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Mediation Model of Interrelationships among 4 C's of Work Environment, Employee Performance and Organizational Performance in Pakistani Organizations

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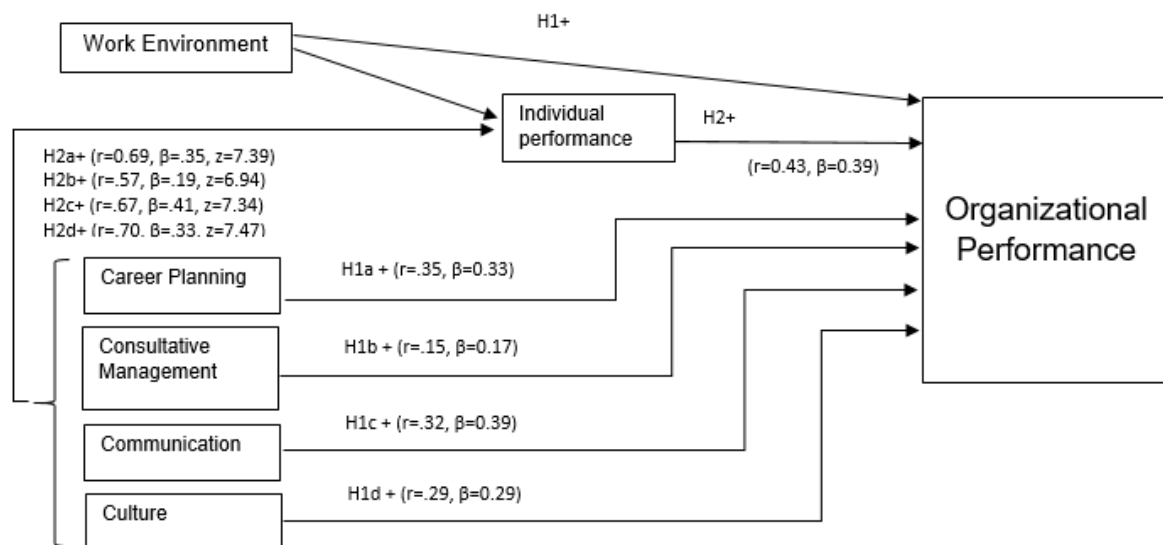




## Research Highlights

Objective and subjective aspects of Individual and Organizational performances (Valmohammadi & Roshanzamir, 2015) has been focus of research arena at number of instances to conclude about micro, meso and macro level phenomenas within orgnizations. This study aims to provide a unique outlook on 4 C’s of work environment (meso) and their interrelationship with Organizational Performance through i-e individual performance (micro). Career planning, Consultative management, Communication and Culture (performance oriented) are taken as 4 important C’s, constituting a comprehensive whole of Work environment. The study proposed two research hypotheses. Data was collected through 5 point Likert scale questionnaires, from 297 employees of 42 manufacturing and services sector firms in Pakistan. Bivariate Pearson’s Correlation, Preacher and Hayes Process v 3.0, Model 4, and Bootstrapping is used for data analysis. Results indicate that all four C’s of work environment have strong positive correlation with orgnizational perfomance through individual performance acting as a mediator.

## Graphical Abstract





## Research Objectives

Businesses these days aim for providing supportive work environments for employees (Raziq & Maulabakhsh, 2015) in order to facilitate goal achievement (Awan & Tahir, 2015; Chandrasekar, 2011). The purpose of this research study is to present a theoretical model for interrelationships among Work environment factors (career planning, consultative management, communication, Culture), individual performance and organizational performance, which will help manufacturing and service sector organizations to identify the pivotal environmental factors used to enhance the performance of employees at work (Raziq & Maulabakhsh, 2015). This study focuses on objective aspect of individual performance with respect to system performance. The objective is to observe the interdependencies of environmental factors and organizational performance through enhanced individual performance. To the best knowledge and understanding of the researcher there is no study that presents a unique model like this study did. The model is tested in Pakistani business environment because of consistent challenges posed and constancy need of the economy and its dependency on industry to help develop a stable economy, as manufacturing and service sectors are the major contributors in overall performance of economy at national level.

## Methodology

A homogenous population of middle managers working in manufacturing and service sectors of Pakistan was selected for the study. 5 point Likert Scale Questionnaires were used for the purpose of data collection. A total of 420 questionnaires were distributed with a ratio of 10 questionnaires in each organization. Out of 420 questionnaires, 297 were used for data analysis after cleaning the data using Cook's Distance and Central Leverage Value method, with a response rate of 70.71%. Surveys conducted included information regarding respondent demographics (age, gender, income, education, marital status). Principal component analysis and rotation component matrix through Varimax with Kaiser Normalization was performed to assess fitness for good for the proposed model and to determine the fitness of scales used. All extraction values were above 0.5 indicating that variables are significantly defined and there is no multicollinearity. Data analysis was performed using SPSS-23 and tests of Pearson's Correlation, PROCESS by SPSS (Preacher, Rucker, & Hayes, 2007) and Bootstrapping (Hayes, 2009) were used.





## Results

Results show that majority of respondents were males (79.1%), with ages ranging from 31-40 years (49.5%), holding bachelors degree (50.5%), married (62%), from middle level management (75.4%), with current organizational stay of 2-5 yrs. (53.2%) with permanent employment status (83.5%). Mean and Standard deviation values of variables showed that all variables are above average values. Skewness and Kurtosis values lie between +1 and -1 indicating normality of data. Correlation results show that all four factors of WE have highly significant correlation (CP=0.69, CM=0.57, COM=0.67, CUL=0.70) with IP but a weaker but significant relationship with OP (CP= 0.35, CM= 0.15, COM= 0.32, Culture= 0.29). IP has a highly significant correlation with OP i.e. .43 at  $p < .01$  (2-tailed). Culture has the strongest correlation ( $R = .70$  at  $p < 0.01$ ) with IP. Results of PROCESS show that CP ( $\beta = 0.33$ ), CM ( $\beta = 0.17$ ), COM ( $\beta = 0.39$ ), and CUL ( $\beta = 0.29$ ), influence OP in a significantly positive manner, WE influences IP, IP is related to OP ( $\beta = .39$ ,  $p < .00$ ) and direct effect of WE on OP is less than the indirect effect of WE on OP, hence predicting full mediation. Bootstrapping results indicate that all indirect paths were highly significant.

## Findings

Keeping in view the results all hypotheses (H1a, b, c, d, H2a, b, c, d) are accepted. The organizations, who need to be effective and profitable, demand a strong unified interaction of all 4 C's of WE, with strong influence on achieving individual and organizational performance excellence. This study will help HR practitioners to ponder over how to create a right mix of WE factors which can help attract and retain quality individuals depending upon their personality types, traits and job titles (micro level) and may vary according to erratic internal and external environments of the organization (macro level).

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