

THE INFLUENCE OF PARTICIPATIVE MANAGEMENT ON ORGANIZATIONAL COMMITMENT OF EMPLOYEES: A MEDIATING ROLE OF EMPLOYEE INVOLVEMENT IN PAKISTAN

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Abstract

Organizational commitment is an important factor because the extent to which employees feel attached and committed to their organizations, will lead to higher productivity and lower turnover. Committed employees are also more focused on their respective tasks. The study is based on the service sector and private NGOs were surveyed, from where 280 responses were collected as part of the survey. The dimensions through which participative management was measured were employee priorities, managerial attitude and training consistency. The study found that there was a moderate positive relationship between all the dimensions of participative management and organizational commitment. The study also found that employee involvement mediated the relationship of participative management with organizational commitment. The mediating effect of Employee Involvement was proven with the help of step wise regression analysis and Sobel test. This study can contribute to managerial sector as it clearly shows that employee involvement is

necessary for organizational commitment to fully perpetuate in organization. If organizations involve employees at different levels, it will lead to a more concerned approach towards organization and will ultimately generate organizational commitment

Keyword: - Organizational Commitment, Employee involvement, Employee priorities, Managerial attitude, Training Consistencies

Introduction

Organizational commitment is studied as one of the most essential factors for the effectiveness of an organization. Commitment is studied as the psychological attachment of an employee with the organization of employment (O'Reilly & Chatman, 1986). It is viewed as one of the primary factors that drive efficiency at work and low turnover intentions. The organizations that are able to maintain the commitment levels of their employee high, are able to retain their employees for longer durations and manage crises situations (Porter, Steers, Mowday & Boulian, 1974). There are several factors that have been studied to have had affected the organizational commitment of employees. Participative management has been studied as a factor that causes organizational commitment in employees. Participative management is the concept that advocates the involvement of employees in the organizational tasks such as those of decision making and operations. Participative management demands from the organizational leadership that they do not try to keep their employees on a short leash, rather allow them to bring innovation in the organization (Kim, 2002). Employee priorities, managerial attitudes and training consistency are some of the dimensions of participative management. When there is participative management style in the organization, the employees of that organization are encouraged to involve in the organizational decision making processes. Through employee involvement, organizational commitment can be achieved.

This study aims to measure the relationship of the factors of employee priorities, managerial attitude and training consistency with organizational commitment. This study also aims to test the mediating effect of employee involvement in the relationship between participative management and organizational commitment. The results of this study will help managers to understand how the participative managerial practices can enable them to

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develop organizational commitment amongst their employees through employee involvement. The findings of this study will help the managers in reducing the rates of turnover in their respective organizations and to increase efficiency of employees.

Literature Review

Employee Priorities

Two dimensions of employee behavior studied by Higgins (Higgins, 1997) including goal-oriented promotion focus and avoidance-oriented prevention focus. Both of these are representing two distinct motivational forces (Steidle, Gockle, & Werth, 2013). In goal-oriented promotion focused behavior, individuals are motivated to maximize positive outcomes and achieve goals because accomplishments, aspirations and promotion-focused attitude are more dominant in these individuals (Higgins, 1997). Security and safety issues are those due to which employees are involved in avoidance oriented behaviors (Higgins, 1997). If one of these foci is dominant, the resulting trait is known as regulatory focus (Steidle, Gockle, & Werth, 2013). Regulatory focus can have impact on individual outcomes such as emotion, motivation, behavior information processing and behavior of employees (Forster & Werth, 2009). Regulatory focus also has impact on organizational outcomes such as task performance, job satisfaction and organizational commitment (Gorman, et al., 2012).

Managerial Attitude

Several kinds of factors have been studied that influence job satisfaction and organizational commitment of employees and managerial attitude is a significantly important factor among these (Aydogdu & Asikgil, 2011). How an employee of the organization will approach to solve a potential problem will depend upon the attitude of management in the organization. Study of previous literature suggests the positive influence of responsive and approachable managerial attitude, which is perceived as positive attitude, leads to job satisfaction in employees; and ultimately to improved organizational outcomes (Aydogdu & Asikgil, 2011). A meta-analysis conducted by Randall and O'Driscoll (1997) in twenty-seven countries suggested the differences in

managerial attitudes in different cultures based on demographic factors such as education, gender, tenure and age, and their influence of organizational outcomes such as employee involvement and organizational commitment of employees. The findings shows that the managerial attitude varies with respect to culture and demographic factors.

