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**IMPACT OF ORGANIZATIONAL POLITICS  
ON EMPLOYEES' WORK OUTCOMES IN  
THE PUBLIC AND THE PRIVATE BANKING  
SECTORS – A STUDY OF FEW SELECTED  
PUBLIC AND PRIVATE SECTOR BANKS**

**By**

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## ABSTRACT

This research mainly to be based and simplified the model of perceived organizational politics proposed by Ferris, Russ and Fandt (1989). Four constructs mentioned there are perception of organizational politics, job satisfaction and two moderators, perceived control and understanding are taken for consideration. Further the locus of control introduced by Robbins (2005) will be also taken as the next construct.

The research studies done on the relationships between the above mentioned variables seems to be inconsistent. Some research has found no correlation between these variables whereas other studies indicate a weak to moderate relationship between these variables.

Many theoretical findings and researches on the perception of organizational politics – job satisfaction relationship have been done in the western organizational context. It seems information about Sri Lankan environment is almost nil. The researcher through this present study will try to determine whether there is a relationship, positive or negative among the above mentioned five constructs in the Sri Lankan environment.

In order to do this exercise within the industry, the researcher selected the commercial banking sector as it is the most developed and promising sector. For the study, 300 employees from the commercial banking organizations currently engaged in the commercial banking sector were selected as the sample. The sample respondents were chosen randomly. After one month long questionnaire collection, 300 useful questionnaires are collected to identify the relationship in this research.

The data was analyzed by using regression analysis and correlation analysis. The test of hypotheses of the study was done with the help of the analyzed data.

The results indicate that locus of control positively related to perceived organizational politics. In other words, the internal locus of control personalities perceive lower level of organizational politics and external locus of control personalities perceive higher level of organizational politics. Perceived organizational politics negatively impact on job

satisfaction. Perceived control and understanding have the moderating effects on the negative relationship between perceived organizational politics and job satisfaction. Besides, internals acquire higher job satisfaction compared to externals.

Anyway, these conclusions were drawn subject to number of limitations. The suggestions for the further studies made with the aim of refining these conclusions by eliminating the indicated limitations

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

