
The Impact of Organizational Justice on Organizational Politics at Islamic Financial Based Organization in Malaysia

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ABSTRACT

The current study investigated the relationship between organizational justice and organizational politics in Islamic financial based organization in Malaysia. Using disproportionate stratified random sampling method, a sample of 291 non-executive workers working at Islamic financial based organization of Malaysia selected for further analysis. For measurement, this study has adopted by Colquitt (2001) for organizational justice and adopted by Ferris and Kacmar (1992) for organizational politics. This study using factor analysis and correlation analysis to indicate the relationship between organizational justice and organizational politics. The analysis of data showed that the organizational justice has positive impact on organizational politics. The results also indicated that dimension of organizational justice (aspects explanation justice, sincerity justice, distributive justice and procedural justice) have significant and positive or negative impacts on organizational politics (self-interest politics and worker-employer cooperation politics).

Keywords: organizational justice, organizational politics, aspects explanation, sincerity, procedural, self-interest, worker-employer cooperation, Islamic financial institution.

INTRODUCTION

Organizational justice is one thing that should be emphasized in the organization to establish fairness among workers in workplace. The existence of organizational justice can reduce the occurrence of political games among workers. It also shows that when organization justice is practiced well, the manipulation of power and discrimination will also be reduced in workplace. In the work environment, organizational justice has a relationship with the organizational politics through performance appraisal workers (Ferris & Kacmar, 1992). In this situation, manipulation of power and influence tactics designed to achieve the results to the workers (Preffer, 1992). Therefore, this impact leads to a tendency to organizational justice towards organizational politics in the workplace.

Generally, organizational justice give impacts to organizational politics related to the work procedure which practiced by the employer (Folger & Knovsky, 1989). The organizational justice is used to see the effect of the organizational politics that applied in increment and promotion process in workplace (Greenberg, 1986). In legal contexts, organizational politics show that organizational justice more closely related to the assessment of the organizational system and assessment of the specific courses (Greenberg, 1986). This is explained by Lind and Tyler (1988) that the organizational justice have a strong impact on the attitude and authority especially in the determination of the increment and promotion workers. Therefore, organizational justice viewed as a trigger to the occurrence of organizational politics in the workplace.

LITERATURE

Organizational Justice

Organizational justice refers to justice in an organization (Greenberg, 1990). In the work environment, organizational justice viewed as a requirement for workers where it is used to promote the welfare and

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rights of workers (Bakhsi, Kumar & Rani, 2009) including impact on the attitude of the employees' job satisfaction, tendency layoffs and work commitments (Colquitt, Conlon, Wesson, Porter & Ng, 2001). These effects also lead employees to negative behavior in workplace such as absenteeism.

Organizational justice also can improve attitudes and behaviors related to organizations such as commitment, trust and performance (Colquitt et al. 2001). In previous study, organizational justice focused on creating performance related to the willingness of workers to perform their tasks (Moorman, 1991). This relationship are more likely to respond to the behavior of workers to their job role (Suliman, 2007).

According to Ambrose and Arnaud (2005) organization justice have three dimensions, namely distributive justice, procedural justice and interactional justice. Distributive justice means the perception an individual have in an organization about fairness of rewards from organization (Iqbal, 2013). Reward may be distributed on the basis of equity and their work performance and individual perceives it fair in comparison with his coworkers (Alsalem & Alhaiani, 2007). Procedural justice shows that the neutrality of the formal procedures and the rules that control a system (Nabatchi & Good, 2007). It has been observed that workers have perception of procedural justice if supervisors provide sufficient information about their decisions regarding procedure (Greenberg, 1986). Interactional justice means the nature of association between supervisors and subordinates (Mohyeldin & Tahire, 2007). Therefore, organizational justice is very important to the organizations because affects productivity and behavior of employees.

Organizational Politics

Politics is concerned with the management and decision making in social groups (Doldor, 2007). Although political behavior can generate positive and negative effects but most researchers focus on the negative effects (Ferris & King, 1991). Politics is a negative form of behavior which is not permitted by the organization. It can be seen that politics can also be classified as self-interest like taking credit from other people's work, building consolidation, personal attacks on workers who complete for the same resources and make decisions based on favoritism (Atinc, Darrat, Fuller & Parker, 2010). Political behavior is one of the trend toward creating a work environment that is dangerous and divisive situation, reducing the efficiency and effectiveness of the organization, and have very harmful effects on workers (Kacmar & Baron, 1999). This shows that the organizational politics occurred among workers in an organization.

