

Relationship between Employees Involvement and Organization Performance in Milieu of Pakistan

**Muhammad Arif KHATTAK, Nadeem IQBAL, Sajid Rahman
KHATTAK, Syeda Faiza UROOJ**

¹Muhammad Ali Jinnah University, Islamabad, Pakistan

¹Email: arif@jinnah.edu.pk ³Email: sajidk99@yahoo.com

²Bahauddin Zakariya University, Pakistan, nadeemmba70@hotmail.com

⁴Federal Urdu University, Islamabad, Pakistan

E-mail: urooj53@yahoo.com

Abstract

This research measures relationship among employee involvement and organizational performance in Pakistani organizations. Three components of employees involvement are studied which includes empowerment, team orientation and capacity development as sub independent variables. Organizational Performance is measured through open interval model results, rational model results and human relations model results. Data collected from different organizations of Pakistan by using questionnaire with sample size of 509. Correlation and regression analysis is used to establish relationship amongst the variables and to prove three hypotheses. Results confirmed that Organizational Performance increases ranges from 56% to 94% due to employees' involvement in Pakistani Organizations. Furthermore, empowerment, team orientation and capacity development contrives strong and positive relationship with organizational performance. Organizations which delegate the authority to employees perform well as compared to those who don't. Organizations who allow their employees to work in teams proved/shows more performance level than those who have non-team based/individualistic structure. In Pakistan those organizations which develop employee's skills and knowledge have performed well as compared to those organizations which don't develop skills of their employees. Organizations must involve their employees in decision making processes at all levels by delegating them powers and authority, adapt team-based structures and develop capabilities of their employees to perform well and to compete with prevailing trends in the market.

Keywords: Involvement, Empowerment, Team Orientation, Capacity Development, Organizational Performance, Pakistan

Introduction

Organizations are very curious and always in search of competitive policies to gear up their performance. Global trends changes organizational practices from traditional to employee's competitive policies. Organizations strengthen their base and competencies by adopting policies through which they empower their employees by delegating them authority. The most important feature in the achievement or collapse of any institute is the authority of its employees, and how well that authority is focused towards achieving company objectives. Presently, industrialized organization follows the objective of a paperless environment, with plan and theory from a

workstation terminal through information links to a workstation-aided- mechanized terminal, which in turn force a numerically controlled machine (Apostolou, 2000).

The upper industrial unit computerization illustration in spite of all corporations functions on the strength and limitation of their workers. Even in a completely automated factory, employees have to design, maintain, and operate the systems that create output. Organizations that can tap the strengths of their people will be stronger and more aggressive than those that cannot. Business that regards people as automatons or mere cogs in a wheel will never realize their full potential. In the long run, such companies' inefficiencies attract competition, and unless the management philosophy changes, they will disappear (Apostolou, 2000). When any organization wants to build up an optimistic job atmosphere based on elevated faith, outstanding client service, joint cooperation, operational excellence, and innovative problem solving, then the management group must begin to appreciate, spend in, and be receptive to the wants of the group that stand for the business's most precious possessions, and is also one of its most significant clientele, the workers.

The arrival on such hypothetical savings will approach in the form of senior level of worker drive, originality, output, and promise that will shift the business forward with greater profitability. Worker participation and delegation is an extensive-term promise, a latest way of doing trade, an essential change in environment. Workers, who have been trained, empowered, and familiar for their accomplishment see their jobs and their company from a diverse viewpoint. They no longer hit a watch, do what they are informed, and calculate actions until the weekend rolls around. They "own" the company, in the sagacity that they feel in person answerable for its recital. The greatest way to obtain a genuine commitment from people is to involve them in the project from the beginning. Even if the original ideas are not theirs, the process of designing, planning and assessing will automatically pull them into the stream of things. Managers who try to get back some of that power ends up with sour, aggravated, and disenchanting workers. Performance undergoes, and prospect effort to engage workers will be met with cynicism (Apostolou, 2000).

Workers participation is creating an atmosphere in which community have an impact on decision and events that affect their jobs. Employee participation is not the objective nor is it instrument, as experienced in many associations. Rather, worker involvement is organization and leadership attitude about how people are most enabled to donate. There is at the end of the day only one thing that distinguishes one corporation from another – its employees. Not the manufactured goods, not service establishments, not the process, not secret element; eventually any of these can be changed. Japanese forever documented this and it is one of the causes for their achievement in global marketplace – they put marvelous worth on the addition of populace with managerial objectives, utensils and procedure (Apostolou, 2000).

In Pakistan, business rules have to reform therefore at such a vital stage, sympathetic of civilization becomes vital for the boss. Moreover, society is deep rooted in the nationwide situation which has bent up from side to side practice since decades. On the other hand, result of media, globalization surroundings and order for improved use of capital through innovative arrangement and practices has augmented the order for environmental study. Manager of the day has entered in the age of managing by participation than one-sided decision. Therefore team work, knowledge of new

practices/ norms and self-growth has become order of the day. It therefore accentuates that to march with the global society in general and manage the present work setting, factors affecting association require to be examined which might be in the course of understanding of commerce environment. At this stage, it is considered prudent to measure the span of this research work. In this connection, this study investigates the extent to which worker involvement affects the organizational performance. The research additionally aims at the delegation, group direction and ability improvement in business performance as supposed by the workers.