Training Consistency

Proper training and individual development programs allow workers to build upon their previous knowledge and expertise, and help them achieve goals of individual development and become a more effective member of the team (Jun, Cai, & Shin, 2006). Self-development trainings have been found to have positive impact on employee satisfaction as compared to those employees who do not receive such trainings (Saks, 1996). Martensen and Gronholdt (2001) also studied the impact of training on job satisfaction and found a positive impact of training and individual development on job satisfaction of employees. Employees feel more confident and perceive more career development opportunities after receiving such trainings (Jun, Cai, & Shin, 2006).

Participative management has a direct relationship with the job satisfaction of employees and the involvement of employees mediates the relationship between these two factors. Participative management not only encourages but also facilitates the employees to take part in the decision making process and other activities. When the participative management improves employee involvement, the employees tend to develop a feeling of satisfaction on their jobs.

Organizational Commitment

Organizational commitment can be defined as commitment of employees to organizations and aligning their goals and objectives with goals and objectives of the organization (Buchanan, 1974). Morrow (1983) identified 30 different forms and organizational commitments and showed that each one of these forms can be stable. It can also be seen as a psychological contract that influences employees to align his/her activities with the interest of organization (Mowday & McDade, 1979). Allan and Meyer (1993) have divided the concept of organizational commitment into three components that includes affective, continuance and normative commitments. Affective commitment can be defined in terms

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of sense of belonging and emotional attachment of an employee with his/her organization and it has been associated with work experience, organizational structures and personal characteristics (Hartmann, 2000). Continuance commitment keeps an employee committed to an organization because of perceived increased in cost by employee arising out if the employee decides to leave the organization (Becker, 1960). These costs may include indirect and direct investments in organization or side bets (Aydogdu & Asikgil, 2011). Normative commitment keeps an employee committed because of sense of obligation of staying with organization and he remains associated with organization because of a belief that is “right and moral thing to do” (Wiener, 1982). According to Meyer and Allan (1993) normative commitment in employees is developed as a result of some special kind of investment of organization in its employees that seems difficult for them to reciprocate. Research have identified several factors that affect organizational commitment in employees including personal factors including interest, values and personality (Aydogdu & Asikgil, 2011) role related factors such as role conflict and role ambiguity (Mathieu & Zajac, 1990), work experience (Mathieu, 1991) and cultural factors (Randall & O'Driscoll, 1997).

Hypothesis

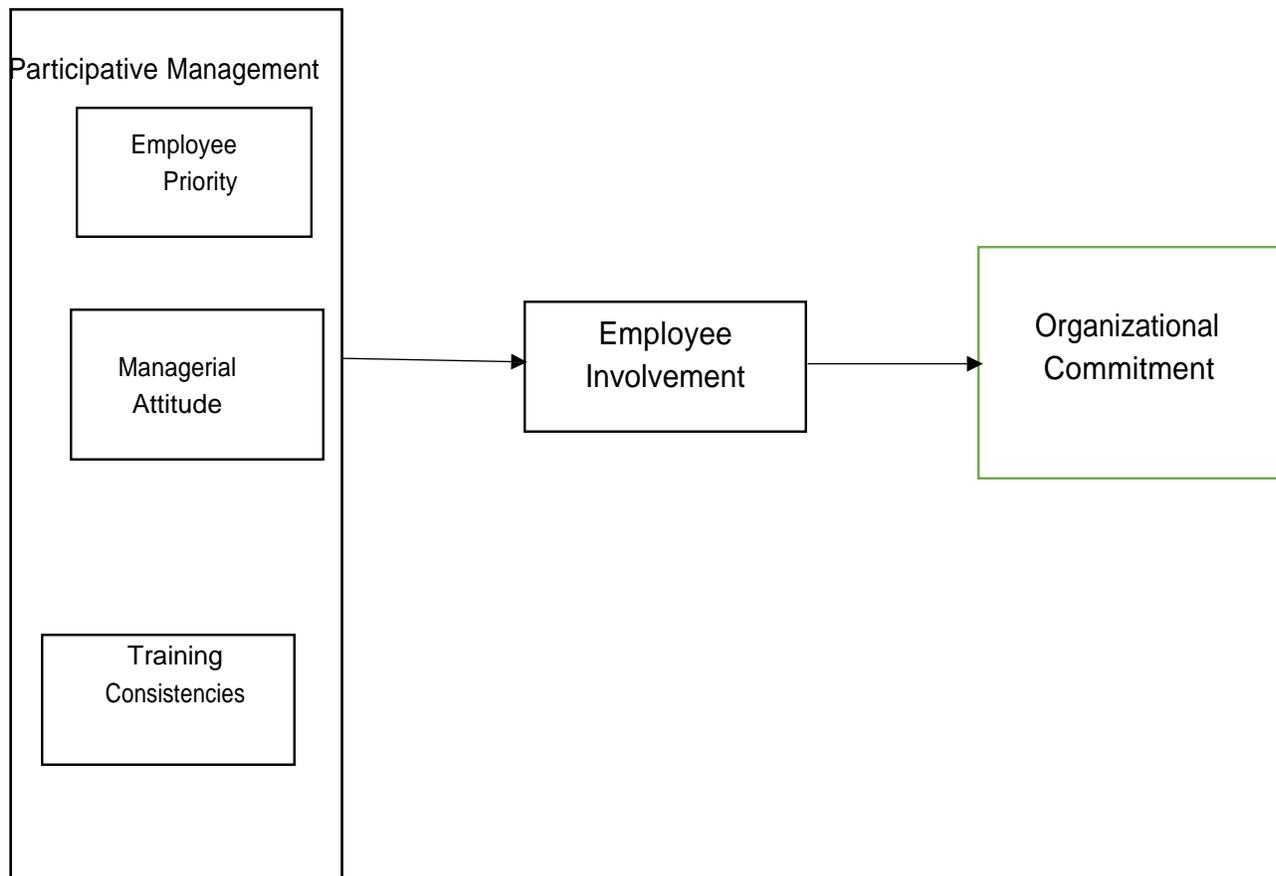
H1: There is a positive impact of employee priorities on organizational commitment.