Organizational politics occurs when someone influence a process that has been formulated to provide competition to the benefit inherent in the organization (Doldor, 2011). Ullah, Jafri and Dost (2011), organizational politics caused by the existence of multiple interests and individual goals inappropriate and outside the organization's goals of techniques used influence a person to defend their interests. The organizational politics is seen as an activity within the organization to acquire, develop and use power, and other resources for workers to achieve accord in situation where resources are limited (Pfeffer, 1981). Kurchner-Hawkins and Miller (2006) have agreed that the organizational politics is the power of influence that occurs outside formal organizational processes and organizational procedures.

According to Ferris, Russ and Fandt (1989), organizational politics have three dimensions such as general behavior politics (GBP), go along to get ahead (GAGA) and pay and promotion policies (PPP). General behavior politics means the behavior of workers who act politically. It explains that the employees worked for himself to achieve a worthwhile outcomes in organization (Gull & Aylia, 2012). Get along to get ahead politics shows that silent actions by workers. The workers do politics to achieve personal behavior through action silently and also trying to avoid from conflict happen in the organization (Gull & Aylia, 2012). Pay and promotion policy defined as politics that exists when there is a change in the company policy. Generally, changes in the company's policy related to salary and promotion that affect worker performance appraisal (Gull & Aylia, 2012). The effect of these changes will create an organizational politics in the organization.

METHODOLOGY

Respondents for this study were non-executive workers who working at Islamic financial based organization in Malaysia. In this study, quantitative approach was used because allows the relationship between the variables identified and tested. That approach was also used to receive

variety of responses from a number of subjects participated in this study. Participants who were randomly selected from Islamic financial based organization for this study were 291 non-executive workers from all department at Peninsular Malaysia. Each subject was sent instruction of the questionnaire describing this study, direction for completing the questionnaire. A total of 291 subjects responded to the survey.

Of the 291 subjects, 171 (58.8%) were males while 120 (41.2%) were females. The status of sample was 236 (81.1%) married, 43 (14.8%) single, 7 (2.4%) widow, and 5 (1.7%) widower. For level of education background, 170 (58.4%) were SPM, 71 (24.4%) diploma, 42 (14.4%) bachelor, and 8 (2.7%) master degree.

Organizational Justice Measurement

Organization justice of measurement was developed by Colquitt (2001). To measure the effects of organizational justice is seen in three dimensions, namely distributive justice, procedural justice and interactional justice. Distributive justice measured with 4-items, namely effort, responsibility, contribution and job performance. The reliability test result for this item is $\alpha = 0.89$. Procedural justice measured with 7-items, namely opinion, opportunity, consistency, no biases, complete information, improve work and morale. The reliability test result for this items is $\alpha = 0.85$. Interactional justice consist of 9-items to measure including courteous, dignity, respect, encourage, bluntly, guidance, punctual, conscientious and communicate. The Crobach's Alpha result is $\alpha = 0.91$ (Shapiro, Harper, Startup, Reynolds, Bird & Suokas, 1994).

Organizational Politics Measurement

In measuring organizational politics, this study has adopted instrument conducted by Ferris and Kacmar (1992). Organizational politics were assessed using a 31-items measure that examined various aspects of political behavior in organization. To measure the effects of organizational politics is seen in three dimensions such as general behavior politics, get along to get ahead and pay and promotion policy. Employees responded on a 1-4 Likert-type scale the extent to which they agreed with each statement as it reflected their present work environment. The Crobach's Alpha reliability for the aggregate measure of politics perception was $\alpha = 0.91$.

ANALYSIS DATA

The data collected for this study were analyzed by using reliability test, factor analysis and correlation analysis. Reliability test was used to see how far the scale is free from error and produces consistent results between multiple instruments of the variables (Gay & Diehl, 1996). Factor analysis was used to determine the dimensions of the variables (Coakes & Steed, 2010). Correlation analysis is a method used to assess the strength and direction of the relationship between two variables (Gay & Diehl, 1996).