Organizations Performance

Every organization seeks to improve and increase its performance level by providing learning opportunities to its workers (Weiss et al., 1998). Organizations must perform at individual level to improve their performance of whole organizational. All subdivisions of the organizations must perform well to achieve overall performance level (Ward, 2007). Organizations in all over the world have designed different processes to improve performance level from functional to employees and till organizational level to perk up overall organizational performance. Organizations are also required to manage performance of its employees and functions by setting goals and achieving those (Good et al., 2004). According to Dess & Robinson (1984), organizational performance can be enhanced by improving employee involvement and management must have certain tools to improve employee involvement in that sector. Wheelen and Hunger (1998) says that level of performance is based on objectives and goals set by an organization. For every company working in market the main goal is to earn profit and reduce expenses. Organizations can improve their profit and reduce their expenses by improving employee involvement (Sorenson, 2002).

According to Lee et al., (2004) level of progress and involvement is different in every company. Many organizations delegate authority and power to their employees and due to that authority organizations performance also increases. An organization which gives authority to their employee to take decision also enhances their own skills. Organizations which perform well also involve employees in decision making and other organizational decisions. Rashid, et al., (2003) says that organizations also require more profit on their input and financial benefits on all expenses occurred. According to Ho et al., (2006) organizations require different analysis to measure their profitability and this shows that organization profitability can be increased when performance level of an organization also increases. Tvorik and McGivern (1997) formulated a performance model based on the economic rates of return for the organizational and economic factors. The model examined the contribution of these factors towards firm's profitability. Organizational factors influenced the profitability variance of the entrepreneurs more than that of the economic factors.

Employee Involvement

Worker participation shows that each worker is a different person, not just a component in a mechanism, and every worker is concerned in serving the business to get together its objective. Every worker contribution is asked for and appreciated by organization. Workers and management recognize that each employee is involved in running the business (Apostolou, 2000). Worker participation is a procedure to

authorize workers to contribute in decision-making behavior suitable to their rank in the association. As Theory Y primary transport to boss the thought of a participative organization technique, worker participation has taken numerous form, counting the work design method and particular behavior such as quality of work life (QWL) (Apostolou, 2000).

Three civilizations in which elevated participation scheme might guide to inferior amount of practice of argument declaration events. Primary, better faith and collaboration among workers and organization in elevated participation systems may guide to a decrease in the larger height of clash in the place of work (Kochan, Katz & McKersie, 1986). This disagreement diminish outcome that ought to decrease the numeral fundamental clashes in the place of work and thus also decrease the largely speed of practice of argument verdict events. Next, there may be an impact of elevated participation work systems on how disputes are resolved in the workplace. To the degree that workers are able to decide more harms and argument casually as of surface to surface these additional structure for contribution in the place of work, we would be expecting tradition of argument decree events to be condensed (Cutcher-Gershenfeld, 1991). This relaxed decree result would forecast a decrease in rates of practice of argument decree actions still if the height of fundamental disagreement is not exaggerated. Lastly, the participation of workers in decision-making in teams, in making system with greater labor-management, and trust resulting from these systems may also create a result in which decisions are seen as having greater legality to workers. This legitimization effect would also lead to a prediction of a decrease in complaint under high production work systems, apart from any effect on the fundamental level of disagreement in the place of work (Colvin, 2003).

In addition, the manufacturing power of state such as Japan and Germany has located extra force on American business executive and economists to reconsider commerce technique skillful in the U.S.A. For example, Japanese achievement is credited in fraction to the Japanese style of organization and the interior arrangement of Japanese firms. The German put into practice work contribution in the organization of firm, a procedure recognized as "codetermination," have too gained fame in this state. The global proof is persuasive sufficient to power us to reorganize and expand a behavioral outline of the company that slot in the individual factor into the firm hypothesis.

Worker participation means a sagacity of task exerted by the worker as doing his or her work. Jones and Kato (2005) discover in their research that (i) worker participation determination create better venture presentation through diverse channels including enhanced discretionary effort by workers; (ii) the opening of elevated appearance place of work practices are most outstanding view as savings, although present are important knowledge belongings; (iii) a variety of complementarities escort a lot of change in managerial plan (such as between teams and formal education). High worker participation affects performance in all areas, though its effect is weaker for sales revenue and market share. In all likelihood, this is because of the short term time frame of this study.

