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THE EFFECT OF LEADER-MEMBER EXCHANGE, CO-WORKER COOPERATION AND LOCUS OF CONTROL ON EMPLOYEE OUTCOMES IN LEBANESE SMES: PERCEPTIONS OF POLITICS AS A MEDIATOR

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Abstract

Purpose – This study aims to investigate the nature of the relationships between three variables (leader-member exchange, locus of control and co-worker cooperation) and two employee outcomes (job satisfaction and turnover intention). It also examines whether these relationships are mediated by perceptions of politics.

Design/methodology/approach – Survey data was obtained from 300 employees from Lebanese SMEs located between Tripoli and Beirut. Mediation was tested using Baron and Kenny (1986)'s framework.

Findings – Results revealed that leader-member exchange and co-worker cooperation are positively related to job satisfaction and negatively related to turnover intention. Locus of control, on the other hand, is negatively related to job satisfaction and positively related to turnover intention. Also, perceptions of politics partially mediated some of these relationships while it fully mediated others.

Originality/value – This study extends research on organizational politics to Eastern cultures by examining SMEs in a country like Lebanon. It also attempts to explain inconsistency in the literature by adding a mediating variable to the model of determinants and employee outcomes. That is, it suggests that the effect of leader-member exchange, locus of control and co-worker cooperation on outcomes is through the mechanism of perceptions of politics.

Keywords

Perceptions, organizational politics, leader, locus of control, cooperation, satisfaction, turnover, SMEs
1. INTRODUCTION

The purpose of this study is to examine the relationships between three determinants (locus of control, leader-member exchange and co-worker cooperation) and two employee outcomes (job satisfaction and turnover intention). While co-worker cooperation was rarely explored in prior literature (e.g. Lee, Teng & Chen, 2015; Marzuki, Permadi & Sunaryo, 2012), leader-member exchange and locus of control yielded inconsistent results. The current study attempts to explain this inconsistency by exploring the role of perceptions of politics in mediating the relationships between these three determinants and employee outcomes. In addition, because most of the studies on politics were conducted in Western countries (Kimura, 2013), additional research should be done in non-Western contexts. The focus of the study is on Lebanon, a country where employees are said to experience higher politics and uncertainty in the workplace (Elkhalil, 2017).

Organizational politics is an emerging phenomenon that was widely investigated by researchers (e.g. Agarwal, 2016; O’connor & Morrison, 2001; Miller & Nicols, 2008; Brouer, Harris, & Kacmar, 2011). Prior literature has shown that politics in the workplace has harmful effects on employee attitudinal and behavioral outcomes (Brouer et al., 2011; Miller, Rutherford, & Kolodinsky, 2008; Harris, Andrews, & Kacmar, 2007; Mishra, Sharma, & Swami, 2016; Kimura, 2013; Johnson, Rogers, Stewart, David, & Witt, 2017; Rashid, Karim, Rashid, & Usman, 2013; Chen & Indartono, 2011). Because it is unavoidable in organizations ( Olson, Bao, & Parayitam, 2014; Wiltshire, Bourdage, & Lee, 2014), organizational politics was the focus of prior literature (Ferris & Kacmar, 1992). Ferris, Russ, and Fandt (1989) conceptualized a model of perceptions of politics (POP) that explores the consequences of politics in the workplace as well as the factors contributing to its emergence. More specifically, the model encompasses organizational, work environment and personal influences in addition to outcomes such as job satisfaction, job involvement, job anxiety and organizational withdrawal. Based on Ferris et al. (1989)’s model, subsequent studies developed different models that include other antecedents and outcomes of politics (e.g. O’connor & Morrison, 2001; Muhammad, 2007; Mishra et al., 2016; Poon, 2003).

Researchers provided several definitions for organizational politics and political behavior. For instance, Ferris, Harrell-Cook, and Dulebohn (2015) defined organizational politics as “organizationally non-sanctioned behavior, with underlying, but concealed, self-serving intent” (p.90). Valle and Perrewe (2000) argued that political behavior is “the exercise of which is strategically goal directed, rational, conscious, and intended to promote self-interest, either at the expense of or in support of others’ interests” (p.361). Political behavior emerges from the conflicts between individuals and groups regarding the allocation of resources (Pettigrew, 1975). It is an informal way of receiving rewards in highly political environments (Olson et al., 2014). Although it is not part of any organizational role, it affects the distribution of advantages in the organization (Farrell & Peterson, 1982).

