Effect of Direct Participation on Organizational Commitment

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Abstract
The purpose of this study is to determine that if types of employee participation practice would explain variance in the organizational commitment of banking sector employees in the Pakistan and United States and also what kind and extent of differences are exists in both countries regarding this relationship. In this cross sectional study the primary data on one independent and three dependent variables were collected from HRM professionals working in different commercial banks of Pakistan and U.S.A. through questionnaires. Analysis is done in two parts; the first part contains analysis of respondents’ answers to the questions and second part is a comparative analysis of Pakistan and America. Results indicate that in both countries types of employee participation are gaining popularity day by day, but unlike in U.S.A., direct participation has a more significant and positive relationship in Pakistan. Study concluded that investment in employee participation in an organization showed better results, high employees’ commitment and productivity, development of desired knowledge, skills, attitudes and other behaviors result in higher job satisfaction and organizational performance. This research study is a cross cultural comparative analysis regarding forms of organizational commitment from the banking organizations in the context of Pakistan and U.S.A.

Keywords - Direct Participation, Affective commitment, Normative Commitment, Continuous Commitment.

Introduction
Employee participation is considered as a combination of different tools designed to increase employee input of various degrees in managerial decision making like organizational commitment, reduction of employee intention to turnover and absenteeism, increase in productivity and motivation. There has been significant attention from researchers that focus on the manner in which structure affects employee attitudes. Singh (2009), in his study, stated that in current dynamic working environment and severe competition, organizations are required to adopt techniques which are flexible, adaptive and competitive due to the competitive pressures and rapidly changing market conditions. More over organizations are realizing that their employees are the most important asset and organization’s future depends on more involvement of employees in generating new ideas. The involvement of employees can help in many ways to the organizations looking for creativity, changes in behaviors at work, and in workplace decision making.

In many cases, managers are encouraged to allow a high degree of employee participation and autonomy to increase workforce commitment. A study on US organizations by Poole, Lansbury, And Wailes (2001) indicates that it is difficult to estimate the prevalence of employee participation at workplaces. It is estimated that less than 5 percent of all workplaces in US could be classified as having high involvement of their workforce. Another study on US data also revealed that while most employees would like to participate in on the job decisions but they lacked opportunities to do so [Osterman (1994)]. Organizational commitment is important to researchers and organizations because of the desire to retain a strong workforce. Researchers and practitioners are keenly interested in understanding the factors that influence an individual’s decision to stay or leave an organization. In the last few decades’ government of Pakistan is trying to make the corporate sector more attractive for investment and for overall uplift of economy because of the significant role played by the organizations from different industries in the economic development of Pakistan e.g. telecommunication, banking and oil & gas sector.
Despite their economic importance, many organizations suffer from a variety of structural and institutional weaknesses, which have constrained their ability to take full advantage of the rapidly advancing process of globalization. Professionally and nonprofessionally human resource management practices inside different organizations from different industries have not shown the change. Employee participation represents the combination of task-related practices, which aim to maximize employees’ sense of involvement in their work, and human resource management practices that aim to maximize employees’ commitment to the wider organization. Varieties of employee involvement practices are included to support the task-related practices. These supporting practices include: training, to improve employees’ problem-solving and communication skills; financial participation schemes, to enhance the link between effort and reward; and an emphasis on job security and internal promotion, to engender employees’ commitment to organizational success. So far, the relationship between employee participation and organizational commitment is not yet fully understood, partially because most researchers focuses their study on participation or commitment in relation to performance, instead of the direct link between participation and commitment.

This study determines the impact of employee direct participation on employee commitment (Affective, Normative and Continuous Commitment). Especially affect of both direct participation on organizational commitment in developed and developing countries scenario. Despite the wealth of literature on HRM and employee participation, up to now there has been a remarkable lack of large-scale survey evidence on the types of employee participation in work organizations in both USA and Pakistan. Therefore this study will play important role in understanding the impact of employee’s participation. The fact that employees of organizations are becoming key to strategic decision-making seems reasonably indisputable even in Pakistani setting. Most of the research evidence regarding associations between direct participation and forms of organizational commitment are from the developed countries and little evidence from the developing countries especially in sub continent is available.

