteur public.

Español
Este artículo sugiere un modelo teórico y un examen empírico de la relación entre políticas organizativas y la actuación percibida por los empleados a través de dos sectores diferentes: el sector privado y el sector público. Unos 700 empleados del sector privado y organizaciones en el sector público ofrecieron datos en cuanto a las percepciones de las políticas organizativas, la satisfacción en el trabajo, la obligación organizativa, la fatiga en el trabajo y burnout, así como las intenciones en el movimiento del propio informe, comportamiento negligente y absentismo. Nuestros resultados indican que las percepciones políticas varían substancialmente a través de los sectores y prueban ser mayores en el sector público que en el sector privado. El modelo teórico se probó usando una técnica SEM y se consideró válido en ambos sectores. Sin embargo, cuando se analiza más de cerca, el mismo modelo todavía encaja mejor en las organizaciones del sector privado que en las del sector público.

Key words: organisational politics • perceived performance • public and private sector • Structural Equation Modelling
Introduction

Organisational politics has always been a fact of life in modern worksites. The struggle over scarce resources, the conflicts that arise when critical decisions need to be made, and the existence of heterogeneous interests among individuals or groups serve as an ideal habitat for the emergence of power-seeking or influential behaviours that are targeted at various members of the intra- and extra-organisational sphere. This ‘political behaviour’ represents hidden dynamics, undercover activities, or other goal-seeking events that frequently conflict with the overall organisational goals. Over the years, the interest in such political behaviour, both actual and perceptual, has received growing recognition and scholarly attention, reaching its peak during the 1990s. In the last decade, a more rigorous set of theories and modern methodological tools have yielded a better understanding of organisational politics, and impressive advancements have been made in a field that once was theoretically intriguing but empirically vague.

In this study we take a perceptual approach towards both organisational politics and performance. We define organisational politics as behaviour strategically designed to maximise the self-interests of individuals (Ferris et al, 1989), behaviour that thereby conflicts with the collective organisational goals or the interests of other individuals. Kacmar and Ferris (1991: 193–4) and Ferris and Kacmar (1992: 93) have argued that the higher the perceptions of politics are in the eyes of an organisation member, the lower in that person’s eyes is the level of justice, equity and fairness. Organisational performance is also examined through the eyes of employees. Our focus in this study is not on hard measures of performance (ie economic or financial indicators) but instead on work attitudes, work stress and burnout, turnover intentions, negligent behaviour, and self-reported absenteeism. Our definition of organisational politics and performance follows a handful of studies that used the cognitive-perceptual approach (ie Ferris, Kacmar, Cropanzano, Vigoda, and their colleagues). However, we propose an extension of the theory in this arena by pointing to the potential cross-sectoral implications of organisational politics and job performance. Hence, the present study is targeted at a comparative view. We argue that to date most studies in organisational politics have been conducted in the private sector (Ferris and Kacmar, 1992; Bozeman et al, 1996; Cropanzano et al, 1997; Valle and Perrewe, 2000) and much has been left to be studied on the other side of the fence, namely in larger bureaucracies and in public sector systems.

The article first provides essential, comparative perspectives of private and public organisations and focuses on differences in the political realm. We then suggest a generic model that relates politics and performance in these settings, and go on to develop a set of hypotheses and test them empirically. These hypotheses try to point to cross-sectoral differences and similarities between the sectors. Using comparable research tools, consistent methods of data gathering, and the advanced statistical analysis technique of Structural Equation Modelling (SEM), the article endeavours to chart new boundaries for studying the organisational politics–performance landscape.
Politics and performance across sectors: an essential comparison

The examination of workplace politics and its relationship with employees’ performance in public and private sector organisations is a challenging task. The public and the private sectors differ both in their political orientation and in the way they treat, measure, and enhance the performance of employees and organisations (Perry and Rainey, 1988). One major distinction is that public sector organisations, unlike private firms, are environments where management, politics, and policies mix together in many contradictory ways. However, as previous studies have also noted, research in organisational politics pays much more attention to the relationship between internal politics and performance in private sector organisations than it does to that relationship in the public sector (Vigoda-Gadot, 2003). Therefore, politics and performance are usually studied in their general ‘organisational’ context rather than in the specific sectoral context.

Comparing private and public worksites

Meyer (1979, 1982) argued that inattention to differences between profit-oriented firms and public agencies can lead to overgeneralisation in organisation theory. As is clear today, the private and the public sectors differ substantially from each other and comprise worksites that need to be analysed separately. Theory suggests a variety of such differences, most of them relating to political, environmental and cultural issues (Perry and Rainey, 1988; Vasu et al, 1990). An enlightening comparison between private and public and organisations may be found in the works of many researchers (ie Murray, 1975; Perry and Rainey, 1988; Rainey, 1991; Dye, 1995; McKevitt, 1998, and others). One of the early works in this regard was Murray’s (1975) study about the dichotomy between the profit goals of private organisations versus the service goals of larger bureaucracies that shape the lives of citizens through public policy. The differences focus on five main points:

1. **Criteria for the goal realisation**: In a private organisation there are purely economic considerations, while in a public organisation there are blurred considerations meant to ultimately achieve consensus among the various population components.

2. **The degree of activity and values level**: In a private organisation there are simple activities and a limited emphasis on values, while in a public organisation there are complex and value-based activities that serve the interests of different and sometimes opposing groups. Frequently, such activities result in extensive extra-organisational and intra-organisational politics.

3. **Law**: A private organisation may act within any framework that is not against the law, while a public organisation abides exclusively by the letter of the law.

4. **Exposure and auditing**: A private organisation is less exposed to auditing because of alternatives available to the client, while a public organisation can be subjected to a long list of auditors and supervising bodies.
And, most importantly,

5 Dependence upon the system: A private organisation is free from politicisation, while a public organisation is often impacted by, and must always be cognisant of, politics.