Measuring politics in an organization should be based on employees’ perceptions and evaluations. In reality, a political behavior is viewed as good or bad based on how it is perceived (Parker, Dipboye & Jackson, 1995). Miller and Nicols (2008) argued that each individual’s perception of the work environment depends on personal characteristics and organizational factors. The same behavior can be considered political by one individual and non-political by another (Andrews & Kacmar, 2001). It all depends on prior experience and reference (Kacmar, Bozeman, Carlson, & Anthony, 1999). Ferris, Adams, Kolodinsky, Hochwarter and Ammeter (2002) stipulated that employees’ perception of reality – whether right or wrong – is what determines their behavior in the organization. From this angle, most of the research on politics emphasized perceptions of politics (e.g. Agarwal, 2016; Chang, Rosen, Siemieniec, & Johnson, 2012; Hassan, Vina, & Ithnin, 2017).

The majority of politics literature examined a model of perceptions of politics with a set of antecedents and outcomes (e.g. Muhammad, 2007; Poon, 2003; Mishra et al., 2016). Nevertheless, few are the studies that addressed the mediation of politics on the relationships between antecedents and outcomes (e.g Meisler & Vigoda-Gadot, 2014; Miller & Nicols, 2008). It is therefore important to further explore this mediating role and determine whether antecedents affect outcomes through the mechanism of politics.
Accordingly, the current study aims to answer the following research questions:

Do perceptions of politics mediate the relationship between leader-member exchange and employee outcomes?

Do perceptions of politics mediate the relationship between locus of control and employee outcomes?

Do perceptions of politics mediate the relationship between co-worker cooperation and employee outcomes?

2. CONCEPTUAL BACKGROUND

2.1 Leader-Member Exchange and Employee Outcomes

Leader-member exchange is one of the most common theories that examine the dyadic relationship between leaders and subordinates (Rosen, Harris, & Kacmar, 2011). The theory explains that leaders treat subordinates differently (Dansereau, Graen, & Haga, 1975).

More specifically, in-group members have high-quality exchanges with the leader, characterized by support, trust and interaction (Andrews & Kacmar, 2001; Martin, Thomas, Charles, Epitropaki & McNamara, 2005; Rosen et al., 2011; Kimura, 2013). They are given challenging tasks and increased autonomy (Tse & Troth, 2013). They are also motivated to achieve the leader’s requirements and reciprocate being in the in-group by producing better work (Martin, Guillaume, Thomas, Lee, Epitropaki, 2016).

Out-group members, on the other hand, have a limited support from the leader, a lack of information access (Rosen et al., 2011) and fewer empowerment opportunities (Tse & Troth, 2013). They are required to follow the formal work contract without being given any autonomy (Martin et. al, 2005; Tse & Troth, 2013). In other words, out-group members fulfill nothing more than their prescribed job duties and responsibilities (Rasouli & Haghtaali, 2009). Tse and Troth (2013) argued that in low-quality exchanges, subordinates experience criticism, misunderstanding and poor communication. They might also experience uncertainty and anxiety (Rosen et al., 2011). This is what affects their perceptions of fairness, their interpretation of jobs (Rosen et al., 2011) and their understanding of the decisions that affect them (Kacmar et al., 1999).

A large stream of literature emphasized how leadership affects employee outcomes (e.g. Katrinli et al., 2010; Morrow, Suzuki, Crum, Ruben & Pautsch, 2005; Harris, Kacmar, & Witt, 2005; Wells & Peachey, 2011). In his book “Effective Leadership: Theory, Cases, and Applications”, Humphrey (2014) explained that leader-member exchange quality not only affects employee performance but also to their satisfaction and commitment.

Previous studies have indicated that good exchanges with the leader are related to higher job satisfaction (e.g. Rasouli & Haghtalal, 2009; Katrinli et al., 2010). Rasouli and Haghtaali (2009) argued that subordinates who have good interactions with the leader usually get more rewards and therefore become more satisfied. Katrinli et al. (2010) explained that because ingroup members receive more support and feedback from the leader, they usually have positive feelings and increased job satisfaction. Other studies explored the effect of leader-member exchange quality on employee turnover intention (e.g. Abu Elanain, 2014; Morrow et al., 2005; Harris, Kacmar, & Witt, 2005; Schyns, Torka, & Gössling, 2007).

