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## 4C'S OF WORK ENVIRONMENT AND ORGANIZATIONAL PERFORMANCE: MEDIATING ROLE OF INDIVIDUAL PERFORMANCE

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### ABSTRACT

Effects of career planning, consultative management, communication and culture (Performance-oriented) have been the focus of research scholars, previously. This is the first study presenting a combined effect of 4C's of the work environment in a unique model, investigating the impact with mediating role of individual performance on organizational performance. The objective aspect of performance is considered with respect to system performance. Data were collected from 42 firms of manufacturing and services sector, through questionnaires. Results show that career planning, culture, communication, and consultative management as part of work environment has a significant impact on organizational performance with employee's individual performance acting as a mediator. Contribution of this study to the body of knowledge is a model exhibiting 4C's of Work Environment and their relationship with individual and organizational performance.

**Disciplinary:** Management Sciences (Human Resources Management) and Mathematics (Statistics).

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## 1. INTRODUCTION

Excellence is the key to any business activity. Quality of input determines the quality of output. So, the management of employee performance has its own prime importance in managing the performance of organizations. Besides books, software, hardware, buildings and key organizational parts, employees are the most important component who build organizations, (Lee, 1994; Raziq & Maulabakhsh, 2015) through their performance (Hill et al., 2008). As technology is readily available, building a motivated and productive workforce requires considerable effort and time (Lee & Choi, 2003; Lee, 1994; Tazakori et al., 2019). Currently used work environment systems are useful only to

manage the domestic workforce but to manage a global workforce there needs to be developed a meaningful understanding of the factors contributing to employees' individual performance and how to manage them to enhance organizational performance at large. Work environmental factors, like career planning and cultural diversity in organizations is posing serious challenges for managers to improve upon current systems and provide more cross-cultural training opportunities to employees. Effective communication systems with organization-wide, national and global connectivity and consultative management systems must be designed to help flow the information more rapidly and accurately to achieve effectivity. So, businesses should sensitize the need for establishing supportive work environments to help develop human resources as they are the only resource that can provide benefit centuries after centuries (Raziq & Maulabakhsh, 2015).

Organizations are highly volatile which means that the systems within are highly turbulent and the pressure to create working environments, conducive enough to facilitate individual performance, is inevitable. This research, however, focuses on a situational aspect of performance. It encompasses the factors in an individual's work environment that affects performance at individual and organizational levels. A large number of researches is being done, worldwide, in the areas of compensation systems and compensation management aspects. This is a known fact that better compensation packages help improve performance of employees by motivating them to perform. Being researchers, we believe that money only prevents de-motivation keeping the morale of the employees on the borderline of motivation and de-motivation, there are other factors that influence increase in motivation. So, for this to be tested in real Pakistani business world environment this study focuses on four major work environment factors namely Career Planning, Consultative management, Communication and Culture (performance-oriented), that affect individual and organizational performances other than compensation. Pakistani business is the focus of attention because of the consistent challenges being faced by the country as a whole for two decades. Pakistani economy is in dire need of support from there industrial sectors to help gain stability and continuity through strengthened systems with distinct policies and strategies upon how to reinforce organizational performance for higher industrial outputs and better contributions towards country's economy. Performance can be viewed in two aspects. One is objective and other is subjective. The objective aspect of performance focuses more on human productivity with respect to system performance. While subjective performance focuses on human feelings and expressions (Pearson, 1982). Our focus is on objective aspect of performance depending upon effective working environmental systems developed in an organization. Change in employee behaviors is evidence of learning. If provided with certain circumstances performance of individuals will be proof of individual-level learning. For the purpose of modifying employee behaviors positive reinforcement is used as a powerful tool to identify and reward performance augmenting behaviors resultantly increasing the likelihood for the behaviors to be repeated in future benefitting management at large. So, work environment with a performance-oriented culture will possess more learned and performing employees, which will enhance performance at organizational level as well (Raziq & Maulabakhsh, 2015).