Politics and performance in a comparative cross-sectoral view

This article focuses on the last point and tries to analyse the politics–performance linkage in light of the above-mentioned differences between private and public sector organisations. First, we expect public organisations to be different from private organisations, as the former are intimately tied to political and governmental systems. Many are familiar with the problematic question of political nominations in public administration, the complexity of the internal rewards and promotion processes in such bureaucratic systems, and the tense relations at times between the politically appointed rank and file and the professional ranks of the public servants. Political issues of influence relations take on a special character within public systems. The link between the political and the professional ranks potentially increases the degree of employees' friction with many kinds of influence processes. In addition, public administration systems generally provide better job security for their employees than does the private sector. Thus, these systems are expected to be characterised by a higher level of political activity both internally and externally, as a major part of the attention at work is targeted at activities that are not directly related to manufacturing, production, or the supply of services, but to less central activities such as the political power game.

The linkage between politics and performance in private versus public/bureaucratic settings has implications beyond the issue of organisational efficiency proper. As suggested by the New Public Management (NPM) approach (Osborne and Gaebler, 1992), public systems are financed by the taxpayers, who in many regards are equivalent to both the stakeholders and the clients in the private sector. Complaints regarding the tremendous amount of internal politics that exists within public structures and impedes their efficiency are often raised both by the private and by public sector employees themselves. For example, Cropanzano et al (1997) argue that political organisations direct many assets toward internal power and influence struggles, assets that are usually used at the expense of actual production or human relations in the organisation. In addition, public organisations are usually large bureaucratic bodies. Studies that have been conducted in the past suggested that managers estimated that organisational politics exist in such large bodies to a much greater degree than in small organisations and have a more negative effect on them (Medison et al, 1980; Pfeffer, 1992). Hence, the results of the malfunctions in public mechanisms are expressed both on the operative level of the service afforded to the public and on the ethical level of the improper manner of spending public money. It seems that organisational politics exists in private as well as in public organisations, but while its implications in the private sector are usually limited to the question of the business firm's survival and success, in the public sector it negatively impacts on the ability to perform
duties that have an influence on the entire population. This fact alone underscores the need for an in-depth examination of the politics–performance linkage in the public sector.

**Politics and performance: a view from the public sector bridge**

Existing knowledge in the field of organisational politics and its relationship with performance in the public sector is relatively small. Pfeffer (1992) mentions two main points that emphasise the importance of discussing organisational politics and performance within the public sector. First is the degree of agreement on organisational goals among the organisation’s members. Organisational politics reflects, among other things, a lack of agreement and clarity among the organisation’s members, especially with regard to collective goals. While the activity boundaries in the private sector are relatively well defined and clear, there is a certain blurring with regard to the activity and involvement boundaries of a public institution in the individual’s life. The goal of the private and the business sectors is to provide products that are as high quality, attractive and numerous as possible. The public sector also seeks to provide quality service, but its scope of operation is frequently questioned. For example, what is the range of education, health, employment, and social support services with which the state should provide its citizens? Moreover, how should we measure the quality of policy making and implementation? The relative lack of clarity about the public sector’s goals and functioning may breed a higher level of internal disagreements and provide more fertile ground for the development of internal organisational politics.

Second is the scope of the external pressure. Pfeffer (1992) suggests that when external pressure that focuses the competition on extra-organisational goals is exerted on the organisation, we expect to see a reduction of internal organisational politics and an increase in inter-organisational politics. There is no doubt that the degree of external competition in the private sector is higher than that in the public sector, and it is logical that organisational politics in the former arena will be more focused outside the organisation. Although recently many of the world’s nations have introduced a significant level of competition into the public sector as well (many public bodies and mechanisms have to justify their mere existence by the comparison between their performances and those of their competitors in the private sector in the fields of employment, health, education, and even security), this competition is still not similar to what is happening in the private sector (Lynn, 1998). Therefore, this explanation strengthens the expectation that we will find more internal politics at play in the public sector than in the private one.

For all these reasons, the study of organisational politics in public versus private sector organisations should prove a promising topic. The need for this analysis becomes even more important where issues of organisational performance in the public sector are concerned. In recent years we have witnessed a growing interest in the development of new avenues for improving public sector performance. The need to create reliable Performance Indicators (PIs) for the administrative state that are based on numerous expectations of public functions and on multiple-stakeholders’ assessments has become an essential construct of the NPM doctrine.
A substantial bank of knowledge has already been accumulated in this area (e.g., Berman, 2002; Bouckaert and Peters, 2002; Halachmi, 2002; Wright-Muldrow, 2002). These dynamics have created a much more demanding environment for evolving bureaucracies, stressing the clear need for improved measurement tools, scales and methodologies as well as a comprehensive analysis of governmental outputs and outcomes.

All of these studies unanimously point to the main difficulty facing those who wish to evaluate organisational performance in the public sector – the need to examine a ‘service’ and not an actual product. As the ultimate ‘product’ of most public systems is ‘service to citizens’, a study of organisational performance must attempt to measure this rather amorphous concept, and this is where the main problem lies. It is relatively difficult to evaluate public service in an objective manner using hard data about the product’s quantity, quality and utility in addressing citizens’ needs. Such a problem does not exist in most of the private organisations that provide actual, measurable products. The efficiency of a private organisation that produces, for example, personal computers, will be assessed according to the number of computers it produces, their quality as measured according to some technical standard, the supply time to the clients, and the profit made. In contrast, it is difficult to measure objectively the quality of service afforded to the citizen by the local council, the efficiency of its delivery, and the relative price that the citizen paid for the service. This difficulty poses a challenge for many researchers who are trying to identify additional factors that influence the performance of public organisations. One of these factors may be organisational politics.