Some studies found that a negative relationship exists between leader-member exchange and turnover intention (Schyns et al., 2007; Abu Elanain, 2014). Other studies specified that good leader-member exchanges can lead to high turnover levels (Morrow et al., 2005; Harris, Kacmar, & Witt, 2005). While good relationships reinforce employee embedment within the organization, they can also foster employee marketability. In other words, in-group employees receive more training and skill improvement which make them attractive to other organizations (Morrow et
al., 2005). The current study suggests that high leader-member exchanges are associated with higher job satisfaction and lower turnover intention. Hence, the following hypotheses are developed:

H1: Leader-member exchange is positively related to job satisfaction
H2: Leader-member exchange is negatively related to turnover intention

2.2 Locus of Control and Employee Outcomes

Locus of control is defined as “an individual’s tendency to believe that he or she controls events in life (internality) or that such control resides elsewhere, such as with powerful others (externality)” (Spector, Cooper, Sanchez, & O’Driscoll, 2001).

Palanisamy (2005) defined locus of control as the extent to which individuals perceive that their actions lead to specific outcomes. Internals are more confident because they believe that consequences are based on their actions (Ng, Sorensen, & Eby, 2006). Capacities define rewards in the organization (Chen & Silverthorne, 2008). Internals also believe that they are responsible for any success or failure (Aubé, Rousseau & Morin, 2007). For this reason, they can be more active in the organization (Rotter, 1996). They are also more motivated and passionate in facing challenges (Nurdiana, 2014).

Conversely, externals usually relate what happens to them to outside forces like chance and luck. This is what makes them lose power in many situations (Palanisamy, 2005). Chiu, Chien, Lin and Hsiao (2005) argued that the differences between internals and externals also lead to differences in their attitudes. While internals can easily cope with stress in the workplace, externals might consider it uncontrollable (Chiu et al., 2005).

Prior studies linked between locus of control and outcomes such as job satisfaction (e.g. Martin et al., 2005; Srivastava, 2013; Patten, 2005) and turnover intention (e.g. Huang, 2006; Ayan & Eser, 2016). Spector (1988) stated that internals are more satisfied with their job because they perceive greater autonomy and control on the job. Martin et al. (2005) suggested that individuals with an internal locus of control experience greater job satisfaction because they can develop good relationships with the leader. Agarwal and Srivastava (2016) found a positive relationship between internal locus of control and job satisfaction. The study focused on different public and private industrial companies. Agarwal and Srivastava (2016) argued that externals are usually less satisfied with their job and experience a greater stress. Basak and Ghosh (2011) examined locus of control for school teachers from different schools in India. Teachers with internal locus of control had higher levels of job satisfaction as compared to those with external locus of control. Similar results were found in a study in Indonesia. Internal locus of control was found to be significantly correlated to job satisfaction (Nurdiana, 2014). Pavalache-Ilie and Ursu (2016) also supported the predictions that internals are more satisfied with their jobs and as a result they experience less burnout. Internals have a greater control over resources which provides them with a better control of things that happen to them (Pavalache-Ilie & Ursu, 2016). Externals, on the other hand, are more disengaged and tired.

Huang (2006) examined the relationships between locus of control and turnover intention in five stars hotels in Taiwan. Correlation results indicated that internal locus of control was negatively related to turnover. Likewise, Srivastava (2013) suggested that individuals with an internal locus of control are more likely to stay with their jobs because they are better performers than externals. Internals are proactive and therefore they receive more rewards and promotions as compared to externals (Srivastava, 2013). This is what increases their commitment and job satisfaction. Ahn (2015), on the other hand, emphasized the role of locus of control in predicting employee mobility. The study found that internals experience an increase in job transitions. Such individuals consider that their own actions shape their lives and therefore they are more active in searching for jobs (Ahn, 2015).

While most of the previous studies resulted in a positive relationship between internal locus of control and job satisfaction (e.g. Agarwal and Srivastava, 2016; Pavalache-Ilie & Ursu, 2016; Nurdiana, 2014; Basak & Chosh, 2011), prior literature was inconsistent in explaining the relationship between locus of control and turnover. This study, therefore needs to address the impact of locus of control on these outcomes. Accordingly, the following hypotheses are developed:
H3: Locus of control is negatively related to job satisfaction
H4: Locus of control is positively related to turnover intention

2.3 Co-worker Cooperation and Employee Outcomes

According to Harris, James, & Boonthamon (2005), co-worker cooperation represents the cooperative efforts and support in the workplace. Co-worker cooperation describes the quality of the relationships between employees (Andrews & Kacmar, 2001). It indicates the extent to which employees willingly work together to contribute to achieving organizational tasks (Chatman & Barsade, 1995). Cooperation and understanding between co-workers enable them to deal with environmental challenges and adversities (Valle & Witt, 2000).