When aptitude expansion is superior to delegation, this can be a symbol that the business does not hand over competent workers with significant decision making that affect their work. Skilled workers might sense aggravated that their abilities are not being fully used and leave corporation for good chance elsewhere if this is not dealt

with. As a result, this mixture is often a caution sign for a likely elevated turnover of employees whom the company may not want to drop. When delegation is senior than ability growth, this is often a sign that citizens in the business are building decisions that they are not able of building. This can have catastrophic penalty and often occur when boss confuse delegation with acquiescence. When squad growth is senior than delegation or capability enlargement, it gives an indication that there cannot be a great deal matter to the group. The group is probable to go on their daily behavior with no genuine intelligence of reason or lacking creation a payment to optimal managerial performance.

It comprises delegation, team direction and ability growth. Managerial civilization characterize as highly concerned powerfully persuade worker participation and make a sense of ownership and responsibility. They rely on informal, voluntary and implied control systems, rather than formal, explicit, bureaucratic control systems (Denison, 1990). Organizational environments characterized as "highly involved" strongly encourage employee involvement and create a sense of ownership and responsibility. They rely on informal, voluntary and implied control systems, rather than formal, explicit, bureaucratic control systems. Out of this sense of ownership grows a greater commitment to the organization and an increased capacity for independence. Receiving input from business associate boost the quality of the decisions and improves their implementation (Denison, 2000).

Empowerment

Delegation shows that workers believe that they have the responsibility and authority to participate in decision making and quandary solving in their suitable working levels. It's apparent that an entire corporation of capable and competent crisis solvers will have a different aggressive advantage over an organization with only a little keys provider (Apostolou, 2000). Since 1980s manufacturing and academic world include exposed growing attention in the idea of worker delegation. Delegation is usually seen in the organization journalism as the procedure of giving or decentralizing executive power (Conger & Kanungo, 1988). The idea has turn out to be particularly significant for business, such as services and generosity, where workers require the power to react punctually to the person needs of the more and more difficult consumer and random repair state of affairs (Hartline & Ferrell, 1999).

In spite of rising internationalization of industry the huge bulk of available journalism on delegation uphold enlightening viewpoint and have merely infrequently spoken to the insinuation of relating the idea in a global and multi environmental background. Many writers who have spoken to the idea of delegation from a cross-environmental point of view clearly confront the global reliability of the suggestion of the delegation (Hoppe, 1990; Durcan & Kirkbride, 1994). In present commerce scenarios and business environments, the reality of delegation acts as an important part in forecasting and conniving their acts. The statement has enormous purpose and preparations by way of theme in the whole variety of societal sciences. Consequently it's meaning stay reliant on background. Reliance, power, personality, authority, employee dependence, personal option, existence of self-respect in agreement by means of one's principles, competent of hostility for one's rights, independence, own decision making, being free, awakening, and capability (World bank, 2008) are the terms which are used to

determine amount of delegation in diverse socio-environmental and political situations.

Empowerment is the development of liberty of option and act. It shows improving employee power and authority on possessions and choices that affect employee life. In business scenario, Spreitzer and Deneson (2005) shows that delegation is a source to allow workers to contribute in decision-making process and to assist them to smash out of sluggish thoughts to take jeopardy and try something novel. Research on management, developing knowledge and skills (Benis and Nanus, 1985; Kanter, 1979; McClell, 1975) show that the empowering organization's employees are the part of organizational effectiveness. Delegation is also related to altering different business relationships. These are principles, values and parts of exhibited attitudes and skills that may or may not take managerial shape. Spector (1986) shows that those workers who recognize senior intensity of power at work are more pleased, dedicated, concerned, aggravated, fewer absences, less goals to leave, and practice less disagreement. Other studies on power and control suggests that power and effectiveness increase when superiors share power and control with their subordinates (Tannenbaum, 1968).

Many researches on found that shifting of authority from higher level of management to the lower level due to empowerment. Researchers have understood that delegation is similar as delegating or distribution of authority with lower level employees and therefore, delegation did not need additional theoretical investigation further than the authority idea (Conger & Kanungo, 1988). Conger and Kanungo (1988) were amongst the primary researchers and both well thought-out delegation as a motivational tool in structuring a winning organization. Conger and Kanungo (1988) confirmed delegation as a motivational tool/method of improving thoughts of self effectiveness amongst employees by recognition of circumstances that promote helplessness and from side to side by mutually including business performance and other tools of giving that information.

Researches of delegation process, (Lawler, Mohrman, & Benson, 2001) have shown optimistic increase of delegation during few years. Delegation is usually applied with the goal of reducing employee dissatisfaction and decreasing expenses of non-attendance, employee leaving organizations, reduced performance and other problems (Klein, Ralls, Smith & Douglas, 1998). Delegation tools give employees a chance to think on their own and how they will take decision and do problem solving; this will also improve problem solving and decision-making skills of employees (Bowen & Lawler, 1995). Employees must be given chance to take decisions which they want to take and this will also save the organizational problems on functional and organizational levels (Gretchen & Doneson, 2005).