In this article we posit organisational politics as one such potential factor that may influence employees’ performance in both the public and private domain. Note, however, that this influence can be positive and functional or negative and dysfunctional in terms of personal and organisational policy outcomes. Some studies have explored the dark side of politics in human resources decisions and discussed the phenomenon in terms of manipulation activities or the victims it produces (Drory, 1993), the poor performance and bad decisions it creates (Eisenhardt and Bourgeois, 1988), and the ingratiatory behaviour that occasionally represents it (Liden and Mitchell, 1988). However, there are other studies that have demonstrated how politics in organisations is helpful for members of the organisation and for its strategic decisions (Kumar and Ghadially, 1989). The positive outcomes of politics are career advancement, recognition and status, enhanced power and position, attainment of personal and organisational goals, successful accomplishment of a job or policy implementation, and feelings of achievement, ego, control and success.

The differences presented thus far between public and private organisations in terms of politics and performance, both in their functional and dysfunctional aspects, have led us to distinguish between the two sectors and to test a more specific model of politics–performance relationships, as will be discussed below. Our model is based on the idea that organisations use different incentive systems. The efficiency of these incentives changes across types of organisations and sectors (Patibandla and Chandra, 1998). Organisational politics may be considered one such incentive that relates, either positively or negatively, to performance in public and private organisations. It is expected that the nature of this relationship can be better
understood when similar research tools and logic are implemented in one integrative model of employees from these two separate sectors.

Model and hypotheses

The research model is presented in Figure 1 and suggests a generic analysis of the organisational politics–performance relationship. Based on previous studies, the model argues that organisational politics is directly related to job attitudes such as job satisfaction and organisational commitment, but that these attitudes also correlate with job distress and, at a later stage, also has an impact on job burnout. In addition, the model suggests that turnover intentions, negligent behaviour and, finally, absenteeism may well present other outcome variables of such intra-organisational political activity.

The model also offers a set of specific hypotheses. First, we follow the arguments about the distinctions between public and private sector organisations as presented by Murray (1975), Perry and Rainey (1988), Vasu et al (1990), Rainey (1991) and Dye (1995). According to this line of research, these sectors differ in their intra-organisational and extra-organisational sphere, culture and orientations. The most important factor in this regard is the proximity between public sector organisations and the general political environment. Such proximity may lead to the use of more politically sophisticated interpersonal influence tactics in public sector organisations than in private sector organisations. Following this rationale, Pfeffer (1992) and more recently Vigoda (2000a, 2000b) suggested that intra-organisational politics and employees’ perceptions of politics would be higher in the public sector than in the private sector. As public organisations are more closely attached to the political system, they operate in a less flexible, less responsive and less participatory organisational environment (Perry and Rainey, 1988). This may result in a stronger ‘spillover effect’ of political norms and values from the political sphere into the organisational/professional sphere (Sieber, 1974; Peterson, 1990). Hence, public

Figure 1: The research model: perceptions of politics and perceived performance across sectors
organisations will evince higher levels of employees’ perceptions of inequity, injustice and politics in the workplace. Similarly, the first hypothesis suggests that:

**H1:** *Perceptions of organisational politics are higher in public sector organisations than in private sector organisations.*

A review of the latest studies on organisational politics provides strong support for the notion that politics is negatively related to ‘perceived performance’. In general, employees are sensitive to political decisions made in their environment and react in various perceptual and behavioural ways. Thus, we will try to develop our arguments and model in three steps:

1. We will first discuss the relationship between organisational politics and work attitudes such as job satisfaction and commitment.
2. Next is a discussion of organisational politics, job stress and burnout as facets of perceived performance.
   And finally,
3. We present a discussion of the relationship between organisational politics, behavioural intentions of turnover and neglect, and self-reported absenteeism.

**Organisational politics, job satisfaction and organisational commitment**

Job satisfaction and organisational commitment are the most studied variables related to organisational politics (e.g. Kacmar et al, 1999; Randall et al, 1999; Witt et al, 2000). Political work environments are usually perceived by individuals as unfair and unjust and encourage feelings of deprivation and inequity. Job satisfaction and organisational commitment represent spontaneous attitudes and reactions that are not directly controlled by the organisation and are expected to change more easily in response to disappointment with the workplace and overall political atmosphere (Vigoda, 2000b).

As early as the late 1980s, Ferris et al (1989) found that politics in organisations was related to decreased job satisfaction. In addition, Drory (1993) found that perceptions of politics were negatively related to job satisfaction and organisational commitment. He found that politics in the workplace had a potentially damaging effect on lower status employees, but no negative effect on higher status employees. In a two-study investigation, Bozeman et al (1996) elaborated on the effect of the perception of organisational politics on several work outcomes. In their study the relationship between politics, job satisfaction, organisational commitment and several other work outcomes was moderated by the variable of job self-efficacy. The relationship was stronger for individuals with a high job self-efficacy than with a low one. However, it should be noted that other studies found contradictory results. For example, Parker et al (1995) found that workplace politics was not related to job satisfaction in any significant way. In accordance with the majority of previous findings, we thus posit the second hypothesis:
**H2:** Perceptions of organisational politics have a negative impact on job satisfaction and on organisational commitment in both public and private sector organisations.

**Organisational politics, job distress and burnout**

Several studies to date have mentioned the possibility that employees’ political behaviour may lead to various stress-related outcomes in the workplace. According to Beehr (1990), stress can be defined as any feature of the workplace that causes an employee to experience discomfort. Cropanzano et al (1997) adopted the definition of Folkman and Lazarus (1991) and Edwards (1992) to argue that stress is the subjective feeling that work demands exceed the individual’s belief in his or her capacity to cope. Jex et al (1992) suggested that a response definition of stress is associated with what was earlier termed ‘strain’. Relating stress and politics in the workplace, Vigoda (2002) defined stress as an individual’s response to work-related environmental stressors, one of which would be politics.