This study investigates the relationship of four distinct work environmental factors i.e., Consultative management, Career Planning, Culture (performance-oriented) and Communication with organizational performance with the mediating effect of Individual Performance. A number of studies are being conducted to examine relationships of varying dimensions of the work

environment on the performance of the organization. There is no study to date that presents a model as comprehensive and unique as this. Pakistan's manufacturing and services sector is focused as both of these sectors are a major contributor to the country's economic stability and performance. This study helps manufacturing and services sectors in identifying the winning contributors in organizational performance with an inevitable role of individual performance in the process.

## 2. REVIEW OF LITERATURE

### 2.1 WORKING ENVIRONMENT

The environment in an organization encompasses the surrounding atmospheres which can significantly impact humans, while the work environment involves settings where humans work in sync to achieve organizational goals and objectives (Awan & Tahir, 2015). The work environment can be explained through two different dimensions i.e. Work-related and Context related dimensions. Work-related dimension includes all the job-related characteristics including its collaborating elements as well as the outcomes. Whereas, the context related work environment includes the physical working conditions facilitating employees to perform on the job (Raziq & Maulabakhsh, 2015). The work environment consists of employee engagement, safety, and security of employees, maintaining good working relationships, motivation and employee inclusion in decision making (Appelbaum et al., 2000; Awan & Tahir, 2015; Chandrasekar, 2011; Raziq & Maulabakhsh, 2015).

Work environments play a pivotal role in how employees in an organization perform individually, in the form of teams motivated enough to benefit the organization's longer-term profitability (Chandrasekar, 2011). An effective work environment is where management can achieve their expected results (Chandrasekar, 2011; Dul & Ceylan, 2014; Spector, 1997). Work environment directly affects individual behavior, interpersonal interactions and thus work outcomes (Ajala, 2012). Performance is believed to be a function of an individual's work environment and interaction of different factors of work environment with the employees (Anitha, 2014; Awan & Tahir, 2015; Dul & Ceylan, 2014; Spector, 1997). Dul and Ceylan (2014) studied 103 firms and concluded that the firm's characteristics work environmental factors contribute to higher levels of product and individual creativity levels. Gilbert (1996) in his Behaviour Engineering Model indicates that performance of individuals is influenced by work environment and its individual dynamics. He defined performance as "individual's behaviors and accomplishments, where behaviors of individuals lead to accomplishments". Work environment influences behaviors ultimately shaping the performance of individuals. Lewin (1997) in his Field Theory suggests that  $B_t = F(S_t)$  i.e. Behaviours at a point of time are function of contextual situations. The situation includes psychological as well as organizational work environment of the individuals. Employee behaviors do not exist in a vacuum. He argued that a specific and unique environment is required to effect employee behaviors and thus employee performance. An "attractive" and "resourceful" workplace environment retains employees for longer term and makes them perform better on the job.

### 2.2 CAREER PLANNING

Career planning encompasses the individual's personal goals, challenges and the tasks involved (Chen et al., 2004). As people with different characteristics vary in their needs of career development

and progression within hierarchies, the career development systems within organizations should be premeditated accordingly (Baruch, 1996). Hill et al. (2008) argue that organizations select new candidates from a scarce market, place them on high responsibility jobs without discussing their career paths. This leaves employees with a heap of muddles, no clear bearing for the future, leading competitors to carry them away. Clearly stated employee career paths help employees to perform better and improve their efficiency (Victoria et al., 2018). Organizations must understand that career development programs appropriate for one group of people or for people at one level of hierarchy may be useless or unsuitable for other groups of people. Organizations have diverse groups of people so, they must be the career development programs (Baruch, 1996). They will be more productive if they are well informed of their career tasks (when individuals take initiatives to grab available opportunities spending time, energy and efforts for developing required skills and competencies in order to accomplish the career objectives), career goals (landmarks to be realized during a career, providing individual with basic direction and drive) and career challenges (Chen et al., 2004).

### **2.3 CULTURE (PERFORMANCE ORIENTED)**

Culture in organizations, shaped by responsible people at executive levels, comprises attitudes, values, beliefs, and behaviors that everyone has to accept, serving organizations in an effective way (Tsai, 2011). The essence of the idea regarding performance-oriented culture is to link equitable pay, promotion, and additional organizational rewards along with improved worker attitudes (i.e. performance, cooperation, collaboration) (Ko et al., 2013). Reinforcing desired behaviors from employees requires consistent managerial behaviors of appreciation and recognition of virtuous performance (Bakotić, 2016). A culture with a positive association with people, shared values and standards, high acknowledgment of individuality, supportive management and high levels of information flow, create a positive general environment of high performance and productivity (Peñalver et al., 2019). Organizations must teach their employees about how to manage time and make use of 80/20 rule i.e. identifying 20% task that delivers 80% of results (Kirk, 1997).