**Problem Statement**

The present study was undertaken to explore and compare impact of direct participation on organizational commitment in banking sector of USA (Developed) and Pakistan (Developing).

**Objectives**

More specifically the objectives of the study were:

1. To understand and analyze the types of employee participation and organizational commitment (Affective, normative and continuous commitment) in banking sector organizations of Pakistan and USA.
2. To explore the extent of association among types of employee participation and organizational commitment (Affective, normative and continuous commitment) in banking sector organizations of Pakistan and USA.

**Research Questions**

This study will address following research questions:

1. To what extent employee direct participation effect different forms of organizational commitment in developing and developed countries?
2. To what extent employee direct participation effect different forms of organizational commitment in developing and developed countries?

**Literature Review**

Despite a relatively high level of consensus about the importance of employee involvement, there have been sharply differing views about both the factors that determine it and the principal trends over time. The earliest research literature to focus on the trends in the scope for decision-making in the job focused on its implications for the quality of working life. Its main concern was with the way in which changes in managerial work practices and in the nature of production technologies heightened employee “alienation” at work (Friedmann 1946). Strauss (2006) said that participation is a process that allows employees to exercise some control over their work and the conditions under which they work. It encourages employees to participate in the process of making decisions, which have a direct impact on work environment. Substantial employee participation in management is vital for cross-functional integration and efficient working. Employee participation is a method where, a large number of subordinates share a degree of decision-making power with their superiors. A study conducted by Topolnytsky et al.(2002) found a very strong positive correlation between affective commitment and employees’ job involvement. Similar results were also proven by Torka in 2003 then he found that amongst Dutch metal workers that employee involvement leads to more affective and normative commitment to the department as well as to the organization. Literature on direct participation reveals that direct participation in decision making is related with organizational commitment and organizational commitment is positively related to more favorable outcomes such as effort, coming on time [Randall, (1990), Wallace, (1995)].
According to Cohen and Kirchmeyer (1995) support by organizations to their employees to participate usually plays a very vital role in enhancing employees’ affective commitment, whereas. Cox, Zagelmeyer and Marchington (2006) found no support for the idea that the mere presence of employee involvement and participation is associated with positive employee perceptions of participation practices. It was also suggested by them that the number and mix of practices is the key issue in the participation and commitment relation. Research indicates that participation is not usually needed to gain commitment toward objectives but having employee participation in the planning can be an effective means of fostering commitment with the organization. Participation can be particularly helpful in developing plans for implementing goal. For these reasons managers often include subordinates in goal setting and in the subsequent planning of how to achieve the goal. It is observed that employee’s commitment to the organization is strong among those whose leaders allow them to participate in decision making. The need for employees to be more involved in decisions that affect their work has been a center of argument in current management issues (Hales, 2000).

Employee participation programs are designed to deliver this involvement in their own right as well as those in which involvement is a necessary but not sufficient condition, such as total quality management (TQM), is frequently advocated by management consultants (Clutterbuck, 1994, Dean and Evans, 1994). Tor and Torger (1999) said in their research study that there are a number of reasons because of which direct employee participation should be arranged in strategic planning, e.g. information about the business strategy may increase employees’ understanding of, willingness and ability to work for business goals. Employees’ participation in developing and implementing strategies can create ownership to organizational goals and to the practical means through which they are invited to participate in developing. It also creates a feeling of belonging and pride and hence increases their commitment with the organization. Furthermore, employees’ knowledge, experience and ideas may improve the business strategy and secure a good practical implementation. In the new forms of participation, often referred to “High-Commitment Work Practices” (HCWP), both the form of participation arrangements and the degree of involvement can go from one extreme to the other: ‘no employee input’ to organizational decisions, to ‘complete delegation’ for a situation of employee control (Marchington et al., 1992).

Studies shows that time may affect organizational and member’s commitment to participation to decision making. Organizations and individuals involved in short-term participative decision making (PDM) may have less commitment than if the participative decision making continued over weeks or months. According to some researchers organizations must take a long-term approach to implementing PDM because outcomes often will be nonexistent or negative in the short run. In addition, short-term PDM may indicate less commitment by the organization or, perhaps, a less positive attitude toward PDM (Sashkin 1976, Lawler 1986). According to Strauss (2006) direct participation can be thought of as three dimensions. The first deals with the employee voice, second deals with the actual influence of employees have over decisions and third deals with providing with relevant information to employees. Meyer and Allen (1994) stated that organizational commitment is a psychological state that characterizes the employee’s relationships with the organization has implications for the decision to continue membership in the organization.