Prior research on the relationship between co-worker cooperation and employee outcomes was relatively scarce (e.g. Lee et al., 2015; Marzuki et al., 2012). For instance, Lee et al. (2015) found that team-member exchange is positively related to job satisfaction. Teamwork and cooperation influence employee outcomes (Lee et al., 2015). Marzuki et al. (2012) addressed the effect of relations with co-workers on job satisfaction in construction companies. The relation with co-workers is assessed in terms of the conflict versus the cooperation, the synergy between them and the support they give to one another (Marzuki et al., 2012). Findings emphasized that work quality and relationships with co-workers are important to employees and influence job satisfaction.

Because there is a limited number of studies examining the relationship between cooperation and outcomes, the current study suggests that co-worker cooperation might increase job satisfaction and reduce turnover intention. Accordingly, the following hypotheses are developed:

H5: Co-worker cooperation is positively related to job satisfaction
H6: Co-worker cooperation is positively related to turnover intention

2.4 The Mediating Role of Perceptions of Politics

Part of previous literature highlighted that the effect of antecedents on outcomes is via perceptions of politics (Saleem, 2015; Meisler & Vigoda-Gadot, 2014; Miller & Nicols, 2008; Poon, 2003; Valle & Perrewe, 2000).

Miller and Nicols (2008), for example, found that perceived politics partially mediate the effect of leader-member exchange and locus of control on distributive justice. It acted as the mechanism through which the study antecedents predicted distributive justice. Valle and Perrewe (2000) also found that politics mediate the relationships between job/environment, personal and organizational antecedents and several employee outcomes related to stress, satisfaction and turnover intent. Meisler and Vigoda-Gadot (2014) studied how politics interact with emotional intelligence in order to shape job satisfaction, turnover intentions and other employee outcomes. While perceptions of politics fully mediated the relationship between emotional intelligence and turnover intention, it acted as a partial mediator for job satisfaction. Meisler & Vigoda-Gadot (2014) concluded that emotions can shape political perceptions in the workplace and therefore impact employee feelings and outcomes. The effect of emotional intelligence on outcomes is indirect, as it is mediated by the way employees perceive the work environment. Vigoda Gadot (2007) investigated the role of perceptions of politics in mediating the relationship between leadership style and employee in-role performance that is organizational citizenship behavior (OCB). Results emphasized that perceptions of politics partially mediate the relationship. The style adopted by managers affects employees’ perceptions of politics which in turn impact their performance. Saleem (2015) also found that perceptions of politics partially mediate the relationship between leadership styles and job satisfaction. Poon (2003) examined a model of perceptions of politics with three predictors (job ambiguity, scarcity of resource and trust climate) and two outcomes (job stress, job satisfaction, and turnover intention). Results indicated that
perceptions of politics partially mediate the relationships between the antecedents and the outcomes.

Although there is a paucity in the studies that addressed the mediating role of perceptions of politics between determinants and outcomes, most of them found that the effect of determinants on outcomes is through political perceptions. From this perspective, this study suggests that perceptions of politics mediate the relationship between antecedents (leader-member exchange, locus of control, and co-worker cooperation) and employee outcomes (job satisfaction, and turnover intention). Accordingly, the following hypotheses also need to be tested:

H7: Perceptions of politics mediate the relationship between leader-member exchange and i) job satisfaction and ii) turnover intention

H8: Perceptions of politics mediate the relationship between locus of control and i) job satisfaction and ii) turnover intention

H9: Perceptions of politics mediate the relationship between co-worker cooperation and i) job satisfaction and ii) turnover intention

3. METHOD

3.1 Sample and Procedure

Participants in this study were employees occupying different positions in Small Medium Enterprises (SMEs) located in Beirut and other in Tripoli. The main reason behind covering these areas is the presence of two chambers of commerce, one located in Beirut and the other one located in Tripoli. The focus is on SMEs because they represent the most active enterprises in the Lebanese economy (Ministry of Economy and Trade, 2014). Participants must meet two requirements before filling the questionnaire. First, they must have a manager and co-workers in the department they work in. In addition, they should have at least three months experience in order to be able to assess the quality of the relationships with the leader and the other members.

