

***Causal Relationship Model of Organizational Culture Performance: The Study of Mediating Role of Organizational Trust and Organizational Commitment***

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The Asian Conference on Psychology & the Behavioral Sciences 2017  
Official Conference Proceedings

**Abstract**

The available literature on organizational behavior agrees that perceived organizational support (POS) is very significant in influencing the behavior and attitudes of people at the workplace. There is however paucity in studies focusing on the role of the mental outlook of an individual in shaping their attitude and behavior precisely so among the Thai populace. In light of this, this study seeks to fill the gap by examining the role of POS in the creation of Organizational Culture Performance (OCP). Giving reference to the conceptualization organizational commitment (OC) and organizational trust (OT) characterize factors that are personal with the mediator variable being the organization. From this vein, the study tests the intermediating role of organizational commitment and organizational trust in relationship mentioned before. A questionnaire based survey (N = 400) was conducted among employees within the real estate business in Bangkok. The subjects surveyed were 74% female and 26% male. The findings of the study indicated that the employed causal model was an excellent match for the empirical data. There was no direct association between POS and OCP. However, there was an indirect association of OCP via OT and OC. The relationship was stronger when POS was more associated on OCB via OC. Discussions of the study included the implications from both a theoretical and practical approach. Suggestions for future studies were also made.

Keywords: Organizational Culture Performance, Organizational Trust, Organizational Commitment, Perceived Organizational Support

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## **Introduction**

Employees are often provided with different organizational inputs by the management that include components that are both tangible and intangible. The tangible components include rewards and pay while the intangible components include support, justice to mention but a few. The perception of employees on the aforementioned components varies due to individual differences and inherent intangibility. According to Ng and Sorensen (2008) existent literature argues that the development of attitudes and behaviors at the workplace is heavily influenced by the perception on organizational support. As such, the way something is perceived is just as important as what is perceived.

Borman (2004) noted that there are extensive studies focusing on industrial and organizational psychology given that job performance aligns to the very significant goals of an institution. In addition job performance is associated to the objectives of the firm besides individual goals. Job performance is likened to potential performance of the individual workers in an organization. It further serves as the symbol of ability to execute allocated duties and responsibilities (Campbell, 1990)

Upon conducting a review on theoretical perspectives Albanese (1981) recommended the Job Performance Behavior model. This model asserts that causal factor affected the behavior of employee performance at the individual and institutional level. The individual factors include skills, attitudes, knowledge as well as values whilst the institutional factors include relationships with supervisors, colleagues and other organizations.

The findings of a systematic review indicated that perceived organizational support which is a situational factor variable is extensively studied and found to affect job performance. Shirkouhi (2014) concisely stated that organizational support has a major effect on heightening of performance. Further, organizational support is associated with heightened organizational commitment as well as enhanced job satisfaction. There exists a positive association between POS and performance of jobs. Bakiev (2013) found out that people were able to heighten their performance besides be more committed to the organization if they possessed organizational trust. This was based on a study sampling police officers.

Essentially, this article seeks to establish the association of perceived organizational support with Organizational Culture Performance with the mediating variables being Organizational commitment and organizational trust within the Thailand. This study will add another context in literature besides investigate the boundary circumstances to abovementioned associations.

## **Methods**

### *Participants and Procedure*

The study population entailed 400 employees within the real estate business in Thailand. The questionnaire survey was translated to Thai while some sections were developed by the researcher with a view to make it context specific. In order to ensure reliability and validity, the survey went through internal consistency analysis as well

as item correlation analysis. Certification of the study in regard to adhering to human research ethics was done by the Strategic Wisdom and Research Institute, Srinakharinwirot University, Thailand.

### *Measure*

The survey questionnaire utilized a five point Likert Scale for each item under study. “Strongly disagree” was 1 while “Strongly agree” was no 5. The respondents of the study 67 items under study to respond to in the questionnaire. Aspects of reliability were ensured by ascertaining that the measurement result had Cronbach alphas ranging from .895 and .948 lowest and highest respectively.

### *Organizational Culture Performance*

There were 25 items in the questionnaire that focused on organizational culture and more precisely evaluated the level of individual performance and behavior as articulated in the Denison organizational culture survey (Denison, 2000). The researcher also adopted the concept of job performance as articulated by Albanese (1981), the researcher also used a self-report with five dimensions that were as indicated below 1) attention to detail 2) service mind 3) think outside the box 4) customer centric and 5) goal driven. The aforementioned were deemed essential in assess the performance behavior of employees against the direction provided by the company in respect to strategic planning and achievement. .948 was the alpha value.