The success and legitimacy of delegation as democracy rests on a system that facilitates and promotes the participation of most, if not all, employees (Prasad & Eylon, 2001). Second, Psychological perspective: Psychological delegation refers to a set of psychological conditions necessary for individuals to feel in control of their own destiny (Spreitzer and Doneson, 2005). And Last, The critical perspective: empowering employees by putting them into work teams resulted in extensive peer pressure that left employees feeling ever more controlled and disempowered. Hence, without granting real powers, ownership and control to employees, implementation of

delegation is questionable (Barker, 1993). In short delegation means Individuals have the authority, initiative and ability to manage their own work. This creates a sense of ownership and responsibility towards the organization (Denison 2000).

H₁: There is positive and significant relationship between delegation and Organizational Performance in Pakistani Organizations.

Team Orientation

A group is a little amount of populace with balancing ability who are dedicated to a combined reason, a set of goals, and an approach for which they hold themselves equally responsible (Katzenbach, Jon, Smith, Douglas, 1993). It is essential to create a difference among group. The work of teams depends on its associate performance as individuals. On other side, the performance of a team is a function of both individual results and collective work-products. For good team performance members of groups must be collectively trained and this plays an important role in building effective teams (Driskell & Salas, 1992; Earley, 1993; Eby & Dobbins, 1997).

Many organizations are having team-based structures and their performance is also increasing. Organizations are having less hold on their employees and employees have more authority and power in making decisions. Organizations can't implement it easily during transforming individual structures into team-based structures. It is also difficult to transform from individual structure to other structures. Organizations using group structure authority and power are with lower level also and this also develops leadership. In different organizations many employees feel difficult to transform authority from top to lower levels. Organizations rely on group based approach and put team effort to achieve organizational goals and objectives. Many organizations depend on team based approach to improve their performance. (Denison 2000).

H₂: There is positive and significant relationship between Team Orientation and Organizational Performance in Pakistani Organizations.

Capability Development

Ability is defined as a skill to achieve objectives and to perform tasks. (Blackwood, Bryson, Merritt, 2006). Capability development is not just developing new skills but also developing organization and helps employees in managing their performance levels to achieve organizational and employee objectives. Ability development helps organization to compete in markets and also helps employee to develop their skills and improve their knowledge. (Blackwood, Bryson, Merritt, 2006).

Organizations can't perform well until their employees' skills are not developed, and for developing employees' skills organizations need to develop capabilities of employees (Mathiprakasam, 2003). Developing ability includes different actions developed to get along employees better with better developed capabilities. Capabilities are not the skills related to technical areas and abilities of employees but also other aspects of employee development which includes attitudes and capabilities. Capability development actions in different organizations are developed to achieve specific objectives and organizations also focus on short term and long term objectives by developing employee skills. Organizations use different methods to develop employee skills and to improve employee and organization's performance.

Proper development of employees can help to learn the skills which can enable them to perform well on job and this also improves organization performance. Different organizations have different processes for developing skills of their employees. Organizations also have different techniques to develop the capabilities of their employees to improve organizational and employee performance. Development programs are different in different organizations which includes development of employees on job, off job and continuous learning. This not only helps employee to develop new skills but also develops organizational capabilities to improve performance.

Lyytinen, Rose and Yoo (2002) say that in present competitive market learning is important to be in market for organizations. The learning is necessary for an organization to develop in all functions so that it can get developed in all aspects. Managers must ensure that during this learning process employees learn according to organizational needs and wants. After learning process is over managers must assess their employees', this can help an organization to see the effectiveness of learning (Kitagawa and Watt, 1999). Kitagawa and Watt (1999) say that every worker in an organization must learn new things and do his own assessment. Workers are also responsible for developing their own skill development plan. Managers are also required to be participating in developing employees' skills and knowledge.

Kitagawa and Watt (1999) says that ability development is a process for which management is also responsible. Management must develop and design new programs for learning and development of its employees. Managers are responsible to provide workers with information about development of their learning plans and programs. Organizations are also responsible for developing employee skills by identifying needs of employees and to arrange for development programs. Organizations are also responsible to develop employees according to the nature of job. Employee's level of competency is also required to be assessed by an organization. Organizations are also required to develop their employees to reduce the gap between the present performance of employees and the required performance. Organizations are also required to develop a learning environment to achieve its goals and objectives. According to Denison (2000) organizations try to build and spend their effort in developing employees' skills.

H₃: There is positive and significant relationship between capacity development and Organizational Performance in Pakistani Organizations.

The theoretical framework shows that there are three independent variables which are delegation, team orientation and capability development and dependent variable which is performance.

