RELATIONSHIP OF WORKING ENVIRONMENT, EMPLOYEE EMPOWERMENT, TRAINING & DEVELOPMENT AND ORGANIZATIONAL COMMITMENT

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Abstract

Developing an environment which promotes the organizational commitment among employees is one of the most essential factors for sustainable organizational development. This may be argued, based on the literary evidences that committed employees can lead to higher organizational productivity. Organizational commitment has received impressive attention of researchers, however the studies on commitment among people in education sector in Pakistan yet to receive its due attention. The objective of this study is therefore, to explore the influences of working environment, employee empowerment, training & development on organizational commitment among employees working in business schools in Karachi, Pakistan. The data were collected using close ended questionnaire from 346 employees both faculty and administrative staff. Convenient sampling technique is used to gather the data. The collected data were analyzed using Structural Equation Modeling (SEM). The results of the study indicate that all the factors significantly influence the organizational commitment. The results of this study are anticipated to be value addition in higher education policies.

Keywords: Business Schools, Employee Empowerment, Training & Development, Organizational Commitment, Working Environment.

JEL Classification: M540

Introduction

Human resource has been witnessed as the most significant and important resource for attaining competitive edge over contemporary organizations. It is considered as driving factor for all the other important resources such as capital, equipment, information and monetary resources.

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Human resource of an organization is not only headcounts, but the versatility of culture, skill, ability, and societal interaction among business units. If this resource is well managed, can lead the firm towards the accomplishment of excellence, contrary beget the corporate stress (Armstrong, 2005). People in an organizational are required to be treated with greater care, as the quality treatment with employees while performing their related duties determines the organizational intentions to the growth of both employees and organizations. The age of cut throat competition and increasing pace of organizational excellence have necessitated the modern organizations to honor the commitment, they have had with their employees; devaluing or negating such words of commitment again begets the brain drain. Organizational commitment and employee behavior are directly proportional to each other. The positive attitude among employees while performing their assigned duties is subject to the amount commitment from management. A discontent worker is a negative ambassador to organization in talent market. Commitment is thus the greater source, which bonds both organization and employee (Buchanan, 1974).

The earlier studies on commitment have established the relationship with numerous factors. However, this research is bit unique in the sense it investigates the relationship between identified factors rarely studied in Pakistani context. More specifically in private owned Higher Education Institutions in Karachi.

Purpose of Research

The purpose of this research is to evaluate the factors including working environment, employee empowerment, training and development and their influence on organizational commitment.
Significance of the study

As the purpose of this study is to find out the factors promotes and demotes the amount of commitment among employees, therefore findings of this study can be value able policy input for HR policies, particularly for education sector.

Literature Review

Working environment

To evaluate the nature of relationship between working environment and organizational commitment, several studies have been conducted and documented several distinct findings. Employee involvement, peer relation, manager support, authority to carryout tasks independently, handling work pressure, creativity and corporeal contentment have been studied as significant predictors of affective commitment (Moos, 1994). Both Continuance and normative commitment being indicators of organizational commitment stand aloof toward above said working environment factors. Chughtai and Zafar (2006) reported the positive significant relationship between work environment and organizational commitment among teachers in university of Lahore. The study further concluded that supervisors’ role had a significant influence on organizational commitment. The behaviors, norms and practices of both organizational procedural execution and employees’ practices constitute the working environment in an organization. Thus retaliating behaviors, deviating practices, unfair procedures signify the existence of discouraging working environment.

The study regarding the relationship of work environment, burnout, managerial and individualistic variables with organizational commitment, concluded negative association with continuous commitment (Maqsood, 2011). Baher and Ziabari (2014) reported that congenial working environment begets the sense of commitment among employees. Even the suitable room temperature while working can cause improved commitment among employees (Parveen, Sohail, Naeem, Azhar & Khan, 2014). Bhatti, Bhatti, and Akram (2016) found the negative association between working environment stressors and organizational commitment among bankers. The significant influence of working environment on organizational commitment among librarians has been studied in Nigerian context (Mayowa-Adebara, Okeoghene & Aina, Folashade, 2016). Hanaysha (2016) found significant influence of working environment on organizational commitment. The researchers like Hanaysha (2016), is of this opinion that the working environment suited to the employees shows the extent of commitment from the part of organization. The knowledge workers particularly in education sector needs more positive and encouraging working environment to discharge their duties. The educators are the developers of leaders (Lieberman, 2011). Despite of all these literary evidences, there is still dearth of studies focusing the state of commitment and working environment among employees of business schools in Karachi. We have therefore formulated following hypothesis for the study

