



The Role Of Hrm Practice (Participation & Involvement) In Organizational Performance: Mediating Role Of Organizational Trust

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ABSTRACT

Human resource management is critical for each type of organization either it is public sector or private sector organization including higher educational institutions. In this regard plenty of human resource management practices are globally recognized. Participation and involvement is also recognized as an important human resource management practice which may impact employee's performance. Moreover, there are some other components which are also considered as crucial elements impacting organizational success. Among these factors, organizational trust is considered as the most critical due to its vital role in reshaping the confidence of individuals in organizations. The trust of employees has been identified as a critical factor in defining the overall organizational behavior of the workforce. For this purpose, current study is an attempt to examine contributing role of participation and involvement towards organizational performance in higher educational institutions of KP, Pakistan with teachers as respondents. Results revealed that participation and involvement have significant impact on the teacher's performance in higher educational institutions of KP, Pakistan. The results revealed that Organizational trust mediates the association of participation and

involvement with organizational performance in the present study context. At the end, based on current study findings, some directions for future researchers are also provided.

Keywords: Participation & Involvement, Organizational Trust, Organizational Performance & HEIs

INTRODUCTION

The organizational performance is the only prerequisite for the “sustainable development in the contemporary competitive environment”. It is only decent performances, which bring out the status/ rank of organizations at par with international standards. The related literature revealed that “effective management of human resources plays vital role” in organizational performance. There are some practices involved in human resource management which are termed as human resource management practices. These practices are considered by various academicians and researchers are the most effective components towards organizational performance (Kazlauskaite & Buciuniene, 2008). Among all these practices, participation and involvement is also a very significant factor. The involvement is the dynamic participation of employees in organizational activities and decision making through diverse erections and processes which directly affect behavior and attitude of employees in the organizations. Usually, employees’ involvement and participation involve both direct and indirect practices of sharing (Aladwan, Bhanugopan & Fish, 2014). In this regard, direct involvement and participation have an uninterrupted influence of employees in decision making while indirect involvement and participation implicates the representation of the individuals those who represent the entire group of the employees in the organization.

The related studies further exposed certain concepts which play an overwhelming and ultimately an intermediary and the judicious role in relations concerning HRM practices and performance of organization. There are a number of concepts which may play the mediating and the mediating role. However, in the current study, organizational trust is considered as the mediating variable. In this regard, there are different studies available which show that the organizational trust has significantly contributed as mediator in relationships between HRM practices and “organizational performance” (Pervaiz, Imran, Arshad, Mobeen & Khan, 2014). Similarly, there exist certain studies which show mediating effect of organizational trust in relationships amid HRM practices and organizational performance. Thus, present study is attempted to check the facilitating role of organizational trust in relations between the participation and involvement and organizational performance in context of higher educational institutions of Khyber Pakhtunkhwa.

LITERATURE REVIEW

The present study aimed to examine the participation and involvement as an HRM practice in predicting the organizational performance. The existing studies provides sufficient material in determining the relationships among the variables under considerations. During the past decades, it was widely recognized that effective implementation of human resource management is the key to the sustainable development of the organizations (Colakoglu, Lepak & Hong, 2006). In this regard, in the contemporary competitive era, for organizational performance, HRM practices are the only prerequisite behind the success and development of each organization (Wang & Shyu, 2008). In this connection, the same is the case in higher educational institutions context being the highest seat of teaching and learning. There are many practices available in previous researches, however, participation and involvement have its own uniqueness which can't be ignored (Kumar & Gulati, 2010).

Participation and Involvement

The participation and involvement are a vital component of the HRM practices. It is the active contribution of employees in organizational activities which will help the organizations achieve its strategic edge. The literature revealed that active involvement of employees in participating organizational deeds leads to efficiency and effectiveness of organizations (Bhatti & Qureshi, 2007). The organizations are required to make sure active participation of workforces for smooth functioning of day-to-day operations in organization. The active participation and involvement ensure effective utilization of organizational resources and helps organization to control wastage of available resources to it minima (Aladwan, Bhanugopan & Fish, 2014). Similarly, active and dynamic participation of employee guarantees efficiency and effectiveness of organization. Also, participation of employees is strongly linked with training and development which imparts certain specific knowledge about updating skills and finally sharing of knowledge to concerned employees (Lazim & Perlis, 2016). Resultantly, the whole phenomenon diverges towards the organizational performance.