Other researchers use similar definitions that refer to an employee’s attachment, goal congruency, identification, loyalty and allegiance to their organization. Researchers generally agree there are three concerns used to classify types of organizational commitment. The three types of commitment are affective, continuous, and normative commitment (Topolnytsky et al., 2002). The issue of organizational commitment within the private sector, has, generally, received significant research focus over the past 30 years. The study revealed that the three forms of commitment are correlated but clearly different from one another as well as from job satisfaction, job participation, and commitment. Affective and continuance commitment generally correlated as expected with their hypothesized antecedent variables; no unique antecedents of normative commitment were identified. Normative commitment was also associated with desirable outcomes, although not as strongly. Continuance commitment was unrelated or negatively related, to these outcomes. [Topolnytsky et al. (2002)], Marchington et al.’s (1992) study of employee participation in the United Kingdom (UK) further supports these findings. They conducted 25 in-depth case studies involving 38 sites and concluded that employee involvement was typically management initiated with the intention of improving communication and enhancing organizational commitment.

**Research Design**

In this cross sectional study the primary data on one independent and three dependent variables were collected from HRM professionals working in different commercial banks of Pakistan and U.S. through questionnaires. This study utilized a questionnaire distributed to a wide sample of employees of both countries commercial banks.
Questionnaire Development

The survey instrument was developed using a combination of existing scales: direct participation (Lammers, Meurs, Mijs, 1987) and organizational commitment (Meyer and Allen, 1991).

Reliability

At initial stage coefficient alpha (Cronbach, 1951) was applied. Data was analyzed to measure reliability. The study computed separate and combined reliability estimates, which are similar to the normally used coefficient alpha statistics. Inter item consistency reliability or Cronbach’s alpha reliability coefficients of one dependent, three independent variables were obtained, they all were above ($\alpha = .70$) for both Pakistan and USA. For Pakistan and USA same questionnaire was used. While development of the instrument it was taken in to account that English language was easily understandable for the respondents.

Sample Size

All middle level employees of commercial banks listed in Karachi stock exchange and New York stock exchange were included in the population. In all the listed banks of KSE 10 questionnaires each were sent in their head quarters and in NYSE 10 questionnaires were also sent in their main branches. List of the banks is attached as Annex B. Purposive Sampling (PS) technique; a form of non-probability sampling was used. The estimated population of study is 620 employees from Pakistan and 570 employees from USA. Sample that has been selected from the population is 250 employees from each country. Sample size of the study was 42%. So we can estimate that sample size is representative.

Respondents

Middle level employees of commercial banks operating in Karachi (Pakistan) and New York (USA) were selected for the study. Questionnaires were filled through convenient sampling. Questionnaires were sent to the organizations through emails, postal mails and through personal acquaintance. All these modes were used in order that response rate could be maximize. Total 500 questionnaires were sent and that came back were 354, individual response rate from Pakistan was 82% and response rate from America was 59.6%, so the response rate was70.8 %. Out of 354 questionnaires 11 were incomplete and 6 were not filled according to the instructions so they were discarded and total of useable questionnaires became 337 and the usable response rate become 67.4%.

Table # 1: Response Rate of Both Countries

<table>
<thead>
<tr>
<th>Sample</th>
<th>Response</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>250</td>
<td>205</td>
</tr>
<tr>
<td>America</td>
<td>250</td>
<td>149</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
<td>354</td>
</tr>
</tbody>
</table>

Hypotheses

Keeping in view theories and evidences that are provided in the literature review, it is evident that direct participation has some positive impact on the employee’s organizational commitment.

$H_1$: Direct participation has direct positive effect on affective commitment.

$H_2$: Direct participation has direct positive effect on normative commitment.

$H_3$: Direct participation has direct positive effect on continuous commitment.