H2: There is a positive impact of managerial attitude on organizational commitment.

H3: There is a positive impact of training consistency on organizational commitment.

H4: Employee involvement mediates the relationship between participative management and organizational commitment

Theoretical Framework



Research Methodology

The purpose of this research is to examine the impact of participative management on organizational commitment of employees in the NGOs of Lahore Pakistan. Positivism research philosophy and deductive research approach has been used for this study. Survey research design has been used as a research strategy for this purpose. 350 questionnaires were distributed and only 280 valid questionnaires were received at a response rate of 80% as a result of the self-administered survey. Survey was conducted based on purposive sampling in 2016 in month of July. Questionnaire was developed by adopting dimension's items from cited authors and whose Cronbach's alpha was more than .7. Cross sectional research design has been used because data is collected at one time. The questionnaire is split into two parts demographics and subjective. SPSS 21.0 version software was used for

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analysis of data through which Pearson moment correlation and regression analysis was applied. The unit of analysis were the employees of NGOs in Lahore.

Correlations

	EMPPRIOR	MA	TRCON	EI	OC
Pearson Correlation	1				
EMPPRIOR Sig. (2-tailed)					
N	273				
Pearson Correlation	-.012	1			
MA Sig. (2-tailed)	.840				
N	273	273			
Pearson Correlation	.270**	.168**	1		
TRCON Sig. (2-tailed)	.000	.006			
N	273	273	273		
Pearson Correlation	.107	.325**	.431**	1	
EI Sig. (2-tailed)	.077	.000	.000		
N	273	273	273	273	
Pearson Correlation	.233**	.263**	.050	.303**	1
OC Sig. (2-tailed)	.000	.000	.409	.000	
N	273	273	273	273	273

Training consistency and employee priorities are correlated with each other at .270 ($P < .001$) which shows that there exists a moderate positive relationship between the training consistency and employee priorities. Managerial attitude and employee involvement are correlated at .325 ($P < .001$) which shows that there exists a moderate positive relationship between managerial attitude and employee involvement and the training consistency is correlated with employee involvement at .431 ($P < .001$) which shows that there exists a moderate positive relationship between the training consistency and the employee involvement. Managerial attitude and organizational commitment are correlated with each other at .263 ($P < .001$) which shows that there exists a moderate positive relationship between managerial attitude and organizational commitment. Employee priorities and organizational commitment are correlated with each other at .233 ($P < .001$) which shows that there exists a moderate positive relationship between employee priorities and organizational commitment. Employee involvement and organizational commitment are correlated with each other at .303 ($P < .001$) which shows that there exists a moderate positive relationship between employee involvement and organizational commitment. In order to run regression analyses on variables, it is first assumed that the variables have relationship between them. Since the variables are found to have relationship with each other, the regression analyses was run with the following results.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.359 ^a	.129	.119	.41152

The R square value was calculated at .129 which means that 12.9% or variance is caused in the dependent variable “organizational commitment” because of the predictor variables “managerial attitude”, “training consistency” and “employee priorities”. This means that 12.9% change is explained in the outcome variable of organizational commitment because of the predictor variables.

