

# **MODERATING EFFECT OF INTERNAL-LOCUS OF CONTROL ON THE RELATIONSHIP BETWEEN PERCEIVED ADMINISTRATIVE BEHAVIOR OF LEADERS AND PERCEIVED ORGANIZATIONAL POLITICS**

*Titima Vechpong*

*Treetip Boonyam*

## **Introduction**

Since 1997, Thai telecommunications businesses have had to adapt to an ever increasing business competition. Companies have downsized or re-engineered their organizations. Until now, high competition in Thai telecommunications businesses is still increasing, because of the takeover from international companies. Because of that, employees have to show how worthy they are to the company. This reason is the main factor that brings about organizational politics. Not only is organizational politics the present in the working atmosphere, the chief's behavior is more influencing to their subordinates' attitude. When the employees feel how well the heads are, they will act in positive ways, but maybe the level of Internal-Locus of Control can change this relation into the opposite.

## *Organizational Politics*

Organizational Politics is the personal or group informal activities or actions that they are doing for acquiring and maintaining their illegitimate power in the organization. In political science, political behavior is a fact of organizational life. Politics and political behavior exist in every organization and leading people to accomplishment (John M. Ivancevich and Michael T.

Matteson, 1999). Helge Drummond (2000: 164) stated that political behavior is like the two sides of a coin; positive or negative effects to the organization and people. If this behavior is not happen violently and takes time too long, it is often to be good to employees. The organization has to create a good climate in the work place such as clear objectives and clear communication. It is the duty of the leaders to have these in place within an organization.

#### *Administrative Behavior of the Chief*

From this study, we found that Leaders' administrative behavior is the substantial factor leading to organizational politics. With the power the leader has, he/she has influences over his/her subordinates which make the leaders' management behavior very important. Hoy and Miskel (1982) stated that there are 4 factors of leaders' behavior; leadership, decision making, motivation, and communication, are importance and directly affecting the leaders' success. The good chief would have leadership, which is an art, for managing subordinates to achieve the objectives. In the uncertainty situation, the leaders should make a decision and motivate their subordinate to pass through the critical situation with a responsibility, that let's the subordinates trust on them. And communication is more importance, because the leader is between organization and employees, so clearly communication can make a right understanding among them.

#### *Internal-Locus of Control*

Other than leaders' administrative behavior- Locus of Control is also crucial. According to Rotter (Mark G. McGee and Devid W. Wilson. 1992), the internal - Locus of Control refers to whether an individual believes in internal control, that reinforcements are due to one's own efforts. When people do not believe in their abilities, they will participate in political behavior for making themselves security. Someone who believes in his/herself will

have the confidence to handle any obstacles such as behavior of the chief. So in this study, internal-Locus of Control should have any effects on the relationship between leaders' administrative behavior and organizational politics.

### Purpose of the study

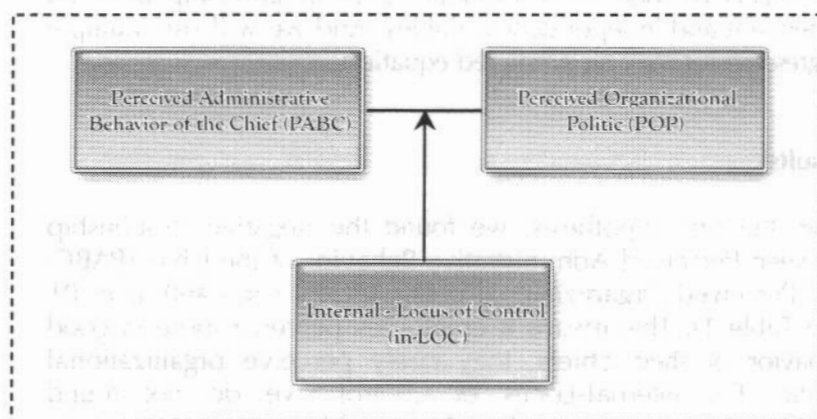
The present research has been designed to investigate the correlation of Perceived Administrative behavior of the chief with Perceived Organizational Politic. The Moderator role of Internal-Locus of Control is also explored in this study.

The hypotheses of this research are;

**Hypothesis 1.** Subordinates who have low Perceived Administrative Behavior of the Chief (PABC) will have high Perceived Organizational Politic (POP). But high Internal-Locus of Control (in-LOC) can reduce the Perceived Organizational Politic (POP), although the employees have low Perceived Administrative Behavior of the Chief (PABC).

**Hypothesis 2.** Perceived Administrative Behavior of the Chief (PABC) and Internal –Locus of Control (in-LOC) can predict Perceived Organizational Politic (POP).

Figure 1: Theoretical Framework



## Method

### Sample

With simple random sampling, the subjects of 115 persons but response the questionnaires only 92 persons (40 males, 52 females) from a subsidiary in a leading telecommunications company in Thailand and have to work unless 1 year in Bangkok area. Their age between 21 to 45 years, majority education is bachelor degree (37%) and they work for the company more than 2 years, half of them work more than 8 years.