In line with this approach, Gilmore et al (1996) proposed organisational politics as one source of stress and conflict in the work environment with the potential for dysfunctional outcomes at both the individual and the organisational level. Ferris et al (1996a, 1996b) supported a strong relationship between organisational politics and job anxiety ($\beta=0.56; p<.01$), and argued that there was a great deal of similarity between patterns of politics and the likelihood of stress. They have based their arguments on several grounds. First, politics and stress are both perceptual in nature. They do not refer to reality per se, but, as Lewin (1936) originally posited, to individuals’ perceptions of reality. Second, politics and stress share the characteristics of ambiguity and uncertainty. Third, both politics and stress “create situations where people may gain or lose depending on how they respond to a situation” (Gilmore et al, 1996: 483). One’s ability to handle political and stress-related situations successfully determines one’s level of benefits or losses in the work environment. As further argued by Ferris et al (1996b), stress in organisations, like politics, seems to provide options and opportunities for individuals and “thus can be construed in a comparable manner” (p 236). For this reason, job distress is also expected to relate negatively with job satisfaction and organisational commitment. Employees with higher levels of satisfaction and commitment feel more comfortable with the work sphere and are expected to develop lower levels of stress and strain.

In addition, Ganster and Schaubroeck (1991) suggested that organisational politics may function as a potential work stressor, so it, too, may lead to job burnout. Their study defines burnout as a chronic, affective response pattern to stressful work conditions that feature high levels of interpersonal contact. Since workplace politics is usually not a passing event, but a continuous activity that encompasses the organisational sphere, its impact on individuals accumulates over time (Vigoda, 2002). Cropanzano et al (1997) suggested that stress and tension are manifested as nervousness and apprehension about work, so they may result in burnout, ill health, and other physical symptoms. One possible reason may be that workplace politics encourages and preserves a situation of inequity, unfairness and disharmony among members of the organisation (Kacmar and Ferris, 1991: 193–4; Ferris and Kacmar 1992: 93). This rationale was partially supported by an experiment-based study by
Dierendonck et al (1998) and by the recent study of Vigoda (2002). Note, however, that none of these studies examined private and public organisations in a comparative view as this article does. Thus, we propose a third hypothesis:

**H3:** Perceptions of organisational politics, job satisfaction and organisational commitment have an impact on job distress and on job burnout both in public and in private sector organisations.

**Organisational politics, turnover intentions, negligent behaviour and absenteeism**

Beyond the proposed negative effect of organisational politics on job attitudes and stress-related aftermaths, additional negative responses by employees may arise in the long run. For example, Hirschman (1970) suggested the option of exit (leaving the organisation) as a possible destructive reaction to decline in organisations. This behaviour differs substantially from other, more constructive traits, such as voice (intention to stay and fight for one’s beliefs and occupational goals) and loyalty (willingness to adjust and comply with the current environment). A study by Ferris and Kacmar (1992) proposed several responses to organisational politics that “appear similar in nature to Hirschman’s (1970) exit, loyalty and voice” (p 97). Cropanzano et al (1997) argued that individuals who perceive the organisation as political in nature, inequitable in its behaviour, or promoting the aspirations of only its powerful members may be encouraged to leave it physically and also psychologically. Politics in the workplace can cause the disengagement or the psychological withdrawal of individuals as employees. While they may be physically present in the workplace, their minds are elsewhere.

Moreover, as suggested by Vigoda (2001, 2002), Hirschman’s theory and studies that followed it (eg Rusbult and Lowery, 1985; Farrell and Rusbult, 1992) elaborated on the option of negligent behaviour at work that reflects another destructive reaction to instability and unfairness at work. Negligent behaviour represents an alternative whereby the individual stays in the organisation but expresses dissatisfaction by unproductive activity or even injurious behaviour, elsewhere defined as ‘misbehaviours’ (Vardi and Weitz, 2004). For example, employees may delay certain assignments without justification or simply pay less attention to and expend less effort on their work. In public sector organisations this behaviour may be reflected in a lack of consideration for citizens’/clients’ needs or carelessness in using organisational property. According to the Exit, Voice, Loyalty, and Neglect (EVLN) theory, neglect is considered the most passive and negative response because of its covert nature and the potential long-term damage it can inflict on the organisation. An employee may remain with the organisation but neglect his/her essential duties and assignments when he/she has no other job alternatives or wishes to punish the organisation for being unfair (Farrell and Rusbult, 1992). The findings of Rusbult and Lowery (1985) may further suggest that negligent behaviour serves as an operative alternative for public personnel who feel abused by internal politics but still do not choose actually to leave the organisation for a variety of reasons. Symptoms of psychological withdrawal, such as continual daydreaming or chatting to co-workers about non-work-related subjects evince much similarity to negligent
behave (Hulin, 1991; Vigoda, 2002). Lastly, little evidence exists as to the relationship between organisational politics and employees’ absenteeism. However, a study by Gilmore et al. (1996) supported the notion that under the moderating effect of lower tenure, internal politics indirectly causes higher rates of absenteeism. Thus, we suggest that:

\textbf{H4:} Perceptions of organisational politics have a positive impact on turnover intentions, negligent behaviour and absenteeism through work attitudes, job stress and burnout in both public and private sector organisations.

Finally, the fifth hypothesis argues that the relationship among organisational politics and various work outcomes holds better in the private sector than in the public sector, where other intervening variables may make a difference. As suggested in other studies (Perry and Rainey, 1988), public organisations develop their own culture, values and goal orientation. Only recently have they become more open to the notion of client-oriented management. Indeed, public sector organisations usually look to political institutions when forming their general strategies and policies (Lynn, 1998). In addition, public sector organisations are less flexible in responding to changes in the environment and are slow in adopting new innovations and improvements (Borins, 2001). All of these differences inhibit the improvement of performance. Therefore, we argue that the nature of the relationship between organisational politics and job performance as suggested in hypotheses 2, 3, and 4 is more likely to hold in private sector organisations than in public sector organisations, and we propose a fifth hypothesis:

\textbf{H5:} There are differences between public sector and private sector organisations in the form and magnitude of the relationship between organisational politics and various performance variables. The theoretical model holds better in the private sector than in the public sector.