H1: There is no relationship between working environment and organizational commitment.
**Employee Empowerment**

The authority to execute the powers conferred to an individual refers to empowerment. More simply it refers to an individual’s freedom to do and to achieve the desired objective (Sen, 1985). The history of having freedom and empowerment is deeply rooted into human experience. Thus it has been extensively studied since long. In a work setting it is referred as employee empowerment. Hunjra, Haq, Akbar and Yousif (2011) reported that empowerment is fundamental ingredient to achieve organizational milestone. Employee empowerment is considered as motivational and managerial tool, which is intended to increase the opportunities of participation in organizational decision making, which in turn overcome the barriers between management and employees (Meyerson & Dewettinek, 2012).

The merits of employee empowerment in an organizational setting have significant value. For instances, it can increase the sense of ownership among employees, when they perceive that they have their input in important decisions (Jacquiline, 2014) and becomes the ambassadors to the managerial decision (Roberts, 2014). Any favorable policy about employee empowerment is targeted to share the managerial responsibility and authority of decision making, the commitment among employees and motivation to work is improved (Biore, 2015; Fernandez & Moldogaziev, 2015). Several past studies have endorsed the significance employee empowerment in predicting organizational commitment (Kun, Hai-yan, & Lin-li, 2007; Insan, A. N., Astuti., Raharjo, & Hamid 2013; Gholami, Soltanahmadi, Pashavi, & Nekouei, 2013). This study has therefore formulated following hypothesis to be tested in the context of privately owned business schools in Karachi.

**H2:** There is no relationship between Employee Empowerment and Organizational Commitment.

**Training and Development**

The modern business practice seems to be characterized by the quality of competitiveness among rival businesses. The changing and diversified working environment has made the situation challenging for entrepreneurial practices. In this regard the knowledge and skill of the people working with organization is of single most important factor, for its persistent development and progress. The knowledgeable and skilled workers proved to be significant determinant to gain competitive edge in marketplace (Becker, Bose, & Freeman, 2006). To become effective and efficient to response the challenges the ongoing training programs are essential to be developed from time to time (Barlett, 2001; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). The continuous and effective training increases the performance of employees on job (Hafeez & Akbar, 2015; Hanaysha, 2016). The organizations are required to remain vigilant to assess the need of training among employees, so that skill gap may be bridged and also to motivate to provide them reason to work (Edid, 2007). This eventually promotes the loyalty and amount of commitment for the organization (Owoyemi, Oyelere, Elegbede, & Gbajumo-Sheriff, 2011).
For the persistent organizational growth and future challenges the employee development programs are required to be formulated. Employee development program assist the employees to become continuous learner, regardless of organizational need (Jacobs & Washington, 2003). Previous surging studies on training and development have confirmed that it has positive influence on job satisfaction (Leppel, Brucker, & Cochran, 2012; Sabir, R. I., Akhtar, Bukhari, Nasir, & Ahmed, 2014; Tahir, Yousaiazai, Yousaiazai, Jan, & Hashim 2014) and the amount of commitment among employees (Bulut & Culha., 2010; Hassan & Mahmood, 2016). Training and continuous proficient development can usher the amount of commitment among employees (Tarasco & Damato, 2006). Nksoi (2015) and Qiao, Luan and Wang (2008) also reported that training and development can enhance the organizational commitment. On the basis above discussion following hypothesis is formulated to be tested

\[ H_3: \text{There is no relationship between Employee training & Development and organizational commitment} \]

\[ \text{Figure 1: Conceptual Frame Work} \]

\[ \text{Methodology} \]