Our hypothesis will help us to find out the relationship of direct participation with forms of organizational commitment. As a result of this hypothesis this study will reveal that does direct participation has significant or insignificant and positive or negative relationship with different forms of organizational commitment. If this difference exists than which form of organizational commitment is more affected by direct participation and up till what extent. In this study we will also try to find out that if there is a difference between a developed and developing countries scenario.

Research Model: [Figure # 1: Research Model]
Variables that elaborate direct participation include delegative and consultative participation. The dependent variable organizational commitment is studied with the reference of affective, normative and continuous commitment. On the bases of hypothesis hypothetical research model is developed depicting positive relationship of direct participation with forms of organizational commitment (affective, normative and continuous commitment).

**Figure # 2: Hypothetical Model**

![Diagram of hypothetical model showing direct participation affecting organizational commitment through affective, normative, and continuous commitment paths.]

**Explanation of Variables**

**Direct Participation**
Direct participation involves employees themselves. According to Keith Sisson (2000) direct participation has two following forms:

1. **Consultative participation** refers to practices where management encourages employees to share their opinions regarding work-related concerns, yet retains the right to make all final decisions. Examples of consultative participation include regular meetings with supervisors, attitude surveys and employee suggestion plans.

2. **Delegative participation** gives employees increased responsibility and autonomy to organize and perform their jobs as they see fit. Employees participate directly in work decisions (Cotton, Vollrath, Froggatt, Lengnick-Hall and Jennings, 1988). Forms of Delegative participation include scheduling of work, improving work processes and absence control.

**Organizational Commitment**

1. **Affective Commitment** refers to employees' perceptions of their emotional attachment to or identification with their organization.

2. **Normative Commitment** refers to employees' perceptions of their obligation to their organization. For instance, if an organization is loyal to the employee or has supported his/her educational efforts, the employee may report higher degrees of normative commitment.

3. **Continuous Commitment** refers to employees' perceptions of the costs associated with leaving the organization.

**Results and Discussion**
This section presents information obtained for this research study from the data collected through primary and secondary sources. It includes the findings in respect of direct participation and organizational commitment. Analysis is done in two parts; the first part contains analysis of respondents’ answers to the questions and second part is a comparative analysis of Pakistan and America. Excel 2003 and Statistical Package for Social Sciences (SPSS 17.0) were used to calculate descriptive statistics, correlation and multiple regression analyses. Main focus of the study was to find answers to the research questions.

**Research Question 1:**
What is the relationship between employee’s direct participation and organizational commitment in developing and developed countries?

To answer this research question two forms of statistical analysis were used which as follows:

1. Pearson Correlation Analysis
2. Multiple Regression Analysis
Pearson Correlation Analysis

Table # 2: Pearson Correlation Analysis for Pakistan

<table>
<thead>
<tr>
<th>Direct Participation</th>
<th>P. C</th>
<th>R.P</th>
<th>A.C</th>
<th>C.C</th>
<th>N.C</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.C</td>
<td>P. C</td>
<td>.600**</td>
<td>.460**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.C</td>
<td>P. C</td>
<td>.552**</td>
<td>.466**</td>
<td>.826**</td>
<td>1</td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N.C</td>
<td>P. C</td>
<td>.596**</td>
<td>.403**</td>
<td>.693**</td>
<td>.764**</td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level. *. Correlation is significant at the 0.05 level.

Results of Pearson correlation analysis of Pakistani data (Table # 2) revealed that direct participation has a strong, direct, positive and significant relationship with all forms of organizational commitment.

Table # 3 Pearson Correlation Analysis for U.S.A

<table>
<thead>
<tr>
<th>Direct Participation</th>
<th>P. C</th>
<th>A.C</th>
<th>C.C</th>
<th>N.C</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.C</td>
<td>P. C</td>
<td>-.043*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.C</td>
<td>P. C</td>
<td>.123</td>
<td>.770**</td>
<td>1</td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.136</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N.C</td>
<td>P. C</td>
<td>.082*</td>
<td>.662**</td>
<td>.657**</td>
</tr>
<tr>
<td>(2-tailed)</td>
<td></td>
<td>.021</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

*. Correlation is significant at the 0.05 level. **. Correlation is significant at the 0.01 level.