### *Organizational Commitment*

The researcher utilized 24 items to measure the organization commitment and particularly adopted the “organizational commitment questionnaire” (OCQ: Meyer and Allen, 2001). Essentially, this sought to evaluate the commitment of employees to the organization. Normative commitment, affective and continuance are the three features of three dimensional model recommended by (Meyer & Allen, 2001). The dimensions focus on the obligations the employees feel they have to the organization, the perceived economic value hence the continued membership and emotional attachment towards the firm. Drawing from the operationalization of the three dimensional model the sustained commitment to the organization is largely dependent on the availability of openings for alternative jobs. Ultimately, the questionnaire sought to evaluate the employees level of commitment through assessing the behavior, belief and value of the firm. .944 was the alpha value in this regard.

### *Organizational Trust*

The researcher employed 12 items to measure organizational trust and more precisely Cumming and Bromiley’s (1996) organizational trust inventory (OTI). However, the researcher customized the model by deleting item 1 given that it was not relevant to the context under study. Cook and Wall (1980) asserted that organizational trust is a significant factor that aids in the determination of the firm’s long term stability. To this end, long term stability is ensured when employees have a long-lasting and positive association with the firm as well as their colleagues. Consequently, Avram and Cooper (2007) articulated that organizational performance is hinged on trust while Cunningham and Gresso (1993) were emphatic that the emotional functioning

of a firm is fuelled by the trust people have on them. Gibbs (1972) specified that organizational trust creates an environment that ensures reciprocal feelings of acceptance, confidence and warmth. A more detailed definition of trust was articulated by Cummings and Bromiley (1996) who stated that trust is the hope that another group or individual will a) in good faith attempt to meet the commitments set whether explicit or implicit, b) exhibit sincerity in all negotiations and commitments as well as c) restrain from taking undue advantage others even when there are numerous opportunities to do so. To this end, the model propounded by Cummings and Bromiley (1996) is believed by researchers to be effective in a work environment which is the case in this particular study. The utilization of this scale was to draw out perception and belief of employees on organizational trust. .898 was the alpha value to this regard.

### *Perceived Organizational Support*

The researcher utilized 8 items to measure the perceived organizations support (POS). The researcher employed Eisenberger's model that was developed and customized to fit the researcher's context which was Thailand (Eisenberger, 1986). The social exchange theory (Blau, 1964) postulates that employees evaluate and make judgment on work relationships depending on the level of reciprocity in the long term (Rousseau, 1989).

POS in this regard is defined as the healthy perception that a firm is concerned to the emotional needs of employees besides values their loyalty, commitment and effort. Orpen (1994) explained that perceived organizational support assumes that meeting the employee needs emotionally and exhibiting the readiness of the firm to reward them for increased effort in their work develops the belief among employees that the firm appreciates their contributions and is concerned with their general welfare. Every party in any relationship has perceptions and expectations from each other and as long as there are mutual benefits then neither of the parties will be aggrieved that their expectations have not been fulfilled. Therefore, reciprocity is foundation of social exchanges (Tansky and Cohen, 2001). Eisenberger et al., (1986) termed this as "Perceived Organizational Support".

POS has also been noted to be effective in the repair of damaged organizational trust through development of a context that enhances the degree of organizational trust within the management at the top. .895 was the alpha value in this regard.

### **Data analysis**

The analysis of data involved calculating the percentage, frequency, mean and standard deviation. The data was analyzed using LISREL 9.2. This made it possible to approximate the path models using the maximum likelihood approximation. The general match for this model was evaluated by considering: Chi-square, root mean square error of approximation (RMSEA) at no more than 0.08 (Kliwer & Murrelle, 2007), standardized root mean square residual (SRMR) less than 0.08 and goodness of fit index (GFI) in excess of 0.90 (Browne & Cudeck, 1993). Other measures considered in finding a fit was standardized residuals in excess of 2.00. an ideal fit should have a relative chi-square( $\chi^2/df$  ratio) of 3.00 or less with CFI and NNFI at .90 or higher (Bentler & Bonett, 1980).