\section*{The cross-sectoral survey}

\textbf{Setting and respondents}

The study was based on a survey of individuals who held a job in either private sector or public sector organisations in Israel. Between June and August 2002, 1,200 questionnaires were distributed in a northern Israeli university and in several other locations such as public agencies and private sector organisations. Public sector employees returned 336 questionnaires, and 364 questionnaires were returned by private sector employees. Altogether, 700 usable questionnaires were used in our statistical analysis, a return rate of 58%. A variety of organisations from 45 sub-sectors were represented in this study. Private sector organisations were represented by heterogeneous sectors such as computer companies, medical and pharmaceutical companies, cellular firms, banks, security agencies, hotels, law offices, food services, industrial firms, electronic telecommunications, transportation companies, educational organisations, hi-tech businesses, newspapers, insurance companies, etc. Public sector organisations were represented by governmental offices, local
government employees, universities, public health agencies, publicly owned industries, aviation and port authorities, public hospitals, public schools, police and other security services, public research institutions, tax agencies, welfare and national insurance agencies, etc.

**Research tools**

**Perceptions of organisational politics**

Ferris et al (1989) defined this variable as the degree to which respondents view their work environment as political, and therefore unjust and unfair. Based on previous studies (ie Kacmar and Ferris, 1991; Kacmar and Carlson, 1994; Vigoda, 2000a, 2000b), we applied a nine-item scale to test this variable. The items used in both sectors were similar. Sample statements were:

1. “Favoritism rather than merit determines who gets ahead around here”;  
2. “Rewards come only to those who work hard in this organisation” (reverse item);  
3. “There is a group of people in my department who always get things their way because no one wants to challenge them”.

Respondents were asked to report how much they agreed with the items on a scale from 1 (strongly disagree) to 5 (strongly agree). A higher score meant a higher perception of organisational politics. Reliability of the scale was 0.80 in the public sector organisations and 0.74 in the private sector organisations. These values were close to those found in other studies (eg 0.74 in Ferris and Kacmar, 1992; 0.76 in Parker et al, 1995, and Vigoda, 2002).

**Job satisfaction**

This variable was measured by a six-item scale taken from Schriesheim and Tsui (1980). Respondents were asked to indicate how satisfied they were with their current job, co-workers, supervisors, current salary, opportunities for promotion, and work in general. The scale for these questions ranged from 1 (very unsatisfied) to 5 (very satisfied). Reliabilities were 0.82 in the public sector organisations and 0.80 in the private sector organisations.

**Organisational commitment**

A shorter version of six items from the attitudinal Organisational Commitment Questionnaire (OCQ) by Porter and Smith (1970) was used. The scale reflects the three core dimensions of the definition of commitment as suggested by Porter et al (1974):
1 desire to retain membership in the organisation;
2 belief in and acceptance of the values and goals of the organisation; and
3 willingness to exert effort on behalf of the organisation.

Additional studies such as Mowday et al (1979, 1982) showed the long-lasting stability and psychometric power of this measure. Sample items for this measure include:

1 “I am proud to tell others that I am part of this organisation”;
2 “I really care about the fate of this organisation”; and
3 “For me, this is the best of all possible organisations to work for”.

The scale for this measure ranged from 1 (strongly disagree) to 5 (strongly agree); reliability was 0.79 in the public sector organisations and 0.82 in the private sector organisations.

Job stress

According to House and Rizzo (1972: 481), job stress is described as “the existence of tensions and pressures growing out of job requirements, including the possible outcomes in terms of feelings or physical symptoms”. In this study we applied a four-item version of the original 17-item scale by House and Rizzo (1972), one that was recently tested by Vigoda (2002) in another study of organisational politics. This scale was representative of the three types of tension-stress factors as suggested by House and Rizzo (1972): job-induced tension (JIT), somatic tension (ST), and general fatigue and uneasiness (GFU). The items are:

1 “I work under a great deal of tension” (JIT);
2 “If I had a different job, my health would probably improve” (JIT);
3 “I get irritated or annoyed over the way things are going here” (ST); and
4 “I seem to tire quickly” (GFU).

Respondents were asked to report how much they agreed with the items on a scale from 1 (strongly disagree) to 5 (strongly agree). A higher score meant a higher level of job stress. Reliabilities were 0.77 for the public sector organisations and 0.80 for the private sector organisations.

Job burnout

Burnout was measured by a six-item scale taken from the Maslach Burnout Inventory – MBI (Maslach and Jackson, 1986). This scale was previously tested by Vigoda (2002) and found valid and reliable. Sample items were:

1 “I feel emotionally drained by my work”;
2 “I feel used up at the end of the workday”;
“Working with people all day is really a strain for me”; “I feel burned out by my work”; “I feel I’m working too hard on my job”; and “I feel like I’m at the end of my tether”.

Respondents were asked to report how much they agreed with the items on a scale from 1 (strongly disagree) to 5 (strongly agree), and a higher score reflected a higher level of burnout. Reliability of the scale was 0.86 in the public sector organisations and 0.87 in the private sector organisations.

**Turnover intentions**

This variable was measured according to Farrell and Rusbult (1992) who defined turnover-exit as job movement within and across organisational boundaries, as well as by a variety of cognitive activities that preceded leaving. This behaviour includes intentions of searching for a different job and thinking about quitting. A four-item scale was used, and respondents were asked to report how much they agreed with the items. The response scale ranged from 1 (strongly disagree) to 5 (strongly agree). Sample items were:

1 “I often think about quitting”;  
2 “I will probably not stay with this organisation for much longer”; and  
3 “Lately, I have taken an interest in job offers in the newspaper”.

Reliability of this scale was 0.86 for the public sector organisations and 0.84 for the private sector organisations.