The participation is the vital activity from the employees' part in organizational activities related with the organizational success. The involvement is the workforces' contribution in organization through their active participation in the organizational activities related with the horizontal and smooth working of activities in systematic manners (Boxall & Macky, 2009). The participation is the indispensable act that the organizations need to continue their activities as per the need and desire of the concerned organization. Without the workforces' involvement, the organizations may not be succeeded in attaining their strategic objectives (Jones, Kalmi & Kauhanen, 2010). The participation of workforces in dire need of every organization to sustain their long-lasting development. The organizations need the participation and involvement of the workforces at different levels

to compete their competitors in order to maintain their competitiveness (Martin, Parsons & Bennett, 1995). It is involvement which inspire working forces to actively participate in organizational activities to maintain their competitive edge in the uncertain and competitive situations around the organizations.

The involvement is imperative for the organization as the involved employees are the need of every organization since the involvement makes the employees responsible towards their tasks and responsibilities. The involvement is also important for the successful functioning and acting of organizational deeds without any hindrances from workforces (Shadur, Kienzle & Rodwell, 1999). The participation is also significant for organizations to get the timely outcomes from the employees and to continue their strategic approached towards development (Wolf & Zwick, 2008). The participation and involvement are important parameters for organizations which help them in achieving the desired objectives in prolonged manners in the organizations based upon the desire of contemporary situations (Jones, Kalmi & Kauhanen, 2010). The involvement and participation are significant also as it is outcomes of inspiration and motivation of organizations towards the workforces and motivation is imperative factor that is imperative for accomplishing the desired credibility of the organizations in the contemporary viable situation around the global competition.

The involvement and participation are also significant for the educational institutions as without the involved workforces, the institutions may not be in the positions to attain their long-lasting positions in the contemporary markets (Black & Gregersen, 1997). The educational institutions need the involved faculties to ensure the effectiveness in teaching and learning activities which are consequently significant for the sustained strategic position of the institutions (Cadwallader, Jarvis, Bitner & Ostrom, 2010). The teaching faculty involvement in the strategic activities are important for the institutions in meeting the desired demands of stakeholders and thus proving effective services to their stakeholders (Bhatti & Qureshi, 2007). The involvement of teachers in teaching activities in effective manners helps them in attaining the desired performance and ranking of the concerned institutions (Han, Chiang & Chang, 2010). This is the main theme behind the involvement and participation that why the institutions are more concerned with the involve workforces as it helps them in attaining the desired status of the academic institutions where the private sector is in vogue of the public sector due to the global competition.

Organizational Performance

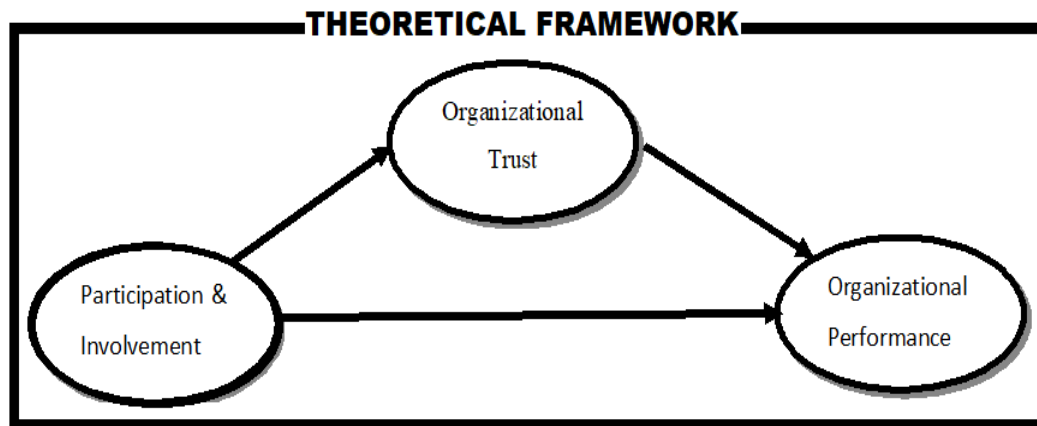
The performance of organizations stands the top of the organizational priorities since the decent performances are the main issues related with organizational long-term successes.