FINDING

Data Screening

In this process reliability and normality of data are examined. Reliability values of organizational justice is $\alpha = 0.907$ and organizational politics is $\alpha = 0.716$. In normality, Skewness and Kurtosis test values should be inside ± 1.96 . Therefore, organizational justice and organizational politics have a normal data.

Factor Analysis

KMO, Barlett, MSA and Partial Correlation were tested in the factor analysis. This test have satisfied the requirement to proceed the factor analysis. The KMO value should be above 0.5, the Barlett test was significant at $p < 0.05$, MSA values are well above 0.5 and lastly Partial Correlation value should be below than 0.7.

Organizational Justice

The factor analysis has shown that the KMO value is 0.884. Barlett's test value is significant at $p < 0.05$. In this study, five factors revealed in Eigen value score and cumulative total is 67.415%. In rotated component matrix shows that one component (factor 5) should be discard from the analysis because not achieve a sufficient degree of reliability.

Table1. Reliability Test for Organizational Justice after Factor Analysis

Organizational Justice	Cronbach’s Alpha (α) after factor analysis
Factor 1 (Aspect explanation)	0.914
Factor 2 (Sincerity)	0.890
Factor 3 (Distributive Justice)	0.728
Factor 4 (Procedural Justice)	0.716

Table 1 has shown that Cronbach’s Alpha value (α) for organizational justice after analysis factor. Factor 1 consists of 6 items which Cronbach’s Alpha value is 0.914. Researcher rename as aspect explanation. Factor 2 consists of 6 items which Cronbach’s Alpha value is 0.890 and renamed as sincerity. Renaming the factor 1 and factor 2 as recommended by Bies and Moag (1986). Factor 3 consists of 4 items which Cronbach’s Alpha value is 0.728 and renamed as distributive justice. Factor 4 consists of 4 items which Cronbach’s Alpha value is 0.716 and renamed as procedure justice. Renaming the factor 3 and 4 as recommended by Colquitt (2001). Therefore, all of these factors can be used for further analysis.

Organizational Politics

The factor analysis has shown that the KMO value is 0.771. Barlett’s test value is significant at $p < 0.05$. In this study, nine factors revealed in Eigen value score and cumulative total is 61.205%. In Rotated Component Matrix shows that seven components (factor 3, factor 4, factor 5, factor 6, factor 7, factor 8 and factor 9) should be discard from the analysis because not achieve a sufficient degree of reliability.

Table2. Reliability Test for Organizational Politics after Factor Analysis

Organizational Politics	Cronbach’s Alpha (α) after factor analysis
Factor 1 (Self-Interest)	0.701
Factor 2 (Worker-Employer Cooperation)	0.768

Table 2 revealed Cronbach’s Alpha value (α) for organizational politics after factor analysis process. Factor 1 consists of 6 items which Cronbach’s Alpha value is 0.701. Based on meaning of each item, researcher has rename as self-interest. Factor 2 consists of 6 items which Cronbach’s Alpha value is 0.768. Refer to meaning of each item, this factor renamed as worker-employer cooperation. Therefore, only two factors of organizational politics can be proceeded for the further analysis.

Relationship between Aspect Explanation, Sincerity, Distributive Justice, Procedural Justice, Self-Interest and Employee-Employer Cooperation.

Table 3 has shown that relationship between organizational justice dimensions and organizational politics dimensions. Correlation analysis results showed that aspect explanation and procedural justice have significant relationship with self-interest in which value $r = -0.177$ and $r = -0.175$, significant at $p < 0.05$. Both of dimensions have negative direction relationship with self-interest. However, in this correlation analysis explained that sincerity and distributive justice no relationship with self-interest.

Table3. The result of correlation analysis between aspect explanation, sincerity, distributive justice, procedural justice, and self-interest and worker-employer cooperation.