For achieving aforementioned objective of the study, we have made population, the people working in business schools of various private owned universities in Karachi, Sindh, Pakistan. The target population for the study is both administrative and academic staff. Quantitative research
approach is most frequently used technique to assess the causal effect among the variables of interest. In order to achieve the set objective of the study we have collected the data from 346 employees, by using convenient sampling technique as the population frame was not made available. The sample size was determined through the online calculator (Christensen, Johnson, & Turner, 2014). The data collection instrument for this study has been borrowed from several previous studies. For organizational commitment we have taken into account the scale of Mowday, Steers and Porter (1979). The employee empowerment was measured through the scale developed Men (2010). For measuring working environment, we have used Working Environment Questionnaire (WEQ) with changes to suit the condition and the context. An adapted scale for measuring training and development, a six item based questionnaire of Schmidt (2004) has been used for this study. For the seeking the face validity the questionnaire prior to collecting data it was presented before experts.

**Analysis of the Results**

The selected respondents were requested personally to fill the questionnaire, however out of 500 questionnaires, only 434 were returned, of which 346 were useable constituting the response rate 69.2% (30.5%) were female respondents, whereas rest of them were male respondents. The mean age group of female respondents was 35 years, whereas it was 45 years of male respondents. The majority of the respondents were having more than 2 years of work experience with the business schools. The data about academic qualifications showed that majority of them had Masters Degrees (79%); however, the greater chunk in this regard were among female respondents constituted (66%). In order the test the reliability of the data collection instruments used in this study, we have conducted Cronbach’s alpha reliability test using SPSS 20 software (IBM, 2011). The results showed the all the value of the selected research constructs namely organizational commitment (0.70) Employee empowerment (0.78), working environment (0.88) and employee training & development were (0.92), thus fairly acceptable. Making test robust we have calculated composite reliability (CR) test for all constructs of the study using Microsoft Excel. The result of the CR was 0.876 for working environment, 0.870 for employee empowerment, 0.894 for training & development and for organizational commitment the CR was 0.892, fairly acceptable (Pallant, 2010). Confirmatory Factor Analysis (CFA) was conducted to check the construct validity. The construct validity is computed by Average Variance Extracted; the AVE is determined through the formula No. 1. The related AVEs are given in table 2. In this regard the loadings ranges from 0.40 to 0.94 were retained and rest eliminated systematically, thus the items were in aligned with suggested cut-off (Hair, Black, Babin, & Anderson, 2010; IRMA, 2015).

\[
AVE = \frac{\text{Sum of Standardized Loading Square}}{\text{Sum of Standardized Loading Square + Measurement Error}} \\
\text{Measurement Error} = 1 - (\text{Standardized loading})^2
\]
After conducting CFA, the structural model was drawn and the goodness of fit for the data was ensured. The model is shown in figure 2:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Constructs</th>
<th>Factor Loading</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Environment</td>
<td>EP1</td>
<td>.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP2</td>
<td>.83</td>
<td>.88</td>
<td>.876</td>
<td>.795</td>
</tr>
<tr>
<td></td>
<td>EP3</td>
<td>.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EP4</td>
<td>.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP1</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Empowerment</td>
<td>EMP2</td>
<td>.94</td>
<td>.78</td>
<td>.870</td>
<td>.770</td>
</tr>
<tr>
<td></td>
<td>EMP3</td>
<td>.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP4</td>
<td>.59</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>TD1</td>
<td>.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TD2</td>
<td>.93</td>
<td>.92</td>
<td>.894</td>
<td>.870</td>
</tr>
<tr>
<td></td>
<td>TD3</td>
<td>.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TD4</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>OC1</td>
<td>.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC2</td>
<td>.95</td>
<td>.70</td>
<td>.829</td>
<td>.780</td>
</tr>
<tr>
<td></td>
<td>OC5</td>
<td>.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 2: Presented above is the structural model along with fit indices i.e. parsimonious, incremental and absolute, which are further presented in table 3.