Therefore, the organizations are required to be focused more on the management of the performances in the organizations to attain their strategic positions within and outside the organizations (Ntiamoah, 2014). In the modern competitive situations, those organizations are successful who have the abilities to manage their performances effective and efficiently. Thus, the performance of the organizations is main amalgamation of different efforts that the organization ensured for chase of organizational objectives and when combined together becomes organizational performance (Khan, Khan & Khan, 2011). Consequently, the involvement and commitment are significant parameters that organizations desire from the workforces to sustain their strategic positions in order to compete the modern markets where many competitors are functional with the diverse approaches to overwhelm the situations. In this connection, the ranking of the organizations is directly linked with the performances of concerned organizations as the higher performances will lead the organizations towards greater successes while the lower and ineffective performances will lead the organizations towards lower achievement and the meager status in the competitive environments.

Organizational Trust (Mediator)

The organizational trust is the main concepts that helps in improving the confidence of employee on the organizational actions. The trust is the critical phenomenon that deals with the employees' behavior about the organizational values and standards through self-esteem and self-confidence (Creed & Miles, 1996). The trust important for the employees as it helps in augmenting their performance while it is vital for organizations since without the trustworthiness, organizations may not be able to attain their desired standards in effective manners. The trust is significant for both the employees and organizations as it helps in determining the behavior of both towards the organizational long-term survival and development (Bloemer Pluymaekers & Odekerken, 2013). The trustworthiness is important phenomenon that needs more concentration from organizations and employees to continue their efforts towards the growth and expansion of the organizations in prolonged manners. In this connection, trust is vital for the employees in shaping their behavior towards the concerned organizational objectives leading towards the achievement of concerned organization.

Figure 1 Conceptual Framework



Research Hypotheses

- H₁:** Participation & Involvement is significantly associated with organizational performance.
- H₂:** Participation & Involvement is significantly related with organizational trust.
- H₃:** Organizational Trust is significantly associated with organizational performance.
- H₄:** Organizational trust mediates the association of participation & involvement with organizational performance.

RESEARCH METHODOLOGY

Data collection

The University's faculty members in KP were the population of the current study. According to HEC reports there are total 3112 faculty members in KP public as well as private universities. Using stratified random technique, data were collected from 330 respondents. The questionnaire was divided into two sections. Thus, section 1 concluded demographics of the respondent while, section 2 was regarding measuring items of the variables. Table 1 shows the demographics of the respondents.

Table 1 Demographic characteristics

Demographics	Frequency	Percentage (%)
Gender		
Male	277	83.9
Female	53	16.1
Age		
21-30	81	24.5
31-40	190	57.5
41-50	45	13.6

51-60	14	4.4
University		
Public	265	80.3
Private	75	19.7
Education		
Graduation	23	6.9
MS	205	62.1
PhD	102	31
Experience		
1-10 years	231	70
11-20	73	22.1
21-30	17	5.1
31-40	9	2.8
Designation		
Lecturer	181	54.8
Assistant Professor	117	35.4
Associate Professor	27	8.1
Professor	5	1.7

Measures

Adapted questionnaire was used for collecting data. The measuring items of the organizational performance were considered from Dyer and Reeves (1995), organizational trust from Vidotto, Vicentini, Argentero and Bromiley (2008) and participation and involvement were from the study of Delaney and Huselid (1996). Five-point Likert scale (strongly disagree to strongly agree) was used.

RESULTS AND FINDINGS

Common Method Bias and Data Normality

Since, the data was collected from same respondent in a single point of time. Therefore, CMB issue may occur (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Harman's single factor test was conducted to check CMB. The results shows 23% variance of the first factor, which is below the standard level of 50% (Podsakoff et al., 2003). These results proposed that there is no CMB issue in the study. To check data normality Skewness and Kurtosis were determined. The results show that the data is normal as the values were below the recommended level ± 2 (George & Mallery 2010).

Validity and Reliability

Assessing the scale validity content is an early critical phase in improving instrument validity in the social research process (Haynes, Kubany & Richard, 1995). To check reliability and validity Cronbach alfa values for all constructs were determined. The results shown in Table 2 confirmed good reliability and validity of all constructs as the values of all variables were higher than the cutoff level of 0.70 (Khan, Hameed, Yu, & Khan, 2017).