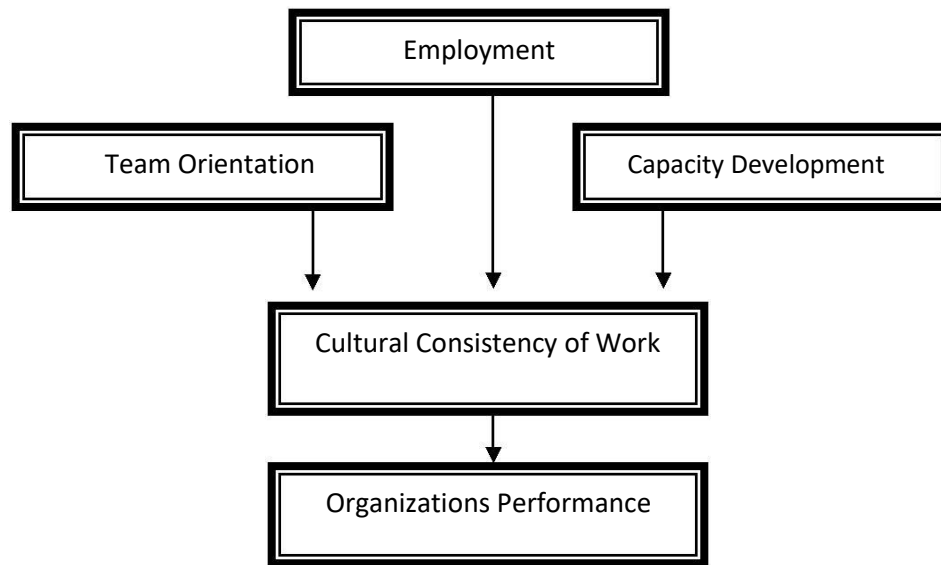


Figure 1: Theoretical Framework

Methodology of research

Sample

The results acquired from the pilot study were evaluated using various statistical tools which provided impulsion to conduct the survey which measures the cultural affects on culture through involvement of employees. Organizations selected for this survey were chosen bearing in mind their culture and receptiveness to the changes taking place in the region. Generally, well repute and middle size organizations were taken for this study. Since these organizations are customer orientated and incorporating changes in their practices, it therefore becomes imperative to ensure employees involvement in achievement of organizational objectives.

Instruments and Measures

There are numbers of instruments to measure the result of the study in hand. However, Denison (2000) was selected as it encompasses all defined elements and variable of the study. There are fifteen questions covering three traits of involvement. These traits include empowerment, team orientation and capability development. To measure the affects of involvement on organization performance, Baker & Sinkula (1991) model was used which has three traits comprising eight indices. This study relates to social sciences aspects therefore, qualitative angle is also given place in this model. Both afore sated models have been used in number of studies but in Pakistan scenario. The instrument used in this model consists of three parts. First part covers demographic aspects like age, gender, education experience, and the language spoken by the sample group. Organization information has also been acquired by including its size, status and its identity. Subsequent part covers involvement by asking fifteen items. Last part consists of seven items to know about the organization performance. It includes Open interval Model, Rational Model and Human Resource model.

Procedure

Consequent upon successful result of the pilot study, eight sectors were chosen including Oil & Gas, Telecommunication, Pharmaceutical, Banks, manufacturing and

education sectors. It was ensured that at least thirty questions are included from each component of the sample. Six hundred questionnaires were sent to the targeted group. These questionnaires were sent through mail and in some of the places these were delivered in person. Coordination visits with the Human Resource departments were also paid to clarify the contents of these questionnaires to facilitate the sample group in its filling. Target was set to receive back the data within fifteen days. Some of the organizations returned these forms within stipulated period whereas others were reminded through revisits and telephonic contact. A total of 509 questionnaires were received making 84 success rates. The respondents were given confidence that the information obtained in the questionnaires would be kept as confidential, therefore they could feel confident to express their opinion without fear and concern.

Results and discussion

Out of those 509 individuals, 76.5% were males and remaining were females. According to age groups, 29.7% were from 20 to 30 years of age, 38.3% were 31 to 40 years of age, 19.7% were 41 to 49 years of age and others were more than 50 years of age. According to education 4.7% were intermediate, 37.3% were at graduate level, 53.6% were at master level and remaining was PhD.

Table No 1. Descriptive Analyses of Involvement and their elements with Organizations Performance with their elements

Variables	Items	N	Mean	Std. Deviation	Cronbach Alpha
Open Interval Model Results	3	509	3.541	0.851	0.79
Rational Model Results	3	509	3.523	0.978	0.84
Human Relations Model Results	2	509	2.935	0.859	0.82
Involvement	15	509	3.294	0.656	0.84
Empowerment	5	509	3.318	0.755	0.83
Team Orientation	5	509	3.361	0.808	0.84
Capacity Development	5	509	3.203	0.764	0.89

Table No. 1 indicates analysis of involvement and organization performance. In organization performance model, Rational Model Results remained high. In involvement part, team orientation remained higher scorer. Open interval model and capability development remained at the second order.