Several enterprises within the areas of Tripoli and Beirut took part in the study. The companies surveyed were from different sectors including hospitalization, hospitality and tourism, and commercial.

The 71-items questionnaire was prepared based on comprehensive literature review referring to international and validated questionnaires. Supervisor approval was then obtained on the first draft followed by the approval of a group of experts. All their remarks were considered and the questionnaire was adjusted in order to meet their suggestions and answer the raised points.

The second draft underwent pilot testing, where a group of participants fill in the questionnaire. Then, it was distributed it to a sample of 30 employees from 3 to 4 companies in the regions of the study. The questionnaire was revised again and minor modifications were made to simplify some of the questions and clarify them. The obtained data together with their remarks were used to present the final version of the questionnaire.

3.2 Data Analysis

Completed questionnaires were then coded and entered into Statistical Package for the Social Sciences (SPSS) software program for data analysis version 22.0. Spearman correlations were used to test the relationships between the three determinant variables and the attitudinal and behavioral outcomes. For testing mediation, the study followed Baron and Kenny (1986)’s framework by performing a series of regression analyses. Four conditions must be met by computing the following regression equations:

The independent variable must predict the dependent variable in the first regression equation. The independent variable must predict the mediator variable in the second regression equation. In the third regression, both the independent variable and the predictor are entered together. The result should indicate that the influence of the independent variable on the dependent variable has either reduced or became non-significant (Baron & Kenny, 1986). The reduction in influence shows partial mediation whereas the non-significance indicates full mediation. Several authors applied Baron and Kenny (1986)’s four-steps in assessing mediation
(e. g. Miller & Nicols, 2008; Chen & Silverthorne, 2008; Martin et al., 2005; Wells & Peachey, 2011; Valle & Perrewe, 2000).

3.3 Measures

3.3.1 Perceptions of organizational politics

Ferris and Kacmar (1992)’s thirty-one-item, perception of organizational politics scale (POPS) was used to measure the extent to which employees perceive politics in the workplace. Sample items include:

“Rewards come only to those who work hard in this organization”, “Promotions in this department generally go to top performers”, “People here usually don’t speak up for fear of retaliation by others”. The higher the score is, the higher is the level of perceived politics.

3.3.2 Leader-member exchange

Leader-member exchange was measured using the twelve-item scale of Liden and Maslyn (1998). Sample items include: “I like my manager as a person very much.”, and “My manager would come to my defense if I were “attacked” by others.” A high score indicates higher quality exchanges.

3.3.3 Locus of control

Locus of control was measured using the sixteen-item scale developed by Spector (1988). Sample items include: “People who perform their jobs well generally get rewarded for it” and “Promotions are given to employees who perform well on the job”. A high score indicates external locus of control.

3.3.4 Co-worker cooperation

The three-item scale developed by Podsakoff, Mackenzie, Moorman, and Fetter (1990) was used to measure cooperation between co-workers. A sample item is: “I don’t mind staying back after work to help out co-workers who have heavy workloads”. The higher the score is, the higher is the level of co-worker cooperation.

3.3.5 Job satisfaction

The five-item scale developed by Konrad et al. (1999) was used to measure job satisfaction. Sample items include: “My current work situation is a major source of frustration in my life” and “Overall, I am pleased with my work”. A high score reveals higher job satisfaction.

3.3.6 Turnover intention

Turnover intention was measured using the four-item scale developed by Bluedorn (1982). Sample items include: “It is likely that I will actively look for a new job next year” and “If I had it to do it all over again, I’d still choose to work where I do now”. A high score indicates high turnover intention among employees.

3.3.7 Demographic information

The first section of the survey addressed respondents’ gender, age, education and organizational tenure (number of years within the organization).

4. RESULTS

In total, 300 usable questionnaires were returned. Demographically, the majority of the respondents were between 18 and 45 of age (91%). Only 2% were above the age of 55. Male respondents were slightly more than female respondents. 180 questionnaires were received from males (60%) while 120 were received from females (40%). Moreover, the majority of the respondents
held a bachelor’s degree (44.7%), 28.7% had a Master degree, and 3 respondents only (1%) were PhD graduates. Finally, most of the respondents had an organizational tenure that is less than 5 years (63%).