Table 2

<table>
<thead>
<tr>
<th>Model</th>
<th>Absolute Fit Indices</th>
<th>Incremental Fit</th>
<th>Parsimonious Fit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\chi^2$</td>
<td>GFI</td>
<td>AGFI</td>
</tr>
<tr>
<td>1</td>
<td>307.171</td>
<td>0.916</td>
<td>0.881</td>
</tr>
</tbody>
</table>

The chi square value for data was significant, which were required to be insignificant, however the test is sample sensitive. Which always returns with p-value 0.000, as in our case means more the sample size more the significance of chi-square will be. Therefore, we have also taken into account other indices as well. In supporting the chi-square we have ($df=85$, $GFI = 0.916$, $AGFI = 0.881$, $TLI = 0.927$, $CFI = 0.924$ and $RMSEA = 0.072$, $PNFI = 0.739$, $PCFI = 0.757$). On the basis of the given fit indices the model was fit enough, however to test if the formulated hypotheses for the study either retained or rejected. For this purpose, we have presented the regression results generated from the output of the structural model. Thus the results for the hypotheses are presented into table 4.
Table 3

Hypotheses Assessment Summary

<table>
<thead>
<tr>
<th>Hypotheses Statements</th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1$ There is no relationship between working environment and organizational commitment</td>
<td>.209</td>
<td>.057</td>
<td>3.65</td>
<td>.000</td>
<td>Significant</td>
</tr>
<tr>
<td>$H_2$ There is no relationship between Employee empowerment and organizational commitment</td>
<td>.244</td>
<td>.055</td>
<td>4.43</td>
<td>.000</td>
<td>Significant</td>
</tr>
<tr>
<td>$H_3$ There is no relationship between Employee training &amp; Development and organizational commitment</td>
<td>.261</td>
<td>.054</td>
<td>4.83</td>
<td>.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

The findings of the analysis given in the table 4 shows that working environment has no effect on organizational commitment ($\beta = .209$, t-value = 3.65, p > 0.01), thus $H_1$ is rejected. The results further revealed that employee empowerment is significantly associated with organizational commitment ($\beta = 0.245$, t-value = 4.43, p < 0.01), therefore $H_2$ is rejected. The findings also indicated that employee training and development is positively related with organizational commitment ($\beta = 0.261$, t-value = 4.83, p < 0.01), hence the $H_3$ is also rejected. The investigated factors namely working environment, employee empowerment and training & development collectively explain 60 percent variance in organizational commitment.

Discussion and Conclusion

To examine the influence of working environment, employee empowerment, and training development on organizational commitment was the objective of this study. The data was collected from the employees working in different business schools in privately owned universities, Higher Education Institutions (HEIs) in Karachi Pakistan. The results of this study showed that working environment do not predict organizational commitment. The findings of this study revealed that employee empowerment significantly predicts the organizational commitment, thus the findings are in alignment of the results documented by (Hanayasha, 2016; Gholami, Soltanahmadi, Pashavi, & Nekouei, 2013). Employee empowerment promotes the sense of belongingness and feelings of ownership among employees, which can eventually ameliorate the commitment and performance on job (Ahmad & Onanye, 2010). The studies have confirmed that an authorized employee will highly motivate towards the achievement of organizational objectives. Thus it is authenticated that employees in business schools of Karachi should be equipped with sufficient empowerment, so that sense of commitment may be created among them.

The results of the study also confirm that training and development significantly influence the organizational commitment. The similar findings have been documented by several scholars (Han-
ayasha, 2016; Karimi, 2016; Dias & Silva, 2016). The results of the study confirm that training is very useful managerial tool to fill the skill gap and making the employees ready to meet the future challenges. Thus the training and development is very helpful for gaining competitive advantage. Like most of the researches this study have also some limitations, the focus of this study was only people working in business schools in private owned universities and HEIs, and they got a different culture than that of public sector universities and HEIs, therefore the findings of this study may not be generalizable to public sector universities. This investigation was conducted quantitatively; therefore, further studies can be conducted qualitatively. The number of variable were obviously limited in this study other variables, mediation, moderation analysis is suggested.

References


human resource, 2(2), 1-12.


