THE MODERATING IMPACT OF ORGANIZATIONAL CULTURE ON THE RELATIONSHIP BETWEEN EMPLOYEE PSYCHOLOGICAL EMPOWERMENT AND THEIR WORK OUTCOMES IN PUBLIC AND PRIVATE SERVICE SECTOR ORGANIZATIONS OF PAKISTAN

 $\mathbf{B}\mathbf{y}$

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To

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A thesis presented to the Bahria University, Islamabad in partial fulfillment of the requirements for the degree of

Master of Philosophy



September 2012

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DEDICATION

I dedicate this work to my parents, my spouse, great role models and friends and rest of my family, for their love, prayers, encouragement and for always believing in me, inspiring me, motivating me to reach higher in order to accomplish my goals.

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TABLE OF CONTENTS

PRELI	PRELIMINARY PARTS	
I I I	Copyright	i ii iii iv v vi x xi xii xiii
СНАРТ	TERS	
1	INTRODUCTION	1
1.1	Background of the field of inquiry	2
1.2	Problem Statement	7
1.3	Research Objectives	8
1.4	Research Questions	9
1.5	Brief overview of theoretical framework	9
1.6	Significance of the study	10
1.7	Delimitations of the study	13
1.8	Structure of Dissertation	14
1.9	Definition of key terms	15
1.10	Summary	17
2	LITERATURE REVIEW	18

2.1	Employee Empowerment	18
2.2	Employee Psychological Empowerment	20
2.3	Perspective on Employee Empowerment	23
2.4	Work outcomes of Psychological Empowerment	25
2.4.1	Managerial Effectiveness	25
2.4.2	Innovative Behaviors	26
2.4.3	Job Satisfaction	27
2.4.4	Organizational Commitment	27
2.4.5	Employee Empowerment and Performance	28
2.5	Organizational Culture	28
2.6	The Moderating Role	28
2.7	Organizational culture and employee psychological empowerment	31
2.7.1	Information Sharing	31
2.7.2	Autonomy through Boundary	31
2.7.3	Team Accountability	31
2.8	Organizational culture and work outcomes of employees	32
2.9	Contextual Discussion of the study	33
2.10	Difference between Public and Private sector organizations	34
2.11	Summary	36
3	THEORETICAL FRAMEWORK	38
3.1	General Description of Theoretical Framework	41
3.2	Relationship of study variables	41
3.2.1	Relationship between employee psychological empowerment and	
	Work outcomes of employees	41
3.2.2	Relationship between organizational cultures, employee psychological	44

	Empowerment and Work outcomes of employees
3.2.3	Relationship between organizational culture and work outcomes
3.3	Summary
4	RESEARCH METHODOLOGY
4.1	Introduction
4.2	An overview of Research Design
4.2.1	Unit of Analysis
4.2.2	Sampling
4.2.3	Data Collection
4.2.4	Data Analysis Techniques
4.2.5	Operational definition of key variables of study
4.2.6	Validity and Reliability of research instruments
4.3	Summary
5	DATA ANALYSIS AND FINDINGS
5.1	Demographic profile of respondents
5.2	Description of the achieved data set
5.3	Overall analysis of the achieved data
5.4	Hypothesis testing
5.4.1	The statistical test of H ₁ by using correlation and regression
5.4.2	Spearman Correlation
5.4.3	Regression Analysis
5.4.4	Scatter plot analysis
5.4.5	The Statistical test of H ₂ by using correlation and hierarchical
	Regression

5.4.6	Hierarchical regression analysis		
5.4.7	Spearman Correlation	72	
5.4.8	The statistical test of H ₃ by using correlation and regression	72	
5.4.9	Spearman Correlation	73	
5.4.10	Regression analysis	73	
5.4.11	Scatter plot analysis	75	
5.5	Discussion	76	
5.6	Summary	80	
6	CONCLUSIONS	82	
6.1	Comments on key Findings of the present study	83	
6.2	Practical implications	86	
6.3	Academic implications of the study	88	
6.4	Limitations of the study	88	
6.5	Recommendation for future research	90	
6.6	Summary	91	
REFERE	NCES	93	
AP	PENDIXES		
A.	APPENDIX (Questionnaire)	110	
В.	APPENDIX (Results of SPSS Software)	115	
C.	APPENDIX (Results of SPSS Software)	142	
D.	APPENDIX (Results of SPSS Software)	143	

LIST OF TABLES

S. NO	TABLES	PAGES	
1	5.1	Demographic profile of the respondents	60
2	5.2	Cronbach's Coefficient Alpha for EPE, WOE & OC	62
3	5.3	Spearman Correlation for EPE, WOE, OC	64
4	5.4	Descriptive Statistics for EPE, WOE & OC	66
5	5.5	Description of Regression analysis (Coefficients)	67
6	5.6	Description of Model Summary	68
7	5.7	Description of ANOVA	68
8	5.8	R ² change for Interaction Effect	71
9	5.9	Description of Regression analysis (Coefficients)	74
10	5.10	Description of Model Summary	- 74
11	5.11	Description of ANOVA	. 75
12	6.1	A brief account of Hypotheses results	85

LIST OF GRAPHS AND FIGURES

S. NO	GRAPHS		PAGES
1	5.1	Scatter plot for EPE and WO	69
2	5.2	Scatter plot for OC and WO	75
	FIGURES		
1	3.1	Conceptual Framework of Present Study	39
2	3.2	Dimensions of Study Variables	40

LIST OF ABBREVIATIONS

EPE employee psychological empowerment

WOE work outcomes of employees

OC organizational culture

ABSTRACT

The aim of this study is to examine the moderating impact of organizational culture on the relationship between employee psychological empowerment and work outcomes of employees in public and private service sector organizations of Pakistan. The present study investigated the effect of employee psychological empowerment on work outcomes of employees. organizational culture by sharing of information, autonomy through boundary and team accountability, played a vital role as a moderating variable to influence the relationship of employee psychological empowerment and work outcomes of employees. In order to test the relationship among the independent, dependent and moderating variable, the three hypotheses were developed and discussed in detail in chapter 3. The design of the study was quantitative, descriptive and cross-sectional. The three hundred employees from public and private service sector organizations such as banking, telecommunication and educational sectors of Pakistan from Islamabad and Rawalpindi participated in this investigation. Data collection was done through self administered questionnaire (survey) with closed ended questions that included 5 – point Likert scaled item. Spearman correlation, Regression, Scatter plots and hierarchical Regression statistical techniques were used to test the study hypotheses. The results of the present study revealed that there is causal relationship of independent variable on dependent variable and organizational culture as a moderating variable has no significant effect to enrich this relationship. The key findings of the present study also contributes to improve the overall performance of employees within organizations because psychologically empowered employees have sense of control over their work roles which in turn contributes to positive organizational and individual work outcomes. The organizational culture also played an important role by

adopting social – structural empowerment conditions but not significantly influencing the relationship of psychological empowerment and work outcomes of employees. Thus, employee psychological empowerment has a significant relationship with work outcomes of employees. The organizational culture was also found out to be significantly related with work outcomes of employees. Finally organizational culture does not moderate the effect of employee psychological empowerment and work outcomes of employees. In the end to conclude the limitations, future research and practical implications for public and private service sector organizations such as banking, telecommunication and educational were also discussed in detail in chapter 6.