4.1 Preliminary Analysis

The overall scale reliability had a Cronbach alpha coefficient of 0.766. According to Nunnally (1978), an acceptable reliability should exceed 0.7. Multicollinearity was also tested by examining the correlations among variables (Table 1). All the coefficients were below 0.9. Thus, there is no redundancy among variables. The variance inflation factor (VIF) also showed that all coefficients are below 3, indicating the absence of multicollinearity.

4.2 The Relationship between Determinants and Job Satisfaction

Spearman correlations indicated that all the hypothesized relationships between determinants and job satisfaction were supported (Table 1). Leader-member exchange was positively related to job satisfaction ($r = 0.548$, $p<0.001$). Co-worker cooperation was positively related to job satisfaction ($r = 0.532$, $p<0.001$). This provides support to H1 and H5. Findings also revealed that there is a significant negative correlation between locus of control and job satisfaction ($r = -0.454$, $p<0.001$) and H3 is supported.

4.3 The Relationship between Determinants and Turnover Intention

Correlation results provide support for H2, H4, and H6 (Table 1). Leader-member exchange and co-worker cooperation were negatively related to turnover intention with $r = -0.475$ and $r = 0.454$, $p<0.001$, respectively. In addition, Locus of control was positively related to turnover intention ($r = 0.452$, $p<0.001$).

4.4 Testing Mediation

4.4.1 Hypothesis H4i

For testing H7i, Baron and Kenny (1986)’s three steps were followed. Table 2 shows the results of the regressions performed.

As a first step, job satisfaction (the outcome variable) was regressed on leader-member exchange (the antecedent variable). Results of the simple linear regression showed that leader-member exchange significantly predicts job satisfaction with $\beta = 0.565$, ($p <0.01$).

In step 2, perceptions of politics (the mediator variable) was regressed on leader-member exchange (the antecedent variable). Results showed that leader-member exchange is a significant predictor of perceptions of politics with $\beta = -0.562$, ($p <0.01$).

Finally, both perceptions of politics and leader-member exchange were entered as predictors in the third model. Since the standardized coefficient of leader-member exchange in the univariate is greater than the standardized coefficient in the multivariate approach
(0.565 > 0.184), it is concluded that perceptions of politics partially mediate the relationship between leader-member exchange and job satisfaction and H7i is partially supported.

Table 2: The mediating effect of perceptions of politics on the relationship between leader-member exchange and job satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader-member exchange</td>
<td>0.565* (0.000)</td>
<td>-0.562* (0.000)</td>
<td>0.184* (0.000)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td>-0.674* (0.000)</td>
<td></td>
</tr>
</tbody>
</table>

4.4.2 Hypothesis H8i

The same three steps were followed to test this hypothesis (Table 3). In the first step, the linear regression indicated that locus of control significantly predicts job satisfaction with $\beta = -0.508$, (p< 0.01). The second step showed that locus of control is a significant predictor of perceptions of politics with $\beta = 0.572$, (p< 0.01). In the last step, the standardized coefficient of locus of control is no longer significant when both perceptions of politics and locus of control were entered as predictors. Therefore, perceptions of politics fully mediate the relationship between locus of control and job satisfaction. This provides full support for H8i.

Table 3: The mediating effect of perceptions of politics on the relationship between locus of control and job satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locus of control</td>
<td>-0.508* (0.000)</td>
<td>0.572* (0.000)</td>
<td>-0.085 (0.061)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td></td>
<td>-0.729* (0.000)</td>
</tr>
</tbody>
</table>

4.4.3 Hypothesis H9i

H9i studies whether the effect of co-worker cooperation on job satisfaction is mediated by perceptions of politics.

Table 4 presents the results of the three regressions. The first regression showed that co-worker cooperation significantly predicts job satisfaction with $\beta = 0.520$, (p<0.01). The second regression demonstrated that co-worker cooperation also significantly predicts perceptions of politics with $\beta = -0.553$, (p<0.01). Finally, both perceptions of politics and co-worker cooperation were entered as predictors of job satisfaction in the third regression. Results revealed that the standardized coefficient of co-worker cooperation in the multivariate has decreased in weight from 0.520 to 0.122 with significant p values. Hence, there is partial mediation of perceptions of politics on the co-worker cooperation – job satisfaction relationship and H9i is partially supported.