### **2.4 COMMUNICATION**

Communication is an organization's "lifeblood" which prevents various conflicts that may be threatening to employee's and organization's performance. Most of the change management programs in organizations fail due to a lack of proper communication channels (Beer & Nohria, 2000). Regular transmittal of information from top management helps employees understand organizational changes and perform accordingly. Millennials (born between 1979 and 1994) are continuously entering the workplace, there is general speculation that they work well in teams, prefer frequent and open communication with their supervisors, and can be used to improve individual and organizational performance (Myers & Sadaghiani, 2010). Top managers and the management of the organization should provide to their employees an environment where they can articulate their views and ideas easily. They should ensure the provision of communication opportunities and formal means of information exchange to let employees keep sharing their views (Vakola & Bouradas, 2005). Boies et al. (2015) proved a positive relationship between flow of information and productivity of employees in an organization.

### **2.5 CONSULTATIVE MANAGEMENT (EMPLOYEE EMPOWERMENT & PARTICIPATION)**

In consultative management, organizations involve their employees in the decision-making

process (suggestions/recommendations), but final decisions are made by their supervisors. It is also called an employee voice (Byrne & Damon, 2008). Consultative management usually has a positive and constructive influence on employee performance in situations where employees feel authority in doing their job and making their related decisions (Iqbal et al., 2015). The different researchers analyzed the influence of consultative management on employee performance but found somewhat mixed results. Based on the study of Chong et al. (2005) employee performance increased with consultative management practices. Libby (1999) and Byrne and Damon (2008) did not find a direct influence of consultative management on employee performance. However, Gómez-Ruiz and Rodríguez-Rivero (2018) found a motivational effect on performance of employees and subsequently on organizational performance. People with higher ranks, smaller group size and fewer pressures to make profits contribute higher levels of information and encourage participation in decision making (Connor, 1992). Managers, to maintain continued success, have to attain a right balance between roles and responsibilities of the job, performance demands and rewards for a productive and committed workforce (Scott-Ladd & Marshall, 2004).

## **2.6 WORK ENVIRONMENT: INDIVIDUAL EMPLOYEE PERFORMANCE RELATIONSHIP**

Recent researches have established a strong connection between work environmental factors and individual performance (Chandrasekar, 2011; Naharuddin & Sadegi, 2013; Raziq & Maulabakhsh, 2015; Srivastava, 2008; Vischer, 2008). Organizations that ignore the work environment as a significant contributor to success adversely affect the individual performance of employees (Raziq & Maulabakhsh, 2015; Spector, 1997). Similarly, a large body of knowledge contributes towards indicating that individual Job performance is the key to achieve high organizational performance in terms of productivity and effectiveness (Bevan, 2012; Cooke, 2001; Muchhal, 2014; Okoye & Ezejiolor, 2013). The purpose of enhancing employee productivity is to enable people to work harder but to work cleverer and keener. Motivation is a much-needed ingredient for people to perform on the job (Burnham, 1982). Organizations these days have become more and more demanding and put tremendous pressure on employees to perform better every day with respect to changing nature of the business world. This has been the focus of attention in recent years and requires deliberate attention in future researches too (Quinn & Spreitzer, 1997). Recent research trends show that stakeholders have to take various steps in order to upkeep the worker's performance (Parsa, 2014). Thompson (1993) presented a formula;  $\text{Performance} = f(\text{Skills} \times \text{Efforts}) \times (\text{Efficiency of system being used})$ . A bureaucratic environment in organization prevent employees to perform efficiently and effectively and they are less innovative and productive altogether (Appelbaum et al., 2000). Higher levels of employee productivity are an indicator of employee's commitment to outperform for the organization (Gardner et al., 2011).

