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" The Impact of Organizational Culture on Employee Performance: The Moderating Role of Abusive Supervision in the Banking Sector of Rawalpindi and Islamabad"



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Abstract

Organizational culture has been acknowledged as a significant factor in employee performance in service-oriented organizations, and can be systematically undermined by negative supervisory behaviors. The present study aims to explore the effect of organizational culture on employee performance and how abusive supervision moderates the relationship between organizational culture and employee performance in the banking sector of Rawalpindi and Islamabad, Pakistan. The study was quantitative, cross sectional survey study and grounded in Conservation of Resources Theory, Competing Values Framework and Social Learning Theory. Structured self-administered questionnaires were used to collect data from 300 full-time employees of public, private and Islamic commercial banks. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) software, which was developed by SmartPLS. The measurement model had good convergent validity ($AVE > 0.63$ for all constructs) and discriminant validity ($HTMT < 0.85$ for all construct pairs). The results of the structural model showed that organizational culture had a significant positive effect on employee performance ($\beta = 0.42, t = 6.85, p < 0.001$), while abusive supervision had a significant negative effect on employee performance ($\beta = -0.31, t = 5.12, p < 0.001$). The results of this study suggest that positive organizational culture is not enough to foster optimal employee performance when combined with abusive supervision. The study is also a significant addition to the organizational behavior literature by empirically confirming the boundary condition of abusive supervision in the Pakistani banking context that weakens the culture–performance relationship.

Keywords: *organizational culture, employee performance, abusive supervision, moderating effect, PLS-SEM, banking sector.*

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TABLE OF CONTENTS

CHAPTER 1 – INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem Statement	3
1.3 Research Aim	4
1.4 Research Objectives	4
1.5 Research Questions	5
1.6 Significance of the Study	5
1.7 Scope of the Study	6
 CHAPTER 2 – LITERATURE REVIEW	 7
2.1 Introduction	7
2.2 Organizational Culture and Employee Performance	8
2.3 Abusive Supervision: Concept, Impact, and Behavioral Mechanisms	9
2.4 Workplace Incivility and Organizational Consequences	11
2.5 The Interplay Between Organizational Culture and Abusive Supervision	13
2.6 Psychological and Emotional Mechanisms Linking Abusive Supervision to Performance	14
2.7 Organizational Culture Dimensions and Their Differential Impact on Performance	16

2.8 Leadership Styles, Supervisory Behavior, and Organizational Culture: An Integrated Perspective	18
2.9 Theoretical Support and Hypothesis Development	20
2.10 Conceptual Framework	22
2.11 Summary of Chapter	23
CHAPTER 3 – RESEARCH METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Philosophy	24
3.3 Research Approach	25
3.4 Research Design.....	25
3.5 Population of the Study.....	26
3.6 Sample Size and Sampling Technique	27
3.7 Data Collection Method.....	28
3.8 Instrumentation and Measurement Scales	28
3.9 Data Analysis Techniques	29
3.10 Ethical Considerations	30
CHAPTER 4 – RESULTS AND FINDINGS	31
4.1 Introduction.....	31
4.2 Demographic Profile of Respondents	31
4.3 Descriptive Statistics.....	32

4.4 Reliability Analysis	33
4.5 Measurement Model Assessment.....	33
4.6 Discriminant Validity	34
4.7 Structural Model Results.....	35
4.8 Moderation Analysis	36
4.9 Coefficient of Determination (R^2).....	36
4.10 Hypothesis Testing Summary	37
4.11 Effect Size (f^2) Analysis	37
4.12 Predictive Relevance (Q^2) Analysis	38
4.13 Model Fit Assessment	38
4.14 Moderation Effect Interpretation	39
4.15 Discussion of Key Findings	39
4.15.1 Organizational Culture and Employee Performance	39
4.15.2 Abusive Supervision and Employee Performance.....	40
4.15.3 Moderating Role of Abusive Supervision.....	40
4.16 Summary of Findings.....	41
4.17 Chapter Conclusion.....	41
CHAPTER 5 – DISCUSSION AND CONCLUSION	42
5.1 Introduction.....	42
5.2 Discussion of Key Findings	42

5.2.1 Organizational Culture and Employee Performance	42
5.2.2 Abusive Supervision and Employee Performance	43
5.2.3 Moderating Effect of Abusive Supervision.....	44
5.3 Theoretical Implications	44
5.4 Practical Implications.....	45
5.5 Research Limitations	45
5.6 Future Research Directions	47
5.7 Conclusion	48
References	50
Appendix A – Questionnaire	58

LIST OF TABLES

Chapter 4 – Results and Findings

Table 4.1	Demographic Distribution of Respondents (N = 300)	31
Table 4.2	Descriptive Statistics of Study Variables (N = 300)	32
Table 4.3	Reliability Analysis Results.....	33
Table 4.4	Convergent Validity Results	34
Table 4.5	Fornell-Larcker Criterion for Discriminant Validity	34
Table 4.5b	Heterotrait-Monotrait (HTMT) Ratio Results.....	35
Table 4.6	Direct Effects Results (Structural Model)	35
Table 4.7	Moderation Effect Results (H3: $OC \times AS \rightarrow EP$).....	36
Table 4.8	Coefficient of Determination (R^2)	37
Table 4.9	Hypothesis Testing Summary	37
Table 4.10	Effect Size (f^2) Results.....	38
Table 4.11	Predictive Relevance (Q^2) Results	38
Table 4.12	Model Fit Assessment (SRMR).....	39
Table 4.13	Moderation Effect: Conditional Influence of OC on EP at Varying Levels of AS	39
Table 4.14	Overall Results Summary.....	41

LIST OF FIGURES

Chapter 2 – Literature Review

Figure 2.1	Conceptual Framework: The Moderating Role of Abusive Supervision on the Organizational Culture–Employee Performance Relationship	22
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