Table 4: The mediating effect of perceptions of politics on the relationship between co-worker cooperation and job satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-worker cooperation</td>
<td>0.520* (0.000)</td>
<td>-0.553* (0.000)</td>
<td>0.122* (0.006)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td></td>
<td>-0.710* (0.000)</td>
</tr>
</tbody>
</table>
4.4.4 Hypothesis H7ii

For testing H7ii, two regressions were performed since it has been already demonstrated that leader-member exchange is a significant predictor of perceptions of politics (Table 2). First, turnover intention was regressed on leader-member exchange. Table 5 shows that leader-member exchange significantly predicts turnover intention with $\beta = -0.512$, ($p<0.01$). When leader-member exchange and perceptions of politics were both entered as predictors of turnover intention, the regression resulted in a reduction in the Beta weight of leader-member exchange to -0.108 with significant p-value (Table 5). Thus, H7ii is partially supported. Perceptions of politics partially mediate the relationship between leader-member exchange and turnover intention.

Table 5: The mediating effect of perceptions of politics on the relationship between leader-member exchange and turnover intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover intention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader-member exchange</td>
<td>-0.512* (0.000)</td>
<td>0.562* (0.000)</td>
<td>-0.721* (0.000)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td></td>
<td>-.108* (0.013)</td>
</tr>
</tbody>
</table>

4.4.5 Hypothesis H8ii

Table 3 already showed that locus of control significantly predicts perceptions of politics, thus the first condition stated by Baron and Kenny (1986) is met. Accordingly, two regressions are performed. The first regression examines how locus of control predicts turnover intention. The second regression examines both locus of control and perceptions of politics as predictors of turnover intention. Results in Table 6 showed that locus of control is a significant predictor of turnover intention with $\beta = 0.503$, ($p<0.01$). Nevertheless, when both variables were entered in the model, the standardized coefficient of locus of control is no longer significant. This finding provides evidence that perceptions of politics act as a full mediator on the relationship between locus of control and turnover intention. H8ii is fully supported.

Table 6: The mediating effect of perceptions of politics on the relationship between locus of control and turnover intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover intention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locus of control</td>
<td>0.503* (0.000)</td>
<td>0.572* (0.000)</td>
<td>0.083 (0.06)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td></td>
<td>0.734* (0.000)</td>
</tr>
</tbody>
</table>

4.4.6 Hypothesis H9ii

H9ii assesses the mediating role of perceptions of politics on the relationship between co-worker cooperation and turnover intention. Previous results already demonstrated that co-worker cooperation predicts perceptions of politics ($\beta = -0.460$, ($p<0.01$) (Table 4). Results of the simple linear regression indicated that co-worker cooperation significantly predicts turnover intention with $\beta = -0.460$, ($p<0.01$) (Table 7). When perceptions of politics was entered to the model, the Beta coefficient of co-worker cooperation became no longer significant. Therefore, perceptions of politics fully mediated the co-worker cooperation – turnover intention relationship. H9ii is fully supported.
Table 7: The mediating effect of perceptions of politics on the relationship between co-worker cooperation and turnover intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>β1</th>
<th>β2</th>
<th>β3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover intention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-worker cooperation</td>
<td>-0.460* (0.000)</td>
<td>-0.553* (0.000)</td>
<td>-0.040 (0.353)</td>
</tr>
<tr>
<td>Perceptions of politics</td>
<td></td>
<td></td>
<td>0.759* (0.000)</td>
</tr>
</tbody>
</table>

5. DISCUSSION

The current study examined the relationships between three antecedent variables (leader-member exchange, locus of control, co-worker cooperation) and two employee outcomes (job satisfaction and turnover intention). Correlation results showed that leader-member exchange is positively related to job satisfaction: a finding that is congruent with prior research (Jordan & Troth, 2011; Katrinli et al., 2010). The higher the quality of the exchanges between employees and their leader, the higher is their satisfaction with the job. As explained earlier by Katrinli et al. (2010), outgroup members receive less support from the leader and therefore have negative feelings about their job. Leader-member exchange was also found to be negatively related to turnover intention. This result is expected as it was previously confirmed in the literature (Jordan & Troth, 2011; Abu Elanain, 2014). The significant negative correlation between the two variables indicates that when employees have high-quality exchanges with their leader, they are less likely to think of leaving their jobs.