To build employee efficiency, devotion, and gratification; design, implementation, and management of employee growth and development programs is a critical ingredient (Goldstein, 2003). Training must not be the only solution to performance problems. A system must be developed which includes variety of activities to support employee performance at work (Broad, 2006). Elements that ensure internal service quality in the form of high performance of employees include systems of job design, reward, and recognition, employee selection, workplace design,



communication and training, styles of management, alignment of goals and policies and procedures (Hallowell & Schlesinger, 1999). A stable environment, worker involvement, and participation, delegation of authority and information sharing through efficient communication channels enhance efficiency and effectiveness i.e. productivity of employees (Ahmad & Schroeder, 2003; Sonnentag, 2003; Sonnentag & Frese, 2002). Employee's personal perception of their value within organization depends on their confidence levels, self-worth, dignity, and wellbeing, which leads to higher levels of satisfaction and performance contribution towards achieving organizational goals (Batool & Batool, 2012). A study conducted by Jayaweera (2015), on 254 hotel workers in UK revealed that there exists a strong correlation between Work environmental factors and individual's job performance.

## **2.7 WORK ENVIRONMENT: INDIVIDUAL PERFORMANCE AND ORGANIZATIONAL PERFORMANCE RELATIONSHIP**

A large number of research studies can be recognized for providing a comprehensive insight into antecedents and consequences of organizational performance (Chandrasekar, 2011; Dul & Ceylan, 2014; Hogan & Coote, 2014; Tesluk, Vance, & Mathieu, 1999; Valmohammadi & Roshanzamir, 2015). Researchers have argued over decades, that High-performance work systems (HPWS) including consultative management approaches (Messersmith, Patel, & Lepak, 2012; Shin & Konrad, 2017) and well-defined communication and trust-building systems (Boies et al., 2015) help organizations achieve higher levels of performance in the longer run. Daft and Marcic (2016) defined organizational performance as ability of an organization where it uses its available resources efficiently to achieve effective results. Dul and Ceylan (2014) identified 12 different work environmental factors emphasizing their importance in defining the individual performance and organisational performance levels.

The work environment is at the core of how organizations perform in the longer run. Individuals provided with a performance enabling work environment are in a better position to be motivated and perform in the form of teams, benefiting organization's profitability in the longer run (Chandrasekar, 2011). Consultative management and employee involvement efforts help employees develop positive attitude towards producing volunteer contributions towards organizational development (Tesluk et al., 1999). Managers today need to focus on developing employees with enough authority and delegated responsibility to encourage teamwork and accountability (Chandrasekar, 2011). A study conducted by Zakari et al. (2013) on banking sector of Ghana, found that a strong positive correlation exists between organizational performance and culture of the organization. Moreover, organizational cultures that value the human part of the organizational systems tend to directly influence the organizational performance at macro level (Hogan & Coote, 2014; Valmohammadi & Roshanzamir, 2015). Qualitative and quantitative measures of productivity are the true depiction of any organization's performance (Kehindeet al., 2012; Lebas & Euske, 2002).

## **2.8 HYPOTHESES**

H<sub>1</sub>: Work environmental factors have a significant positive impact on organizational performance.

*H<sub>1a</sub>: Career Planning has a significant positive influence on organizational performance.*

*H<sub>1b</sub>: Culture has a significant positive influence on the organizational performance.*

*H<sub>1c</sub>: Communication has a significant positive influence on the organizational performance.*

*H<sub>1d</sub>: Consultative management has a significant positive influence on the organizational performance.*

*H<sub>2</sub>: Work environmental factors through its effect on Individual performance have a significant and positive influence on organizational performance.*

*H<sub>2a</sub>: Career Planning through its effects on Individual performance has a significant and positive influence on organizational performance.*