### Instruments

The researchers collected data with 4 questionnaires to assess the variables of interest. Except for general knowledge, which multiple choices, and Perceived Organizational Politic (6-point), all items were assessed by 5-point response scales. All the questionnaire are Perceived Administrative Behavior of the Chief authored by Somnuek Thonglaiat (2001), Perceived Organizational Politic authored by Viladluk Chualvallee et al.(2004), and Internal-Locus of Control authored by Wondee Suthinarakorn (2000), evaluated with descriptive statistics and explored the relationship between the variables with Pearson's correlation coefficient and Hierarchical Regression for examining the effects of Moderator variable to the relationship between dependent and independent variables. And we will use Multiple Regression for making predicted equation.

## Results

From the first hypothesis, we found the negative relationship between Perceived Administrative Behavior of the Chief (PABC) and Perceived Organizational politic (POP),  $r = -.460$ ,  $p = .01$  (see Table 1). This means if employees perceive more in good behavior of their chiefs, they rarely perceive organizational politic. For Internal-Locus of Control, we do not found significantly correlation to the other variables.

**Table 1:** Means and Standard Deviations for and Correlations between Variables.

Variables	Mean	SD	Correlations		
			PABC	POP	In-LOC
PABC	3.5303	.762	1		
POP	3.3331	.587	<b>-.460*</b>	1	
In-LOC	3.3043	.325	.144	-.174	1

\* p = .01

The results of Hierarchical Regression reveal the variance in POP that explaining by PABC,  $R^2$  Change = .211, F change = 24.103,  $p = .01$ . And we found the same results, significant negative relationship, with 4 factors of the leader's management, which are leadership, decision making, motivation, and communication to Perceived Organizational Politic. Although we are interesting in internal Locus of Control (in-LOC), we have not found the significantly effect of this variable to the relation (see Table 2).

**Table 2:** The Moderating effects analysis by using Hierarchical Regression.

Variables	POP		
	$R^2$	$R^2$ change	F change
Perceived Administrative Behavior of the Chiefs (PABC)	.211	.211	<b>24.103*</b>
Leadership	.205	.205	<b>23.196*</b>
Leadership X in - LOC	.206	.001	.082
Decision making	.211	.211	<b>24.002*</b>
Decision making X in - LOC	.217	.007	.769
Motivation	.176	.176	<b>19.211*</b>
Motivation X in - LOC	.180	.004	.476
Communication	.136	.136	<b>14.200*</b>
Communication X in - LOC	.143	.007	.746
PABC X in - LOC	.216	.004	.484

\* Sig F = .01

And for the second hypothesis, we can make summarize an equation to predict Perceived Organizational Politic (POP) from all variables as follows:

$$Y' = 3.601 - .061 x_1 + 1.317 x_2$$

when  $x_1$  = Perceived Administrative Behavior of the Chief (PABC)

$x_2$  = Internal – Locus of Control (in-LOC)

$Y'$  = Perceived Organizational politic (POP)

### Discussion

These results reveal correlation between Perceived Administrative Behavior of the Chief and 4 elements, which are leadership, decision making, motivation, and communication, to Perceived Organizational Politic. From the theory, because leaders have got the power in the office, what they are doing has direct impact on their subordinates. Showing how importance the leader is to the organization, when employees perceive incorrect behavior of their leader such as ambiguously communication, unfair, or unreasonable, they maybe think their leader make organizational politic behavior his/herself and it is not good for the company.

In this study, the researchers have explored the effects of moderator variable and Internal-Locus of Control. This means the employees who have high or low in internal – Locus of Control will perceive organizational politic in the same way, although they have perceived less in the administrative behavior of the chief. This result is different from the first hypothesis.

From the context of the subjects who work for the company for a long time, at least 2 years and half of them work more than 8 years, show that they have loyalty for the organization or they are pressured to work in this organizational climate. Maybe this organization has effective management tools such as job rotation, and appropriate evaluation, leading employees to confidence themselves or feeling security. About job rotation, employees are not concerned about working along with their chief, because they will work in the position and have

to rotate in time limit (Jerald Greenberg and Robert A. Baron. 2003). While they are feeling confident and secure on their work, the Internal-Locus of Control (in-LOC) do not show more influences on them. In effective performance evaluation system, it should be minimizing dissatisfaction, especially when higher level of employee participation in the evaluation process, because they confident in the outcomes of their performance (John M. Ivancevich and Michael T. Matteson, 1999).

To be in line with the study of Pantong Suwonnajuta (1995), the researcher studied the correlation between locus of control and job satisfaction of 220 police officers. He found the negative correlation between the variables and explained that because of context in job environment and expectation. Rotter (1966 cited in Mark G. Mcgee and Devid W. Wilson. 1992) suggested that generalized expectancies exist and one example of that is locus of control. We can say that expectation of employees influences internal-locus of control. People learn from situation and when they know it is hard to control anything because of other power, external-locus of control will be increasing.

The Perceived Administrative Behavior of the Chief and Internal-Locus of control can be used to predict Perceived Organizational Politic. It is necessary for companies to prevent organizational politics behavior from occurring in the work place, especially more in politic behavior, affecting employees' job satisfaction (Jerald Greenberg and Robert A. Baron. 2003).

However, the researchers faced 2 limitations of this study. First, we have a limited time for this research because we do this job for course. And the second one is the subjects who participate in this study are only small group because only 115 employees work in Bangkok area, but only 92 persons respond to the questionnaires.

Perceived Organizational Politic (POP) is interesting to study. We suggest that in the future the researchers can expand the study to other groups of subjects or compare the differences in Perceived Organizational Politic (POP) on employees in different business for exploring how contexts or other factors have effects on Perceived Organizational politic (POP).

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