Organizational Justice	Self-Interest	Employee-employer Cooperation
Factor 1 (Aspect explanation)	-0.177**	-0.154*
Factor 2 (Sincerity)	-0.098	-0.241**
Factor 3 (Distributive Justice)	0.039	-0.099
Factor 4 (Procedural Justice)	-0.175**	-0.253**

Note: **Significant at confidence level $p < 0.05$, * Significant at confidence level $p < 0.01$

The second dimension of organizational politics namely as worker-employer cooperation which has a significant relationship with aspect explanation, sincerity and procedural justice. All three dimensions (aspect explanation, sincerity, procedural justice) showed that $r = -0.154$, $r = -0.241$ and -0.253 , significant at confidence level $p < 0.05$ and $p < 0.01$. In additional, three dimensions show negative direction. However, relationship between distributive justice and worker-employer cooperation have no significant relationship because r value is weak.

DISCUSSION

The researcher has been discussed the relationship between organizational justice and organizational politics in Islamic financial based organization at Malaysia. This study showed that aspect explanation have a significant and negative relationship to self-interest. Aspect explanation is one thing should be emphasized to ensure that workers can do the job properly in the workplace. This means that the leader must always give clear instruction to workers because to prevent from any problem related to work such as cannot complete the work on time, not complete the scope of work and always make mistakes in carrying out the work (Bass, 1990). Leaders should always be honest with workers especially to assigning the task and give instruction in the workplace. This is because when the leader give clear information to workers, then can help workers to understand details about the tasks. In addition, leaders should be communicate with workers to ensure that all employment problems faced can be solved successfully. Indirectly, the leaders have reduced self-interest which leader will control and reduce power in decision making related to workers. This is because leaders want to get information from workers who can assist in existence a good administration in workplace.

The leaders need to ensure that all information provided to workers related to employment information. The leaders need to filter all the information before it is given to workers because unlimited information will be reduce the motivation (worker-employer cooperation) in the workplace. For example, new workers will lose motivation if they are informed in advance of the implementation of the Voluntary Separation Scheme (VSS) in the organization. This is because new workers will feel that they will receive the impact of the implementation of the VSS. Indirectly, the new workers motivation will decrease when leaders do not limit the information to workers in workplace. Therefore, this situation will also lead to a reduction in the commitment and competence of new workers in the organization.

Procedural justice is a matter to be taken seriously in the administration because decision making through procedure agreed with the workers will be able to create harmony environment in organization such as reduction of bias and improve the management of ethical norms (Leventhal, Karuza & Fry, 1980). Normally, when leaders perform leadership based on fair procedures, then the worker will give full commitment in their tasks. This is because workers can feel that the administration conducted by their leader are just and fair in workplace. The existence of work procedure could have a positive impact on the management which can be reduce the self-centered behavior. This is because leaders have to follow the procedures laid down by headquarters. Then, leaders cannot simply make decision or perform work without obtaining permission from the higher authorities in organization.

In the work environment, procedural justice is a necessary thing is to ensure that all tasks are done correctly and fairness (McFarlin & Sweney, 2014). Usually leaders will follow the procedures laid down by the higher authorities to ensure that all work done will benefit the workers and the organization, for example improvement workers commitment and to achieve organization goals. However, work procedure also can reduce cooperation between workers and employers such as conciliation process. Refer to section 18(1) Industrial Relations Act 1967 stated that where a trade dispute exists or is to be reported to the Director General by employers who are parties to the dispute or employer trade union representing employers in the dispute or worker trade union who are parties to the dispute. This situation shows that when existence of dispute between workers and employers, the two parties can continue to report to the Director General without discussion session to resolve the disputes properly. Therefore, the conciliation procedure will reduce worker-employer cooperation to achieve a solution to the dispute.

Conflict management is an important at Islamic financial based organization in Malaysia. This means that the leaders must be resolve conflicts with practice a good relationship with workers. The leaders always communicate and collaborate with workers will be able to reduce conflicts occur in the workplace (Bass, 1990). When leaders force to maintain a good relationship with workers because to resolve the conflict, then it is clear that sincerity is low in self-leader. In this situation prove that sincerity justice have significant relationship and negative direction on worker-employer cooperation in organization.

CONCLUSION

This study has successfully explored and examined the relationship between organizational justice and organizational politics at Islamic financial based organization in Malaysia. The researcher found that aspect explanation and procedural justice have significant relationship with self-interest. The aspect explanation, sincerity and procedural justice have significant relationship with worker-employer cooperation. Therefore, the existence of organizational justice dimension will give impact to organizational politics either negative or positive in the workplace.

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