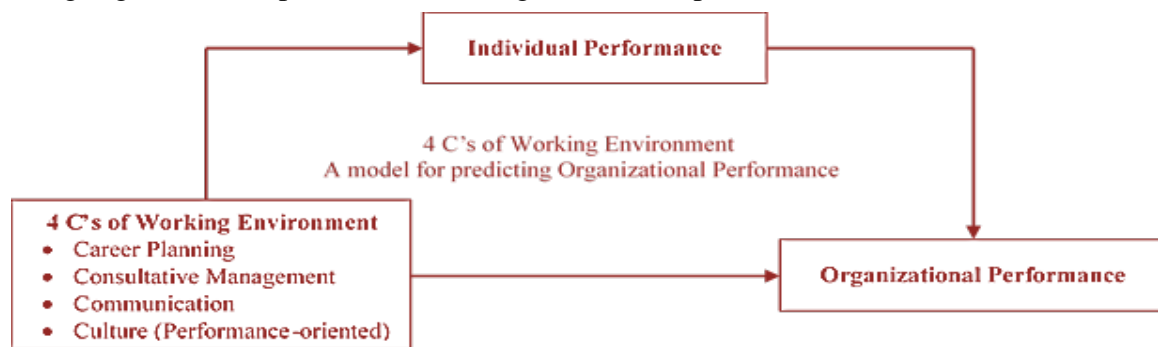
*H<sub>2b</sub>: Culture through its effects on Individual performance has a significant and positive influence on organizational performance.*

*H<sub>2c</sub>: Communication through its effects on Individual performance has a significant and positive influence on organizational performance.*

*H<sub>2d</sub>: Consultative management through its effects on Individual performance has a significant and positive influence on organizational performance.*

## 2.9 THEORETICAL FRAMEWORK

The study framework is given in Figure 1, exploring the role of work environmental factors in predicting organizational performance through individual performance.



**Figure 1:** Theoretical Framework.

## 3. RESEARCH METHODOLOGY

### 3.1 POPULATION, SAMPLE, AND DATA COLLECTION

A homogenous population of all employees classified as middle managers, in the manufacturing and service sector of Pakistan, is selected for this study. Quantitative data from 42 manufacturing and service organizations from Islamabad and Rawalpindi region in Pakistan were collected using a 5-point Likert-scale questionnaire. Employees were asked to answer questions based on their perceptions. In total 420 distributed survey questionnaires, 297 were usable after excluding the outliers' data using Cook's Distance and Central Leverage Value method, amounting to a response rate of 70.71%. Data were cleaned for the purpose of data analysis.

In Table 1, most of the respondents were male (79.1%), may be due to higher preference given to the male fraternity for construction of sound organizational structures and high levels of gender discrimination among corporate culture. Most respondents had ages 31-40 years (49.5%) and most of them held bachelor's degree (50.5%) which may be due to the economic conditions of

households in Pakistan and lesser government support for higher education, for economically deprived households, make young people do jobs to support their families. The majority were married (62%) and belonged to middle management levels (75.4%) working in the organization for 2-5 years and above (53.2%) and have a permanent employment status (83.5%). The income level of the respondents' ranges from Rs. 20,000-40,000 per month, maybe because of poor economic conditions, younger lot of the job market, despite holding middle management positions, settle for less than market-competitive salaries.

**Table 1: Respondent's demographics**

S #	Demographics		Responses	Frequency (%)
1	Gender	Male	235	79.1
		Female	62	20.9
2	Age	20 – 30	128	43.1
		31 – 40	147	49.5
		41 – 50	19	6.4
		51 and Above	3	1.0
3	Education	Ph.D	2	.7
		M.Phil / MS	117	39.4
		Masters	150	50.5
		Bachelor	28	9.4
4	Experience	less than 1 year	17	5.7
		1 - 2 years	78	26.3
		2 - 5 years	158	53.2
		5- 10 years	17	5.7
		10 years and above	27	9.1
5	Marital Status	Single	113	38
		Married	184	62
6	Managerial Level	Top-level	11	3.7
		Middle-level	224	75.4
		First-line	62	20.9
7	Employment status	Permanent	248	83.5
		Contractual	43	14.5
		Temporary	6	2.0

### 3.2 MEASURES

The survey conducted includes information related to respondent demographics (e-g age, gender, income, education, marital status). The details of the variables and the scales used as measures are given in Table 2.