Results of Pearson correlation analysis of American data (Table # 3) revealed that direct participation has a weak, direct, negative and significant relationship with affective organizational commitment, weak, direct, positive and insignificant relationship with continuous organizational commitment whereas with normative commitment it has weak, direct, positive but significant relationship.

Comparison of Correlation between Pakistani and American Data

Correlation comparison shows that in Pakistani settings all forms of organisational commitment has a positive, strong and significant relationship with direct participation whereas in American settings affective commitment has negative and significant, continuous commitment has positive and insignificant whereas normative commitment has weakly positive but significant relationship with direct participation.

Multiple Regression Analysis

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \]

Direct Participation = Intercept + Coefficient (Affective Commitment) + Coefficient (Continuous Commitment) + Coefficient (Normative Commitment) + Error.

Table # 4 Model Summary of EQ 1 of Pakistani Data

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F – Value</th>
<th>F Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.594*</td>
<td>.569</td>
<td>.562</td>
<td>19.466</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), A.C, C.C, N.C
### Table # 5 Coefficients of Variables of EQ 1 of Pakistani Data

<table>
<thead>
<tr>
<th>Model</th>
<th>Un standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.328</td>
<td>.170</td>
<td>2.435</td>
</tr>
<tr>
<td>A.C</td>
<td>.304</td>
<td>.074</td>
<td>.213</td>
<td>4.087</td>
</tr>
<tr>
<td>C.C</td>
<td>.651</td>
<td>.061</td>
<td>.553</td>
<td>10.615</td>
</tr>
<tr>
<td>N.C</td>
<td>.209</td>
<td>.051</td>
<td>.216</td>
<td>4.085</td>
</tr>
</tbody>
</table>

Results of table # 4 and 5 revealed that in Pakistani settings forms of organizational commitment explain 56.2% variation in direct participation. Regression model is also significant. Direct participation has a direct, positive and significant impact on all three forms of organizational commitment. This also validates our hypothesis that direct participation has a significant and positive relationship with forms of organizational commitment. Results revealed that in Pakistani setting relationship of direct participation with continuous commitment is much stronger as compared to normative and affective commitment. The reason behind this conclusion could be that in Pakistan job market environment is very favorable for employees and employees usually wants to stick with their jobs for a longer period. Organizations in Pakistan and especially banking sector usually pay a very little attention on enhancing their skills and education level that is why in banking sector this relation is weak but it is still significant.

### Table # 6 Model Summary of EQ 1 of U.S.A. Data

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F – Value</th>
<th>F Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.475</td>
<td>.441</td>
<td>.423</td>
<td>26.643</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), A.C, C.C, N.C

### Table # 7 Coefficients of Variables of EQ 1 of American Data

<table>
<thead>
<tr>
<th>Model</th>
<th>Un standardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.380</td>
<td>.447</td>
<td>2.450</td>
</tr>
<tr>
<td>A.C</td>
<td>.391</td>
<td>.084</td>
<td>.377</td>
<td>5.534</td>
</tr>
<tr>
<td>C.C</td>
<td>.024</td>
<td>.119</td>
<td>.022</td>
<td>3.432</td>
</tr>
<tr>
<td>N.C</td>
<td>.097</td>
<td>.101</td>
<td>.076</td>
<td>.786</td>
</tr>
</tbody>
</table>

Results of table # 6 and 7 revealed that in American settings forms of organizational commitment explain 42.3% variation in direct participation. Regression model is also significant. Direct participation has a direct, positive and significant impact on affective organizational commitment, weak and significant impact on continuous organizational commitment whereas weak and insignificant impact on normative commitment. This also validates our hypothesis for USA. Results revealed that in USA relationship of direct participation and affective commitment is much stronger than with normative and with continuous commitment. The possible reason for this result could be that in USA job market is much stronger as compared with Pakistan. Employees have more options available than to stick with the same job that is the main reason because of which relation of continuous commitment and direct participation is not that much stronger. Results also show that in USA other than forms of commitment there are several other factors that describes the variation in direct participation.

