

Investigating the Role of Organizational Politics in Human Resource Management: Effects on Performance Appraisal and Downsizing Decisions

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Abstract : Organizational politics (OP) has received a great deal of attention in the management literature due to its popularity, mystery, and potential advantages for those how can use it. It involves the use of power and social networks within an organization to promote interests and gain potential benefits. Its implication for human resource (HR) management decisions is heretofore one of its least studied aspects, and awaits further investigation. Therefore, it is our intention to investigate certain relations between organizational politics and the validity of HR decisions in addition to the expected dysfunctional consequences. The study is undertaken on two HR management practices- Performance appraisal (measured by the distributive justice scale) and downsizing- depending on data gathered from the hotel industry in Egypt; a developing Non-Western country, in which Political practices of HR management are common in public and private organizations. Data was obtained from a survey of 600 employees in the Egyptian hotel industry. A total of 500 responses were attained. 100 uncompleted questionnaires were excluded leaving 400 usable with response rate of around 80%. Structural equation modeling (SEM) was employed to test the causal relationship between the research variables. The analysis of the current study data reveals that organizational politics is negatively linked to the perception of distributive justice of performance appraisal, additionally, the perception of distributive justice in performance appraisal is positively linked to the perception of validity in the downsizing decisions and finally the perception of OP is negatively linked to the perception of downsizing decisions validity. This study makes three important contributions. First although there have been several studies on OP, the majority of these studies have focused on examining its effect on employees' attitudes in workplace. This empirical study helps in identifying the influence of OP on the effectiveness and success of HR decisions and accordingly the organizational system. Second, it draws attention to OP as an important phenomenon that influence HR management in hospitality industry, since empirical evidences concerning OP in the hospitality management literature are meager. Third, this study contributes to the existing downsizing literature by examining OP and low distributive justice as challenges of the effectiveness of the downsizing process. Finally, to the best of the authors' knowledge, no empirical study in the tourism and hospitality management literature has examined the effect of OP and distributive justice on the workplace using data gathered from the hotel industry in Egypt; a developing non-Western setting.

Keywords : organizational politics, performance appraisal, downsizing, structural equation modeling, hotel industry

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