**Negligent behaviour**

According to Farrell and Rusbult (1992) and Leck and Saunders (1992), negligent behaviour includes reactions wherein the employee passively allows conditions to worsen. Such a behaviour includes reduction of interest or effort at work, reduced attention to essential tasks, ignoring the clients or customers of the organisation and a general increase of error rate. To test for negligent behaviour we used a four-item scale. Respondents were asked to report how much they agreed with the items. The response scale ranged from 1 (strongly disagree) to 5 (strongly agree). The scale included such items as:

1 “I sometimes put in less effort in my work than I know I can”; and  
2 “Sometimes I postpone important duties for an unlimited period of time”.

Reliability of the scale was 0.65 for the public sector organisations and 0.64 for the private sector organisations.
Absenteism

This variable was measured using one item. Respondents were asked to report how many working days they had missed in the last year, not including annual vacation.

Data analysis

We decided to choose Structural Equation Modelling (SEM) for the assessment of the research model. The SEM technique is a statistical method that is based on path-analysis and was originally designed to test competing models in the social sciences. However, it is used here to test one model in two ‘competing’ settings, namely the public and the private sectors. As Mueller (1996) argues, its roots can be traced back to the first half of the 20th century when various other statistical techniques such as factor analysis and path analysis were introduced. However, it was not until the 1970s that a comprehensive SEM technique was presented by Joreskog and Van Thillo (1973) and Joreskog (1977). According to Mueller (1996: vii), SEM provides a bridge between the theoretical and empirical aspects of behavioural research. It is based on four main principles.

Practically, a covariance matrix was used as an input for the path analysis. We treated the multi-item scales as single indicators of each construct and also corrected for measurement errors as suggested by Bollen (1989). We used seven indices to assess the fit of the model across sectors. The first two were chi-square tests (a low and non-significant value of the chi-square represents a good fit to the data) and the ratio of the model chi-square to degrees of freedom (a ratio up to 2 was considered a satisfactory value). In accordance with other studies (Bentler and Bonett, 1980; Bollen, 1989; Bentler, 1990; Medsker et al, 1994), we also used the Relative Fit Index (RFI), the Normed Fit Index (NFI), the Non-Normed Fit Index (NNFI), the Comparative Fit Index (CFI) and the Goodness of Fit Index (GFI). The closer the value of RFI, CFI, NFI, and NNFI to 1, the better is the fit. GFI, which measures how much better the model fits than no model at all, should be between 0 and 1, and a value higher than 0.90 is considered very good. In addition, to determine the superiority of one model over another, we also considered path coefficients. Joreskog and Sorbom (1994) defined this as the “plausibility criterion”. This criterion means that the path coefficients in the plausible better-fit model adhere well to the general theoretical conception and to the hypotheses. This adherence should hold in terms of magnitude as well as in the expected directions. Accordingly, a model that fits the data well, but many of whose theoretical paths do not support the theoretical arguments, cannot be defined as correct. Some balance must be made between the fit indices and the theoretical predictions or hypotheses regarding the relationships among research variables. Therefore, the accuracy of the theoretical predictions can be tested by the path coefficients in each of the models, as was done in this study. Finally, we have calculated the percentage of explained variance for three variables: turnover intentions, negligent behaviour and absenteeism. A low percentage of explained variance in a certain model indicates that this model is not correct (Saris and Stronkhorst, 1984).
Findings

Table 1 presents t-test analyses for differences in politics perceptions across sectors. The table shows a systematic and significant difference between public and private sector organisations across each of the nine items as tested here. This finding supports H1 that argued for higher perceptions of organisational politics among public sector employees in comparison to private sector employees.

Table 2 (2a and 2b) presents descriptive statistics and inter-correlations for the study variables (reliabilities in parentheses) separately for each of the samples. As is evident, the Pearson’s r correlations support H2, H3 and H4. Perceptions of organisational politics are related to job satisfaction, organisational commitment, job distress, job burnout, turnover intentions, and negligent behaviour. However, no significant relationship was found between self-reported absenteeism and the other variables.

Table 1: T-test analyses for differences in politics perceptions across sectors

<table>
<thead>
<tr>
<th>Politics perceptions item</th>
<th>Mean (SD) Private sector employees (n=364)</th>
<th>Mean (SD) Public sector employees (n=336)</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Favouritism rather than merit determines who gets ahead around here</td>
<td>2.76 (1.12)</td>
<td>3.13 (1.22)</td>
<td>–4.20c</td>
</tr>
<tr>
<td>2 Rewards come only to those who work hard in this organisation (reverse item)</td>
<td>2.98 (1.11)</td>
<td>2.75 (1.11)</td>
<td>2.78b</td>
</tr>
<tr>
<td>3 People in this organisation attempt to build themselves up by tearing others down</td>
<td>2.83 (1.15)</td>
<td>3.26 (1.16)</td>
<td>–4.88c</td>
</tr>
<tr>
<td>4 If co-workers offer to lend some assistance, it is because they expect to get something out of it, not because they really care</td>
<td>2.32 (1.04)</td>
<td>2.69 (1.07)</td>
<td>–4.60c</td>
</tr>
<tr>
<td>5 There has always been an influential group in this department that no one ever crosses</td>
<td>2.67 (1.27)</td>
<td>3.12 (1.22)</td>
<td>–4.74c</td>
</tr>
<tr>
<td>6 Since I have worked in this department, I have never seen the pay and promotion policies applied politically (reverse item)</td>
<td>3.09 (1.31)</td>
<td>2.77 (1.28)</td>
<td>3.15b</td>
</tr>
<tr>
<td>7 People here usually don’t speak up for fear of retaliation by others</td>
<td>2.67 (1.21)</td>
<td>3.02 (1.16)</td>
<td>–3.87c</td>
</tr>
<tr>
<td>8 I have seen changes made in policies here that only serve the purposes of a few individuals, not the work unit or the organisation</td>
<td>2.56 (1.15)</td>
<td>2.94 (1.18)</td>
<td>–4.24c</td>
</tr>
<tr>
<td>9 Promotions in this department generally go to top performers (reverse item)</td>
<td>3.31 (1.06)</td>
<td>3.13 (1.05)</td>
<td>2.22a</td>
</tr>
<tr>
<td>Total</td>
<td>2.71 (0.66)</td>
<td>3.06 (0.72)</td>
<td>–6.47c</td>
</tr>
</tbody>
</table>