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ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.725	3	2.242	13.238	.000 ^b
	Residual	45.555	269	.169		
	Total	52.280	272			

In order to test the fitness of the model, ANOVA is applied and the results of F value are calculated at 13.238 which means that the model is fit over all and at a significance value of .000 (sig < .005). This implies that the effect of managerial attitude, employee priorities and training consistency on organizational commitment is significant.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.652	.251		6.576	.000
1	.193	.045	.254	4.288	.000
EMPPRIOR	.263	.055	.277	4.784	.000
MA	-.039	-.036	-.065	-	.282
TRCON				1.079	

In order to calculate the individual affect of the predictor variables on the dependent variables, beta values of the variables were deduced. The results showed that employee priorities had a beta value of .254 (sig < .005) which means that unit change in employee priorities causes .254 unit change in the outcome variable “organizational commitment”. Similarly, the results showed that beta value of managerial attitude is .277 (sig < .005) which depicts that unit change in the managerial attitude causes .277 unit change in organizational commitment. Lastly, the beta value of training consistency is -.065 (sig = .282) which shows that unit change in training consistency causes -.065 unit change in the organizational commitment.

In order to check if there exists a mediating effect of employee involvement in the relationship

between participative management and organizational commitment, there is conducted a step wise regression analyses. In the first step, the mediating variable “employee involvement” is regressed on the independent variable “participative management”. The value of R2 was calculated at .197 which means that 19.7% variance in the mediating variable is caused by the independent variable and the value of significance is calculated at (sig .000 < .005) which shows a significant relationship between the variables. The beta value of participative management was calculated at .433 which means that unit change in participative management caused .433 unit change in the mediating variable “employee involvement”. The next step was to regress the dependent variable “organizational commitment” on the independent variable “participative management” and as a result of this, the value of R2 was calculated at .061 which means that 6.1% of variance is caused in organizational commitment by participative management and the value of ANOVA was calculated as significant (sig .000 < .005). The beta value of participative management was calculated at .246 which means that unit change in participative management causes .246 change in the outcome variable “organizational commitment”. In the last step, the dependent variable “organizational commitment” is regressed on both the independent variable “participative management” and the mediating variable “employee involvement”. As a result the R2 value was calculated at .107 which means that a variance of .107 is caused by the independent and mediating variable in the value of the dependent variable. The ANOVA value of this model was found significant (sig .000 < .005). The beta value of the mediating variable “employee involvement” was calculated at .241 which means that unit change in the mediating variable caused .241 unit change in the value of organizational commitment. In order for employee involvement to have a mediating effect in the relationship between participative management and organizational commitment, it is required that the beta value of the independent variable is reduced once the mediating variable is controlled. As shown in the table, the beta value of participative management has reduced from .443 to .139. This means that employee involvement has a mediating effect on the relationship between participative management and the organizational commitment.

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Step Wise Regression Analyses
Regression of Independent and Mediating $R^2 = .197$ Sig (ANOVA) = .000 Beta = .443
Regression of Independent and Dependent $R^2 = .061$ Sig (ANOVA) = .000 Beta = .246
Regression of Independent and Mediating with Dependent $R^2 = .107$

Sig (ANOVA) = .000 Beta value of Independent Variable = .139 Beta value of Mediating Variable = .241
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In addition to that, Sobel test was run on the data collected from this study to test the mediating effect of employee involvement in the relationship between participative management and organizational commitment. Sobel test value was calculated at 4.382 which means that there is a partial mediation effect of employee involvement in the relationship between participative

management and organizational commitment.

Conclusion & Discussion

It was hypothesized in the study that there exists a relationship between employee priorities and the organizational commitment of employees. And it was found that there exists a moderate positive relationship between employee priorities and organizational commitment. This has been approved in the study of. There exists a positive relationship between participative management in the form of regulatory focus on the organizational commitment of employees (Gorman, et al., 2012). The study also hypothesized that the managerial attitude was related with organizational commitment and it was found as a result of this study that there exists a moderate positive relationship between managerial attitude and organizational commitment of employees. This has been suggested by Randall and O'Driscoll (1997) that there is a positive relationship between managerial attitude towards employees and the organizational commitment of these employees. The study hypothesized that there is a relationship between training consistency and the organizational commitment of employees. It was found that there exists a moderate significant relationship between the training consistencies and the organizational commitment of employees. It has been studied that employees who perceive the training to be consistent are more committed to their jobs (Jun, Cai, & Shin, 2006). The study aimed to test if employee involvement plays a mediating role in the relationship between participative management and the organizational commitment. As a result of this study, through step wise hierarchal regression analysis, the findings illustrated that the employee involvement explains the relationship between participative management and organizational commitment.

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