Table No 2. Correlation Analyses of Adaptability and their elements with Organizations Performance with their elements

Variables		Open Interval Model Results	Rational Model Results	Human Relations Model Results	Organizations Performance
Involvement	Pearson Correlation	.426**	.322**	.326**	.460**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	509	509	509	509
Empowerment	Pearson Correlation	.391**	.509**	.233**	.423**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	509	509	509	509
Team Orientation	Pearson Correlation	.396**	.311**	.249**	.415**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	509	509	509	509
Capacity Development	Pearson Correlation	.292**	.199**	.346**	.327**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	509	509	509	509

** Correlation is significant at the 0.01 level (2-tailed).

In Table No. 2, Pearson correlation was used to analyze the results of involvement along with its three elements and their impact on organizational performance. The result shows that involvement is positively correlated with Open Interval model results, Human Relations Model results, Rationale result Model results and overall organizational performance. The values of person correlation coefficient are .426, .322, .326 and .460 respectively and the relation is significant at 95 % confidence level. While evaluating capacity building component of involvement and performance model

elements like Open Interval model Results, Rational Model Results, and Human Relations Model Results and its effects on organizational performance, values of Pearson correlation coefficient are 0.292, 199, .346 and .323 respectively and the relation is significant at 95% confidence level ($p < .05$). The relationship of empowerment with Human Relations Model Results, Open Interval model Results and Rational Model Results, overall organizations Performance as value of Pearson Correlation Coefficient are .233, .391, .509 and .423 respectively and the relation is significant at 95% confidence level ($p < 0.05$). Team orientation is yet another element of involvement. Its results of Pearson correlation coefficient with performance model is 0.396, 0.311, 0.249 and 0.415 respectively and the relation is significant at 95% confidence level ($p < 0.05$).

Table No 3. Regression Analysis of Adaptability and Organizations Performance in Banking /Leasing, Telecommunication and Pharmaceutical Sectors

Sector		Coefficient Beta	Std. Error	t-Value	F-Statistic & Sig.	R-Square
Banking Sector	Constant	1.196	.342	3.502	57.421	
	Involvement	.716	.094	7.578	.000	.550
Telecommunication Sector	Constant	.160	.465	0.344	17.944	
	Involvement	.941	.150	6.266	.000	.495
Pharmaceutical Sector	Constant	1.602	.417	3.842	4.459	
	Involvement	.560	.118	4.755	.000	.419

Dependent Variable: Organizations Performance

In Table No. 3, results for involvement of employees in pharmaceutical, Telecommunication and Banking sectors have been analyzed. Regression analysis results as regard to involvement and organizational performance reveals that R Square in Telecommunication, Banking and pharmaceutical sector is .495, 550 and .419 respectively. Results in above stated table indicate that positive correlation exists among involvement and organizational performance. It shows that model is significant at the 95% of confidence level ($p < 0.05$). As regard to regression coefficient analysis, result indicates Involvement is .716, 0.941 and .560 of Banking, Telecommunication and Pharmaceutical Sector. The result reveal that in banking sector 71 percent change in a positive direction is experienced through involvement of employees. 56 percent change is envisaged in pharmaceutical sector by involving employees in the organizational objectives. However, Telecommunication sector 94 percent perceives

change on account of involvement of employees. Results reveal that 7.578, 6.266 and 4.755 are t-value which discloses relevant importance of Involvement for Organization Performance in Banking, Telecommunication and Pharmaceutical sectors respectively.

Discussion

Overall analysis of Table No. 2 reveals that involvement and its three traits/subcomponents empowerment, team orientation and capacity building have positively significant effects on the organizational performance. It becomes imperative for the management in the organization to empower their employees in discharge of their function so as they can own their entrusted responsibilities. Empowerment realizes the employees as an important and effective part of the organization which let them feel elevated and raises the morale and their involvement in work to raise the performance from individual level to organizational level. Similarly, team orientation has become essential to achieve organizational objectives: therefore, it needs to be strengthened at all level of tiers. Organization attributes the structural patterns for employees where group working and team based competencies are to be developed which not only remain all of them dynamic, connected and interlinked but also keep them a-paced towards goal orientation and performance improvement. Capacity building in changing milieu is yet another element to engender sense of dedication and loyalty with organization. It prepares employees to undertake assigned task with ease and meet the target expanding their capability. It therefore could be deduced that organizations needs to involve their employees at all spheres of decision making and role performance to attain organizational objectives.

Above stated data reveals that organizations can improve their performance by 56-94 percent through involvement of employees. Of those three sectors, banking industry envisaged highly positive changes through involvement of their employees. Since business revolves around customer satisfaction in business sector therefore employees involved in their work would provide good services to the customers which would undoubtedly enhance their performance. It could therefore be deduced that all those organizations involving employees in their set up would greatly benefit in their business. For stepping forward and gearing up the performance of organization, overall managerial approach needs to ensure the empowerment of the employees by rendering equality in delegating authority according to their managerial level and those must get highly involved and integrated with workings as well. This not only builds up their morale but also keep them to get loyal with the organization in thick and thin.