### Comparison of Regression Analysis between Pakistani and American Data

Regression comparison revealed that in Pakistani settings forms of organizational commitment explain 56.2% variation whereas in American settings forms of organizational commitment explain 42.3% variation in direct participation. Direct participation has a direct, positive and significant impact on all three forms of organizational commitment in Pakistani settings but in American commercial banks Direct participation has a direct, positive and significant impact on affective organizational commitment, weak and significant impact on continuous organizational commitment whereas weak and insignificant impact on normative commitment.
Discussion of Findings

The research question is about the relationship between direct employee participation and forms of organizational commitment which shows a positive and significant relationship with each other. During data analysis it was observed that in both countries types of employee participation are gaining popularity day by day, but unlike in United States, direct participation has a more significant and positive relationship in Pakistan. Study conducted by Tor & Torger (1999) stated that there are a number of reasons because of which direct employee participation should be arranged in organizational planning which includes willingness and ability to work for business goals, which eventually increases their commitment with the organization. A research study conducted by Poole, Lansbury, And Wailes (2001) American organizations indicates that direct participation although has very less contribution in enhancing organizational commitment but still it has a positive and significant impact at workplaces. This result is similar with the findings of our study stating the similar regarding types of employee participation and forms of organizational commitment. Study conducted by Kamal, Yasir, Hanif, Fawad (2009) said that most of the Pakistani banks do not see employee participation as a driver of enhancing organizational commitment which are in contrast with are findings which states that types of employee participation has a positive and significant impact on organizational commitment.

Contribution of the Current Study

This study has variety of unique characteristics. Following are the few contributions of this current study:

1. This study adds to researcher’s efforts to understand the relationship among direct participation and forms of organizational commitment (affective commitment, continuous commitment, normative commitment) with in commercial banking sector of both Pakistan and America.
2. The study contributed new directions in the research of management by opening up a debate on the importance of direct participation and forms of organizational commitment. The fact that statistically significant correlations and regression results are indicating that direct participation is contributing toward the forms of organizational commitment.
3. The study also shows a relationship including the similarities and differences regarding described research variables in selected sample sector (Commercial Banking) in both countries (America and Pakistan).

Implication for Management

The article contributes intercultural human resource management issue like employee participation. Empirical evidence appears to support the view that practices like direct participation can influence the forms of organizational commitment. Organizations interested in their growth and in highly committed work force must involve their employees in decision making process. Those organizations, which make effective use of HRM practices on a wider scale, can generate higher returns. Some time it happens that what employees knows, managements don’t knows that. It is always true that employer cannot implement all the types employee participation techniques immediately, it never work. Organizations had to implement them one by one so that employee can trust their employer. The research provides proofs for the organizations that whenever the workforce is not involved in their organization, commitment is adversely impacted.

When an employee is not committed with the company, there are multiple effects. The first is the loss of that person’s skills and knowledge. The second is the loss of productivity of the organization. The third is the financial impact of replacing that individual. The fourth is the impact on employee morale; depending on the reason the employee left the company. The conclusion also suggested that management might be able to increase the level of commitment in the organization by increasing contribution of employees within the organization. One way of addressing this could be by increasing the interactions with employees in staff meetings and increasing guided discussions of topics related to these issues. Employees could be interviewed to determine their perceptions of management’s ability to address these issues. Changes in organizational variables, such as employee contribution in policy development, and better work environment could then be made in an effort to increase organizational commitment.

Limitations of the Study

1. This study considered only listed commercial banks with the Karachi Stock Exchange and New York Stock Exchange while the non-registered were ignored. Therefore, the results may not be generalized over the entire sector.
2. The data, which was obtained from the organizations, was in the shape of perceptual measures of direct participation and the forms of organizational commitment. Normally, instead of perceptual measures, the objective measures are more desirable and they particularly are more consistent in outputs (Harel and Tzafrir 1999). But observing the methods for research we are limited to use it.
3. The method used by us in order to collect the data is very common as we have used the Questionnaire method for this research study. Other methods could have been used for this research study like group discussions/discussion forum etc.

Directions for Future Research

Our research is indicating that direct participation could influence certain forms of organizational commitment; it still does not shed light on the mechanisms through which this is accomplished. Future research directions could include:

1. Different levels of employee participation and their impact on different employee outcomes.
2. Longitudinal studies to establish the causal relationship between the variables.
3. To enhance external validity, future research efforts should obtain a representative sample from more organizations.

References