Furthermore, in line with prior literature (Hamwi, Rutherford, Boles, & Madupalli, 2014; Chen & Silverthorne, 2008; Pavalache-Ilie & Ursu, 2016; Palanisamy, 2015; Agarwal & Srivastava, 2016), locus of control was found to be negatively related to job satisfaction. This means that individuals with external locus of control experience less job satisfaction. Locus of control was also found to be positively related to turnover intention. This result matches part of previous literature that had suggested that internals are usually more committed to their jobs than externals (Srivastava, 2013).

As for co-worker cooperation, results revealed that cooperation between co-workers is associated with increased job satisfaction and lower turnover intention. This finding is congruent with prior results (Lee et al., 2015; Marzuki et al., 2012).

The study also addressed the role of perceptions of politics in mediating the above-mentioned relationships. Perceptions of politics partially mediated the relationship between leader-member exchange and job satisfaction. This finding implies that leader-member exchange also affects job satisfaction through perceptions of politics. When employees lack support from the leader, they are likely to view the workplace as more political and therefore become less satisfied with their job. Perceptions of politics fully mediated the relationship between locus of control and job satisfaction. The full mediation suggests that locus of control influences job satisfaction through perceptions of politics. That is, internals are more satisfied with their job because they perceive less politics. In other words, internals are less exposed to workplace politics because they believe they have the ability to manipulate them. In addition to its direct effect on job satisfaction, co-worker cooperation influenced job satisfaction through perceptions of politics. Co-worker cooperation plays an important role in lowering employee political perceptions which then positively influence job satisfaction.

Perceptions of politics partially mediated the relationship between leader-member exchange and turnover intention. When members experience bad relationships with their leader, they become more vulnerable to politics in the workplace and therefore experience a greater turnover intention. Results also showed full support to the mediation of politics on the locus of control – turnover intention relationship. This finding suggests that locus of control impacts turnover intention through perceptions of politics. That is, employees who have external locus of control perceive greater politics and therefore are more likely to quit. Similarly, co-worker cooperation’s impact on turnover intention is also through perceptions of politics. When employees perceive that there is no cooperation between co-workers, they might perceive that the workplace is political. This in turn leads to higher turnover intentions.
5.1 Theoretical Implications

The current study makes several contributions to the organizational politics literature. It shows how some relationship factors and individual factors affect employee outcomes through perceptions of politics. That is, the interactions between employees and their leader as well as the interactions among employees shape employees’ perceptions of politics which in turn impact their satisfaction with the job and their turnover intent.

5.2 Managerial Implications

Results of this study raise some implications for companies and employers in Lebanon. Results show that the quality of the relationship with the leader affects employee outcomes through perceptions of politics. This result is specifically important in Lebanon for the Lebanese workplace is highly dominated by nepotism and favoritism. Employees might believe that if they have good relationships with the leader, this will strengthen their position and increase their power. In other words, they will perceive that the workplace is less political and therefore experience greater job satisfaction and lower turnover intention. Conversely, employees who have low-quality exchanges with the leader might perceive higher politics in the workplace. This is what makes them less satisfied and increases their turnover intent. Hence, one of the main challenges that Lebanese managers face is how to minimize workplace politics. First, they have to commit to ethical values and base their decision-making on objective facts and data. As a result, employees will perceive increased justice in decisions and lower politics.

Similarly, cooperation with coworkers impacts job satisfaction and turnover intention through perceptions of politics. Employees form coalitions that help them acquire power and therefore lower their perceptions of politics in the workplace. Lebanese managers should emphasize on creating an atmosphere of cooperation and support between employees in order to reduce workplace politics and improve employee outcomes.

Finally, in order to increase job satisfaction and lower turnover among employees, managers must focus on motivating them, giving them more autonomy, and involving them in the decision-making process.

6. LIMITATIONS AND FUTURE RESEARCH

In the current study, the model is limited to three variables and two outcomes. Future research can include additional personality variables and other outcomes such as stress, performance and organizational citizenship behavior. Another limitation of this study is that results cannot be generalized outside SMEs. Future studies should therefore include larger corporations in the sample. Furthermore, the interactive effect of the determinants needs to be addressed in future studies. That is, research should examine the effect on outcomes of the combination of high cooperation and high-quality exchanges or high internal locus of control and high-quality exchanges. Miller and Nicols (2008) have previously found that the combination of high internal locus of control and high relationships increases political perceptions.

REFERENCES