Notes: c p<0.001; b p<0.01; a p<0.05
Table 3 presents a goodness-of-fit summary for the models. As is evident, six out of seven fit indices are better in the private sector than in the public sector and for one indicator, ECVI, the values are equal (0.26). For the same degrees of freedom and a similar sample size, $\chi^2$ is lower in the private sector than in the public sector (10.22 versus 17.43, respectively); $\chi^2$/df is lower in the private sector than in the public sector, and both are below the maximal value of 2 (0.78 versus 1.34); RFI, NFI, NNFI, CFI, GFI, and AGFI are closer to 1 in the private sector than in the public sector (0.96 versus 0.94, 0.98 versus 0.97, 1.01 versus 0.98, 1.00 versus 0.99, 0.99 versus 0.98, 0.97 versus 0.95 respectively). In addition, RMSEA is slightly better in the private sector than in the public sector (0.00 vs 0.04). According to these findings, we concluded that Model 1b is somewhat superior to Model 1a, indicating that, in general, the relationships of the model hold better in the private sector than in the public sector.
sector than in the public sector. Although one should note that the differences in some indices are quite small, the fact that they are consistent gives us enough reason to suggest that H5 is not rejected.

Table 4 presents path coefficients and explained variance ($R^2$) for the models. As can be seen, there are nine significant paths for each of the sectors. However, in six out of nine cases the coefficient is higher in the private sector than in the public sector (POPS $\rightarrow$ JS, POPS $\rightarrow$ OC, POPS $\rightarrow$ JD, JS $\rightarrow$ NB, BU $\rightarrow$ NB, BU $\rightarrow$ TI), while only in three cases does the opposite situation prevail (JS $\rightarrow$ TI, OC $\rightarrow$ NB, JD $\rightarrow$ BU). Moreover, as Table 4 shows, $R^2$ was higher for the variable turnover intentions in the private sector than in the public sector (0.74 versus 0.59), which again indicates that the model better suits the private sector arena than the public sector one. Altogether, the above findings are in modest support of H5.

Studying the magnitude and direction of the path coefficients, we found additional support for H2, H3, and H4. Most of the path coefficients, with one exception for the variable of absenteeism, worked in the expected directions. Perceptions of

<table>
<thead>
<tr>
<th>Model/description</th>
<th>Public sector</th>
<th>Public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>n=336</td>
<td>n=364</td>
<td></td>
</tr>
<tr>
<td>POPS $\rightarrow$ JS</td>
<td>-0.59*</td>
<td>-0.65*</td>
</tr>
<tr>
<td>POPS $\rightarrow$ OC</td>
<td>-0.41*</td>
<td>-0.44*</td>
</tr>
<tr>
<td>POPS $\rightarrow$ JD</td>
<td>0.50*</td>
<td>0.59*</td>
</tr>
<tr>
<td>JS $\rightarrow$ NB</td>
<td>-0.15*</td>
<td>-0.30*</td>
</tr>
<tr>
<td>JS $\rightarrow$ T</td>
<td>-0.93*</td>
<td>-0.85*</td>
</tr>
<tr>
<td>OC $\rightarrow$ NB</td>
<td>-0.53*</td>
<td>-0.27</td>
</tr>
<tr>
<td>OC $\rightarrow$ T</td>
<td>-0.06</td>
<td>-0.32*</td>
</tr>
<tr>
<td>JD $\rightarrow$ BU</td>
<td>0.80*</td>
<td>0.75*</td>
</tr>
<tr>
<td>BU $\rightarrow$ NB</td>
<td>0.20*</td>
<td>0.25*</td>
</tr>
<tr>
<td>BU $\rightarrow$ T</td>
<td>0.16*</td>
<td>0.24*</td>
</tr>
<tr>
<td>T $\rightarrow$ AB</td>
<td>0.29</td>
<td>0.36</td>
</tr>
<tr>
<td>NB $\rightarrow$ AB</td>
<td>0.49</td>
<td>0.71</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>0.59</td>
<td>0.74</td>
</tr>
<tr>
<td>AB</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>NB</td>
<td>0.47</td>
<td>0.47</td>
</tr>
</tbody>
</table>

Notes: * $p<0.05$, POPS = Perceptions of Organisational Politics Scale; JS = Job satisfaction; OC = Organisational commitment; JD = Job distress; BU = Burnout; NB = Negligent behaviour; T = Turnover intentions; AB = Self-reported absenteeism.
Perceptions of politics and perceived performance in public and private organisations

Politics was found to have a negative relationship with job satisfaction (–0.65 private and –0.59 public) and with organisational commitment (–0.44 and –0.41), and a positive relationship with job distress (0.59 and 0.50). Job satisfaction was found to have a negative relationship with negligent behaviour (–0.30 and –0.15) and with turnover intentions (–0.85 and –0.93). Organisational commitment was found to have a negative relationship with negligent behaviour in the public sector, but not in the private sector (–0.53). It was also found to have a negative relationship with turnover intentions in the private sector, but not in the public sector (–0.32). Job distress was found to have a positive relationship with job burnout in both sectors (0.75 and 0.80). Job burnout was found to have a positive relationship with negligent behaviour (0.25 and 0.20) and with turnover intentions (0.24 and 0.16) in both sectors. Note also that none of the path coefficients to absenteeism was significant, which makes this variable distinct in comparison with the other perceived performance measures.

Discussion

This study examined one theoretical model of the relationship between organisational politics and a series of work-related outcomes in two separate sectors: the private and the public. The model tested five hypotheses about the nature of politics across sectors and the impact of the perception of politics on several perceived performance indicators in the workplace such as job attitudes (eg job satisfaction, organisational commitment), job distress outcomes (eg job stress and job burnout), and behaviour intentions (eg negligent behaviour, turnover intentions, absenteeism). Consistent with previous studies, the article confirms a significant relationship between organisational politics and all of the above variables, with the exception of absenteeism, which was found to have no relationship with the predicting variables. However, while the theoretical model was found valid in both sectors, several interesting differences were also found across the sectors, most of them related to the power of the model and to the strength of the path coefficients. These findings are discussed below in more detail.