Results of this study prove that there is positive relationship between involvement having its component Empowerment, Team Orientation and Capacity Development and organization performance. Correlation between empowerment and organization performance measures to 42.3 percent hence H1 stands proved. Correlation results between Team Orientation and organization performance is 41.5 percent therefore H2 is proved. Correlation results between Capability Development and organization performance shows results as 32.7 percent henceforth H3 is proved. This shows that due to Capacity Development the organizational performance can be increased in banking, telecommunication and pharmaceutical sector companies of Pakistan. Evaluation of afore stated result indicated that Involvement with its indices

empowerment, team orientation and Capability Development has positive effect on organization performance: hence model of this study with all its elements stands proved.

It is considered imperative to involve employees in Pharmaceutical, Telecommunication and Banking sector. Employees need to be empowered for taking initiative and deciding trivial nature matters at their respective work place. Similarly, their capability development would enhance their skill and understanding of the work which would ultimately benefit organization. Moreover, Team Orientation has become hallmark for growth of an organization. Complexities of work due to inducement of technology necessitates that people operate in team and facilitate in each other's work. Such like approach would improve work environment and increase productivity. Organization keen to enhance their performance are required to involve their employees at all tiers of work in order to get willing support and cooperation. Activity would be integrated and defined procedures and channel needs to be respected for better understanding of work. Involvement in banking, telecommunication and pharmaceutical sector companies of Pakistan would empower their employees, develop their capability and enhance team orientation which would ultimately strengthen growth and progress of sample organizations.

Conclusions

After having literature review and analysis of all results it is proved that involvement has relationship with organizational performance and all three components have significant and positive impact on organizational performance. Organizations which delegate authority to employees perform well as compared to those who don't delegate. Organizations who allow their employees to work in team have more performance level than those who have non-team based structure. In Pakistan those organizations which develop employee's skills and knowledge have performed well as compared to those organizations which don't develop skills of their employees. By looking at above research it is recommended that in Pakistan, organizations must involve employees in decision making and use all three components of employee involvement. Organizations must delegate authority, adapt team-based structures and develop capabilities of their employees to perform well and to compete in market. Involvement of employees has strong bearing in the progress and growth of organizations; henceforth organizations targeting improvement in their respective departments must involve their employees at various levels of management.

References

- Apostolou, A. (2000). "Employee Involvement" *Dissemination of innovation and knowledge management techniques* Technical University of Crete.
www.urenio.org/tools/en/employee_involvement.pdf
- Baker, W.E., & Sinkula, J.M. (1999). The synergistic effect of market orientation and learning orientation on organizational performance. *Journal of Academy of Marketing Science*, 27(4), 411-427.
www.lostlagoon.info/CICSFILES/Critical%20Factors%201-1.pdf
- Baker, W.E., & Sinkula, J.M. (1999). Learning orientation, market orientation, and innovation: Integrating and extending models of organizational performance.

- Journal of Market-Focused Management, 4(4), 295–308.
www.gbata.com/docs/jgbat/v1n1/v1n1p4.pdf
- Barker, J.R. (1993). "Tightening the Iron Cage: Concertive Control in Self-Managing Teams." *Administrative Science Quarterly* 38: 408-437.
www.jstor.org/stable/2393374
- Benis, W. & Naus, B. (1985). *Leaders*, New York: Harper & Row.
- Blackwood L., Bryson J., Merritt K (2006). "Developing Human Capability: Employment institutions, organizations and individuals" Victoria University of Wellington.
- Bowen, D. E. & Lawler, E. E. (1995). Empowering service employees. *Sloan Management Review*, 36(4): 73-85.
- Colvin, A.J.S. (2003). "The Dual Transformation of Workplace Dispute Resolution." *Industrial Relations*, Vol. 42, No. 4, 712–735.
- Conger, J. A., Kanungo, R. N. (1988). "The Empowering Process: Integrating Theory and Practice". *Academy of Management Review*, 13, 471-482.
- Cutcher-Gershenfeld, J. (1991). "The Impact on Economic Performance of a Transformation in Workplace Relations." *Industrial and Labor Relations Review*, Vol. 44, No. 2, 241–260.
- Denison, D.R. (1990), "*Corporate culture and organizational effectiveness*". New York: John Wiley.
- Denison, D.R. (1990). *Corporate culture and organizational effectiveness*. New York:Wiley.
- Denison, D.R. (2000), Organizational Culture: Can it be a Key Lever for Driving Organizational Change? <http://www.denisonculture.com>
- Dess, G.G. and Robinson, R.B.J. (1984). "Measuring Organizational Performance in the Absence of Objective Measures: The Case of the Privately-Held Firm and Conglomerate Business Unit", *Strategic Management Journal*, Vol. 5, No. 3, pp. 265-273.
- Driskell, J. E., & Salas, E. (1992). Collective Behavior and Team Performance. *Human Factors*, 34(3), 277-288.
- Durcan, J. and Kirkbride, P.S. (1994) "Leadership in the European context: Some queries", in Kirkbride, P.S. (Ed) *Human Resource Management in Europe: Perspectives for the 1990s*, London: Routledge.
- Earley, P. C. (1993). "East meets west meets mideast: Further explorations of collectivistic and individualistic work groups". *Academy of Management Journal*, 36, 319-348.
- Eby, L., & Dobbins, G. H. (1997). "Collectivistic orientation in teams: An individual and group-level analysis". *Journal of Organizational Behavior*, 18, 275-295.
- Good, A.D. and Carin, B. (2004), "Individual and organizational performance arrangements", Kaliningrad Workshop. [Accessed on 17-07-07].
- Hartline, D.M. and Ferrell, O.C. (1999) "The management of customer-contact service employees: An empirical investigation", in Bateson, J.E.G. and Hoffman, K.D. (Eds) *Managing Services Marketing: Texts and Readings*, Orlando: Drysdan Press.
- Ho, T.C. and Wu, S.Y. (2006). "Benchmarking performance indicators", *Benchmarking: An International Journal*, Vol. 13, No. 1/2, pp. 147-159.