Table 2 Reliability Analysis

Construct	Items	Cronbach Alfa
Participation and involvement	6	0.886
Organizational trust	7	0.792
Organizational performance	6	0.790

Correlation Analysis

The correlation among the variables is depicted from Table 3. The correlation results show that the variables are correlated with each other as all the values are significant.

Table 3 Correlation Analysis

Construct	PI	OT	OP
Participation & Involvement (PI)	1		
Organizational Trust (OT)	.756**	1	
Organizational Performance (OP)	.697**	.806**	1

Mediation Analysis

SPSS 24 was employed to test the mediating role organizational trust between the association of participation & involvement and organizational performance.

Table 4 Mediation Analysis

Mediation results			
Variable's relationship	B	T	P
Participation & involvement to mediators			
Participation & involvement -> OT	0.727	20.932	0.000
Direct effects of mediators on OP			

OT -> OP	0.560	13.316	0.000
Participation & involvement effects on organizational performance			
Participation & involvement -> OP	0.204	4.163	0.000
	B	CI lower	CI upper
Indirect effects of Participation & involvement on OP via mediators (bootstrap results)			
OT	0.407	0.3379	0.4846

The results shown in Table 4 indicated significant effects of participant & involvement on organizational trust ($\beta = 0.727$, $p < 0.001$), organizational trust on organizational performance ($\beta = 0.560$, $p < 0.001$), and participation & involvement on organizational performance ($\beta = 0.204$, $p < 0.001$). The indirect effects of participation & involvement on organizational performance through organizational trust (CI = 95%, CIL = 0.3379, CIU = 0.4846) is also significant as 0 is not occur. Furthermore, R square values show that participation & involvement bring variance in organizational trust 57% and the model overall R square value is 66.5%.

DISCUSSION AND CONCLUSION

It is the desire of every country to get the status of developed nation and Pakistan is one of them where education can play a vital role in achieving this desire. The educational sector of Pakistan is far behind and needs improvements in various aspects especially regarding academicians. Similarly, Pakistani government is the largest employer of the country just like other countries. Economic development of any country depends upon effective and efficient functioning of the public sector organizations. Besides these, there is extensive need/gap of studying and exploring phenomenal linkage of Human Resource Management Practices with organizational performance in Higher Educational Institutions (HEIs) of Pakistan. So current study is an attempt to narrow this gap by taking under consideration participation and involvement against the organizational performance with mediating role of organizational trust. Academicians of all cadres, professors, associate professors, assistant professors and lecturers, teaching in various Higher Educational Institutions of KP (Southern region) was targeted population.

Bases on the findings it is concluded that participation and involvement tested in present study against organizational performance have significant positive impact on academician performance in higher educational institutions of KP (Southern region). This implies that if faculty members perceived encouraging environment for participation and involvement which in turn will boost their motivation and henceforth, they will be striving enthusiastically for the betterment of their institutions which in response will positively affects institution and organizational performance. Moreover, the results also revealed the

important role of organizational trust in relationship of participation & involvement and organizational performance in KP (Southern region) higher educational institutions. By testing mediation role of organizational trust in the said relationship, the results indicate that organizational trust partially mediates the said association in higher educational institutions of KP (Southern region).

Limitations & Recommendations

Just like other research studies, current study is not an exceptional case of free from limitation. First limitation is concerned with sampling location selected for examining the association of human resource management practices with the organizational performance directly as well as indirectly through organizational trust. Here only KP (A province of Pakistan) with special reference to southern region is selected as sampling location whereas there are plenty other higher educational institutions in other regions of Khyber Pakhtunkhwa (KP) itself as well as other provinces of Pakistan which are ignored in present study because of time and some other constrains. So, the findings of current study may not be generalized to whole Pakistani context and hence are limited only to the present study context. Thus, it is suggested for researchers in future of this field to add other areas of the country to the sampling location for obtaining more generalized results. Moreover, in present study, organizational trust is used as mediator in relationship of human resource management practices and organizational performance in the higher educational institutions of KP (southern region) and proved as an important factor in the said association. PROCESS macros by Hayes (2013) is employed for mediation analysis. Preacher and Hays (2013) has presented almost 76 different models for examining indirect effects of predictors on criterion through various mediators and moderators so it may be interesting to add new mediators or moderators or the combination of both mediators and moderators in the relationship of present study predictors and criterion variables to obtain more significant results.

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