**Table 2: Measures Used**

Variable	Scale used	Items
Career planning	Sturges et al. 2002	4
Consultative management	Wood, 2008.	4
Communication	Pinto, 1990.	6
Culture	Jin et al., 2016	2
Individual performance	Koopmans et al. (2014)	7
Organizational performance	Lee et al.(2003)	4

To assess the fitness of good for the proposed model and to determine the fitness of all the scales used, Principal component analysis and rotation component matrix through Varimax with Kaiser Normalization were performed. All the extraction values were above the critical value of 0.5 which is a significant indication of the fact that all the values fall in one place and contribute towards defining the variables and also establish that there is no multicollinearity and no overlapping, among the 4 dimensions of the work environment. Results in table 3, show that



cumulative percentage loading of 6-items of career planning was 57%, 4-items consultative management was 50%, 7-items communication scale has 53% and 4-items of culture has 63%, which is within the acceptable range. When all the 21-items of working environment were analysed together for average variance explained, it showed four sub-variables, having cumulative percentage loading of 64.47%, which is within the acceptable range and determines that all the 4 dimensions can be considered in 1 variable of work environment.

Reliability statistics for 7-items individual performance is .83 and organizational performance is .89 whereas average variation explained for individual performance was 71% and organizational performance was 77%. Multicollinearity statistics (i.e. tolerance and VIF) for all variables were under acceptable range, predicting no multicollinearity issues in the data. Individual variations are also within the acceptable range i.e. >10 which contributes towards explaining the variable significantly. This confirms the convergent validity of the model.

**Table 3:** Cronbach’s Alpha reliability, Average Variance Explained, Collinearity Statistics, Rotated Factor Matrix.

Items	Reliability $\alpha$	AVE	Collinearity		Rotated Component Matrix						
			Tolerance	VIF	1	2	3	4	5	6	
CP1					.62						
CP2					.74						
CP3	.89	57%	36	3.87	.76						
CP4					.80						
CP5					.73						
CP6					.75						
CM1								.71			
CM2								.92			
CM3	.85	50%	.47	5.14				.58			
CM4								.56			
COM1						.59					
COM2						.49					
COM3						.69					
COM4	.86	53%	.21	3.38		.77					
COM5						.73					
COM6						.59					
COM7						.69					
CUL1								.74			
CUL2								.78			
CUL3	.87	63%	.44	2.71				.81			
CUL4								.85			
IP1											.61
IP2											.75
IP3											.77
IP4	.83	71%	.28	4.61							.73
IP5											.59
IP6											.78
IP7											.70
OP1										.86	
OP2										.90	
OP3	.89	77%	.30	3.43						.87	
OP4										.88	

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations. OP= Organizational Performance, IP = Individual Performance, CUL = Culture, COM=Communication, CP= Career Planning, CM=Consultative Management

## 4. FINDINGS & DISCUSSION

Data analysis was performed using SPSS-23. To examine the relationship between dependent and independent variables Pearson Correlation was used. To determine the impact of mediation on direct relationship of IV with DV, PROCESS by SPSS and Bootstrapping were used.

### 4.1 DESCRIPTIVE AND CORRELATION ANALYSIS

Descriptive statistics (i.e. Means, standard deviations, skewness, and kurtosis) of the variables as well as their inter-correlations are represented in Table 4. Mean value of variables (CP =3.34, CM =3.73, COM =3.75, CUL =3.43, IP =3.71, OP =3.14) and standard deviation of the variables (CP =.92, CM =.77, COM =.71, CUL =.87, IP =.78, OP =.88) showed that all variables are above average values. The data were checked for missing values and normality (skewness and kurtosis) as suggested by researcher Singh & Sharma (2016). Skewness and kurtosis values lie within the range of +1 and -1 which shows the normality of data collected.

**Table 4: Descriptive Statistics and Correlation Analysis**

Variables	Descriptive Statistics				Correlation Analysis					
	M	SD	Skew	Kurt	1	2	3	4	5	6
1 CP	3.34	.92	-.45	-.50	1					
2 CM	3.73	.77	-.71	.52	.58**	1				
3 COM	3.75	.71	-.39	-.19	.59**	.60**	1			
4 CUL	3.43	.87	-.42	-.51	.55**	.57**	.74**	1		
5 IP	3.71	.78	-.21	-.98	.69**	.57**	.67**	.70**	1	
6 OP	3.14	.88	-.55	-.12	.35**	.15*	.32**	.29**	.43**	1

Note: CP= career planning, CM= consultative management, COM= communication, CUL= culture, IP = individual performance, OP = organizational performance  
 \*\* Correlations are significant at .01 level; \* Correlations are significant at .05 level