- Hoppe, M.H. (1990) A Comparative Study of Country Elites: International Differences in Work-Related Values and Learning and their Implications for Management Training and Development, Unpublished PhD Thesis, Chapel Hill: University of North Carolina.
- Jones C. D, Kato T., (2005). "The Effects of Employee Involvement on Firm Performance: Evidence from an Econometric Case Study, William Davidson Institute Working Paper No. 612, Revised May 2005. www.iza.org/conference_files/TAM2005/kato_t2130.pdf
- Kanter, R. M. (1979). Power and failures in management circuits. *Harvard Business Review*, 57(4): 65-75.
- Katzenbach, Jon R., Smith, Douglas K, (1993). "The discipline of teams, Harvard business review,.
- Kitagawa, K. & Watt D. (1999). "Imperial Oil Limited's Capability Development Program: Developing All Employees' Skills for Competitive Advantage" The Conference Board of Canada.
- Klein, K.J., Ralls, R.S., Smith-Major, V. & Douglas, C. (1998). "Power and participation in the workplace: Implications for empowerment theory, research, and practice", University of Maryland at College Park Working Paper. College Park, MD.
- Kochan, T.A., Katz, H C. and MCKERSIE R.B. (1986). *The Transformation of American Industrial Relations*. New York, NY: Basic Books.
- Lawler, E.E., Mohrman. S, and Benson, G. (2001). *Organizing for High Performance: The CEO Report on Employee Involvement, TQM, Reengineering, and Knowledge Management in Fortune 1000 Companies*. San Francisco: Jossey-Bass.
- Lee K .J. S., Yu K., (2004). "Corporate culture and organizational performance Journal of Managerial Psychology 19: Issue: 4 Page: 340 – 359.
- Lyytinen K., Rose M. G., Yoo Y., (2002). "Learning in High Gear: Hyper-learning and Dynamic Capability in Seven Software Firms." Working paper on information environment and systems and Organization Volume 2 Issue 4 Article 10 p; 161-95.
- Mathiprakasam M., (2003). The Seven Habits of Highly Effective Entrepreneurial Organizations Management Science and Engineering, Stanford University.
- McClelland, D. C. (1975). *Power: The Inner Experience*, New York: Irvington Press.
- Rashid, A. Z., Sambasivan, M. and Johari, J. (2003). "The influence of corporate culture and organizational commitment on performance", *Journal of Management Development*, Vol. 22 (8), pp. 708-728.
- Sorensen, J.B. (2002). "The strength of corporate culture and the reliability of firm performance". *Administrative Science Quarterly*, 47: 70-91.
- Spector, P. E. (1986). "Perceived Control by Employees: A Meta-Analysis of Studies Concerning Autonomy and Participation at Work". *Human Relations*, 39, 1005-1016.
- Spreitzer, Gretchen M., and Doneson, David (2005). Musings on the Past and Future of Employee Empowerment. Forthcoming in the *Handbook of Organizational Development*, Tom Cummings ed., Thousand Oaks: Sage.
- Tvorik, J.S. and McGivern, H.M. (1997), "Determinants of organizational performance", *Management Decision*, Vol. 35, No. 6, pp. 417-435.

- Ward P., (2007). "Preliminary Estimates of Historical Variations in the Fishing Power and Catchability of Pelagic Longline Fishing Gear". Fisheries and Marine Sciences Program, Bureau of Rural Sciences, Australia.
www.spc.int/DigitalLibrary/Doc/FAME/Meetings/WCPFC/.../ME_IP2.pdf
- Ward, D.M. (2007). "Organizational Performance: A Disconcerted Effort", *White Paper, Integrated Performance Systems, Inc.*
- Weiss, B.T. and Hartle, F. (1998). "Reengineering performance management: Breakthroughs in achieving strategy through people", The Hay Group, St. Lucie Press, Boca Raton, Florida.
- Wheelen, L.T. and Hunger, D.J. (1998). "Strategic Management and Business Policy: Entering 21st century global society", Sixth Edition, Addison-Wesley.