First, the most powerful finding of this study is the clear variance that was found between private and public sector employees in their perceptions of organisational politics. The study indicates that public sector employees, much more than private sector employees, view their work environment as political in nature, and thus unfair and unjust. This finding is important for public administrators and for policy makers who frequently struggle with the negative image of governmental-controlled agencies. The findings are also consistent with the work of Vigoda (2000b), who raised such a theoretical proposition but did not test it empirically. What may be the reason for such a gap in individuals’ views? One possible explanation is the closer association of civil servants, policy makers and implementers with the general political sphere and the theory of the spillover effect that was previously suggested by Sieber (1974), Wilson (1995), and Peterson (1990). As suggested by Whicker et al (1993), a political environment influences the continuity of goals and policy in public administration and thus may also affect employees’ performance. Another explanation may be the less flexible and less reciprocal culture of public organisations.
that breeds more activities, such as internal politics, that are not directly related to the service or manufacturing process per se (Perry and Rainey, 1988; Pfeffer, 1992). Moreover, public organisations that implement governmental policies still compensate employees on the conservative basis of formal criteria rather than actual performance or productivity. While in the private sector it is more likely that employees are rewarded for excellence and outstanding achievements, most of the public sector still makes no effective relationship between an individual’s performance and his/her reward at work (Rainey, 1991). This situation may result in a public sector that is less flexible and less willing or able to implement innovative and creative policies.

The support for hypotheses H2, H3, and H4 is also much in line with previous knowledge and strengthens the relationship that was suggested between organisational politics and a variety of job performance variables. Such studies include works by Ferris and Kacmar (1992), Witt et al (2000) and others. However, the contribution of our study is strongest in its examination of one comprehensive model in two separate settings, namely the public and the private sector. The use of similar research and analytical tools, as well as similar samples that differ only in their sectoral orientation, provides more validity to the relationships that were found.

Nonetheless, while the theoretical model was found valid in both sectors, its ‘correctness’ should be weighted separately and cautiously for each sector. When closely analysed, a variance was found between the samples, indicating that the same theoretical model is a somewhat better fit with private sector organisations than public sector ones. That is, the conventional theory about the relationship between politics and performance in organisations may better suit the business arena than the governmental arena. Explanations for this interesting finding can be based on differences between the work environments of private versus public sector organisations, as suggested in the past (Perry and Rainey, 1988). According to our findings, politics and perceptions of politics do affect performance in any type of organisation, but its impact on public sector agencies is somewhat different than on business firms. It is possible that the less competitive, less flexible, and less adaptive environment of governmental agencies allows other factors to affect performance and reduces the ‘quality’ of the model tested here. It is noteworthy, however, that the differences that were found between the models are modest. Many similarities still exist with regard to the basic paths and relationships, allowing us to increase the level of generalisation across the sectors. Therefore, we conclude that the study of organisational politics may benefit from a closer examination of non-conventional worksites such as large bureaucracies or government-owned agencies.

The contributions of this study beyond previous works of Ferris, Kacmar, Vigoda, and their colleagues can be summarised in four major points:

1 First, the study conceptually integrates some ideas that have been previously suggested theoretically, but never examined in a comparative, empirical view of the public and the private sectors.
2 Second, as far as we could find, this is the first time that a model of organisational politics has been tested simultaneously in two independent and heterogeneous samples of public and private sector employees. The data for this study is original
and was not collected in a specific organisational domain. Rather, our sample is very heterogeneous and represents the views of hundreds of employees from many organisations. This in itself is an extension of previous studies that collected data in specific organisations. Our strategy may also be treated as another way to extend the generalisation of theory in the field.

3 Third, the model is unique, as few studies in the field of organisational politics have suggested implications for differences between the sectors stemming from empirical results. In most cases, the differences between the sectors deal with other issues, such as financing, profit orientations, level of devotion to work or motivation of employees. Comparative research has generally overlooked the role of organisational politics, the importance of which is explored in our study.

4 Finally, the model as suggested here includes a number of variables that have never been tested together before in one model. For example, there have been studies in the past that dealt with job stress and politics (ie Cropanzano et al, 1997), but they did not include a test of negligent behaviour or turnover intentions as an outcome of such emotional distress.

The limitations of our study should also be noted. First, our survey-based data relies on one source and thus is subject to a common method/source error. Second, the study is based on data that was collected in one culture, the Israeli one. It is possible that a multicultural database could provide much more reliable knowledge about differences in politics perceptions and their relationship with organisational performance. Therefore, future studies should explore this option more thoroughly. In addition, it may also be useful to extend our view and to examine the relationship between politics and additional aspects of performance such as actual turnover or organisational citizenship behaviour in a cross-sectoral perspective. Controlling for variance in personality and behavioural dispositions and characteristics can be of merit with such a strategy.

Finally, while the examination of politics in organisations began about four decades ago, it continues to attract scholarly attention from various perspectives even today. It seems that even as research accumulates in this arena, there are many other questions that remain unclear and await discussion and empirical examination across organisations, sectors, time, and cultures. We close our study with a statement by Pfeffer (1992), who suggested that:

Organisations, particularly large ones, are like governments in that they are fundamentally political entities: to understand them, one needs to understand organisational politics, just as to understand governments, one needs to understand governmental politics. (p 8)

The proximity of political and managerial spheres takes a unique form in public sector organisations, where governmental politics mixes with professional managerialism. Thus, this article is another attempt to uncover the linkage between politics and performance in organisations, this time from a cross-sectoral perspective.
Acknowledgements

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References


Perceptions of politics and perceived performance in public and private organisations