For the purpose of this research study work environment is explained through its four dimensions i.e. Career planning, Communication, Consultative management and Culture (Performance-Oriented). Results of Pearson's Correlation analysis, show that all work environment factors have highly significant correlation with Individual performance of employees (CP= .69, CM= .57, COM= .67, Culture= .70) and have a weaker but significant correlation with Organizational performance (CP= .35, CM= .15, COM= .32, Culture= .29). This happens to prove our hypotheses H1, H1a, H1b, H1c, and H1d, to be true that factors of work environment have a significant positive impact on organizational performance. Individual performance has a highly significant correlation with Organizational Performance i.e. .43 at  $p < .01$  (2-tailed). This proves our H2, H2a, H2b, H2c, and H2d, hypothesis to be true that Work environmental factors have a significant positive correlation with organizational performance through its effect on Individual performance. Results in Table 4 show that Performance-oriented culture has the strongest correlation ( $R = .70$  at  $p < 0.01$ ) with individual performance of employees. This shows that besides financial rewards and compensation people value what they get in the form of open appreciation, acknowledgment and encouragement of their performance. Career planning has  $R = .69$  at  $p < 0.01$  which shows that career planning as a part of the work environment has a significant positive correlation with individual employee performance. Consultative management ( $R = .57$  at  $p < .01$ ) and communication ( $R = .67$  at  $p < .01$ ) also have positive correlation with individual employee performance. These results further clarify the notion that all the factors of organizational work environment i.e. Career planning, Communication, Consultative management and Performance-Oriented Culture, have a significant positive correlation

with individual employee performance. This results in explaining that organizational work environments that value persistence of performance culture, with appreciation for good work done and support & development opportunities for any gaps in performance, help develop strong working environments resulting in strong positive impacts on individual employee performance.

## 4.2 MEDIATION ANALYSIS

As the study attempts to test the mediation impact of Individual Performance on the direct relationship of 4C's of the Work environment and Organizational Performance, we used PROCESS, an SPSS macro as designed by Preacher, Rucker, and Hayes (2007) in combination with bootstrapping, a statistical re-sampling method (Hayes, 2009). Preacher and Hayes (2008) estimate indirect effects directly, in case direct effects are missing, as compared to the classical procedure used by Baron and Kenny (1986). Regression results were controlled for demographic variables as they may relate to organizational performance. As the model is multiple conditions (4 dimensions) within-subject design the mediator and consequent variables were measured four times, once in each of the four conditions that represent the antecedent variable X in each case (Montoya & Hayes, 2017). Results show the direct, indirect and total effect of X along with Bootstrap confidence interval (99%) for inference in each such case. Default number of Bootstrap samples with bootstrap confidence interval is used i.e. 5,000.

**Table 5: Regression Results for Simple Mediation**

Independent Variables (X)	Direct and total effects											
	X → M				M → Y				X → Y			
	β	SE	t	Sig	β	SE	t	sig	β	SE	t	sig
<i>Career planning</i>	.58	.03	16.23	<.01	.39	.08	4.85	<.01	.33	.05	6.38	<.01
<i>Con. management</i>	.56	.04	11.95	<.01	.57	.07	7.95	<.01	.17	.06	4.53	.01
<i>Communication</i>	.34	.04	15.40	<.01	.45	.09	5.45	<.01	.39	.06	5.72	<.01
<i>Culture</i>	.53	.03	16.86	<.01	.41	.08	5.83	<.01	.29	.03	5.26	<.01
	Value		SE		UL 95% CI		LL 95% CI		z		Sig	
Indirect effect and significance using the normal distribution												
<i>Career planning</i>	.35		.03		.44		.23		7.39		<.01	
<i>Con. management</i>	.19		.04		.29		.04		6.94		<.01	
<i>Communication</i>	.41		.05		.53		.26		7.34		<.01	
<i>Culture</i>	.33		.04		.41		.19		7.47		<.01	
	Value		SE		UL 99% CI		LL 99% CI					
Bootstrap results for indirect effect												
<i>Career planning</i>	.36		.04		.57		.27					
<i>Con. management</i>	.21		.06		.32		.12					
<i>Communication</i>	.42		.03		.59		.31					
<i>Culture</i>	.28		.05		.47		.21					
<p>Note: N=297; X=Independent Variables (<i>Career planning, consultative management, communication, culture</i>); M=Mediator variable (<i>Individual performance</i>); Y=Dependent variable (<i>Organizational performance</i>); SE= Standard error; LL = Lower limit; CI=Confidence interval; UL= Upper limit. Standardized regression coefficients are reported. Bootstrap sample size = 5,000</p>												