## Result

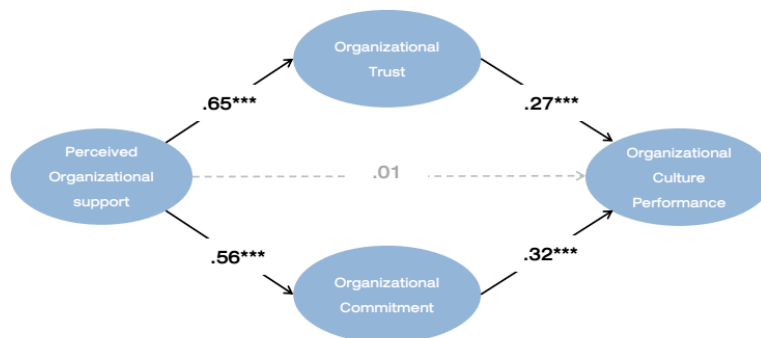
Table indicates that all the relevant variables of this model including the mean, standard deviation as well as correlation coefficient exhibit important association with the various variables of reference dependent, independent and mediator. The measures indicated sufficient levels of sustainability.

Table 1 Means, Standard Deviations and Correlations (n=400)

Variable	POS	OT	OC	OCP
Perceived Organizational Support	1			
Organizational Trust	.661*	1		
Organizational Commitment	.567*	.767**	1	
Organizational Culture Performance	.359*	.383**	.413**	1
<i>M</i>	28.73	41.348	91.285	97.61
<i>S.D.</i>	4.529	6.495	12.36	11.261

\*\*p < 0.01, (n=400); the value of parenthesis are Cronbach's alpha

Consequently, the model matched the empirical data detailing that perceived organizational support has no direct influence on organizational culture performance. However, perceived organizational support was indirectly related to organizational culture performance through mediating variables organizational commitment and organizational trust. There was strong indirect effect between perceived organizational support and organizational culture performance through the mediating role of organization commitment. Essentially, the model indicated that 23.6% of the variance could be explained in organizational culture performance. The important associations among the dependent, mediator and independent variables is illustrated in figure 1



Chi-square = 0.25, df = 1, p = .62019, GFI = 1.00 AGFI = .997, SRMR = .00525, RMSEA = 0.01  
 \*\*p < 001

Figure 1: Path analysis of causal model of Organizational Culture Performance

The matrix pathways from exogenous to endogenous variables detailed that the general fit model had a chi-square of 0.25 (where df=1 and where p=.62019) with a

0.1 approximation error in the root mean square. Subsequently, the goodness fit index was adjusted to .997 ( $\chi^2 (1) = .25, p=.62019, GFI= 1-00, RMSEA=.01$ ). This means that there no significant association with the model in question

## **Conclusion and Recommendation**

The aim of this study was to analyze the association of perceived organizational support to organizational culture performance with the mediating variables being organizational commitment and organizational trust. The study results indicated that the aforementioned variables contributed to organizational culture analysis especially through the mediating variables. Further, the post analysis data confirmed the model hypothesized in the study besides proved that it was a good fit for the data that was empirical.

The association was interpreted to mean that the manner in which the organization structured the POS had potential of enhancing the performance of employees through considering the psychological variables organizational commitment and organizational trust of employees.

The findings of this study were in tandem with Kongkaphan (2014) who found out that POS is associated to job performance through employee satisfaction and organizational commitment with the study subjects being drawn from Kanchanaburi Rajabhat University, Bangkok, Thailand.

Similarly Yeh and Hong (2012) linked organizational commitment to a mediator role between type of leadership and job performance. The findings detailed that the staff were more committed to the organization if they perceived that their supervisor was supportive of them and hence heightened increased performance.

The researcher found out that there no direct relationship between POS and D OCP. However, there existed an indirect relationship between POS and OCP through the mediating variables OCT and OT. This was in accordance to previous studies that indicated that job performance among employees was increased when they obtained support from their organization including supervisor and peer support (Canipe, 2006). Narang and Singh (2012) found out that job performance increased when the employees were accorded supervisory and economic support. Bakiev (2013) proposed that OT has a positive association to performance of employees upon studying the population in Kyrgyzstan police forces.

All variables in the construct model could be explained with a coefficient of 23.6% of OCP. The study found no correlation between POS and OCP. Consequently, a stronger correlation was found between POS and OCP through OC. As such, organizations require considering all variables, perceived organizational support, organizational commitment and organizational trust in the quest to enhance the organizational culture performance across businesses.

It would be interesting to test the moderation effects of the varied psychological domains on the relationships proposed. The significance of the varied contextual variables proposed should be examined in reference to the hypothesized relationships.

Besides generating valuable insight, the results could detail on the type of industry or level of centralization required for some of the variables.

### **Limitation**

The study sample was limited as the data was gathered from employees within the real estate business in Bangkok, Thailand. Though the findings could be used to generalize within the context specific business they cannot be used for other related businesses. Further, the findings cannot be used to generalize the situation in other countries

### **Acknowledgement**

The authors are indebted to the Graduate school, Srinakharinwirot University for funding this paper and its subsequent presentation in the conference.

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