As the study results show that 4C's of work environment have a significant positive correlation with organizational performance so, in order to get a better insight into the fact that how individual performance is altering this relationship, regression analysis using Process in SPSS-23 is performed for indirect effects (Preacher et al., 2007). The summarized results Table 5 indicates that according to Montoya & Hayes, 2017, the conditions for mediation are met. First condition assumes independent variables (*Career planning, consultative management, communication, and culture*) are

related to dependent variable (Organizational performance). Second condition is that independent variables are related to mediator (Individual performance). Third condition assumes that the coefficient of the mediator (Individual performance) is significant in regression with both independent variable (Career planning, consultative management, communication, culture) and mediator (Individual performance) as predictors. Whereas the fourth condition entails that the direct effect of independent variable (Career planning, consultative management, communication, culture) on dependent variable (Organizational performance) should be less than indirect effect of independent variable (Career planning, consultative management, communication, culture) on dependent variable (Organizational performance) through mediator (Individual performance).

The values for path estimates are shown in Table 5. Results show that career planning ( $\beta = 0.33$ , sig < 0.01), Consultative management ( $\beta = 0.17$ , sig < 0.05), communication ( $\beta = 0.39$ , sig < 0.01), and performance-oriented culture ( $\beta = 0.29$ , sig < 0.01), influence organizational performance in a significantly positive manner, satisfying the first condition, resultantly supporting our hypotheses 1a, 1b, 1c and 1d to be true.

The second condition about influence of independent variable (4 C's of Working environment) and mediator variable (Individual performance) was also satisfied, thus provide support for Hypotheses 1. Additionally, third condition that the mediator variable (Individual performance) should be related to dependent variable (Organizational performance) was also satisfied. Finally, the direct effect of independent variable ( $\beta = .33$ ,  $p < .00$ ,  $\beta = .17$ ,  $p < .05$ ,  $\beta = .39$ ,  $p < .01$  and  $\beta = .29$ ,  $p < .01$ ) on dependent variable (Organizational performance) is less than indirect effect of independent variable ( $\beta = .35$ ,  $p < .00$ ,  $\beta = .19$ ,  $p < .00$ ,  $\beta = .41$ ,  $p < .01$  and  $\beta = .33$ ,  $p < .01$ ) on dependent variable (Organizational performance) through mediator (Individual performance), thus this satisfy the last condition of full mediation.

Results in Table 5 for PROCESS and Bootstrapping indicated that all indirect paths were significant (i.e.,  $z = 7.39$ , for the link of career planning-individual performance-organizational performance;  $z = 6.94$ , for the link of consultative management-individual performance-organizational performance;  $z = 7.34$ , for the link of communication-individual performance-organizational performance;  $z = 7.47$ , for the link of culture-individual performance-organizational performance). A full mediation effect of individual performance on path c which is the direct relation of X and Y in all four cases are concluded. All the values of ULCI and LLCI have no zeroes within the range which is a strong predictor of effects of mediation on c path. The result from the bootstrapping analysis also revealed that indirect effects of four factors of working environment on organizational performance through individual performance are significant because zero is not in the 99% confidence interval.

Thus, with support from path analysis, SPSS PROCESS and bootstrapping, we conclude that individual performance fully mediates the relationship between factors of the work environment and organizational performance, supporting Hypothesis 2 and its subsequent hypotheses 2a, 2b, 2c & 2d.

## 5. CONCLUSION

The findings of this study are consistent with the findings of the previous studies i.e. work environment has a strong impact on individual employee performance. This study, however, presents a framework including 4C's of work environment (Career Planning, Consultative Management, Communication, and Culture) as the most important factors, if implemented effectively in unison, can bring about a positive change in organization's overall performance and productivity levels through enhancing the performance of individual employees.

## 6. AVAILABILITY OF DATA AND MATERIAL

Data can be made available by contacting the corresponding author.

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