Determinants of Relationship Continuity: A Mediational Study of Relationship Quality and Word of Mouth

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ABSTRACT

Organizations claim employee as one of the most important strategic assets occupying the central position of intellectual capital. Monetary incentives alone cannot serve the function of retaining such employees. The objective of the study was to explore the individual as well as organizational factors, which governs the behavioural and psychological make-up of an employee and contributes to establishing relationship continuity between a firm and its employees. For this purpose, data is collected from 552 employees working in Textile mills in Multan region through purposive sampling and SEM is applied as a research technique. Results provide interesting factors that can be useful for retaining skilled knowledge workers.

ARTICLE DETAILS

Keywords: Self-Efficacy, Work Bullying Behavior, Work Environment, Relationship Continuity and Quality

JEL Classification:
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1. Introduction

One of the major challenges organization are facing these days is the availability of competent knowledge worker. (Zhang and Wu, 2004) points out that an increasing turnover rate has been observed among fresh graduates at operational sand managerial levels from one organization to another. As Penrose (1959), in the book, “The Theory of growth of firm”, identified resources as one of the essentials for organization’s growth, among which skilled employee is claimed as the intangible asset of the organization. Rynes and Cable (2003), identified employees as been an integral part of a firm as they are fully aware of an organization’s working inside out.
Aerden (2015), states that how employment quality stands as important aspect for organizations to be considered in relation to various work related outcomes. Other researchers (Maurer & Lippstreu, 2006; Todd and Micheal, 2006) have also endorsed this point that to enhance an employee's skill and capability it is pertinent that firms should provide a platform and work environment (WE) that make them more committed and offer more progressive opportunities reciprocating competitive edge for the firm. This study attempts to provide a platform that what factors can contribute in maintaining a quality relationship between an employee and its organization. In another study (Summers, Davis, & Hoy, 2017) on teacher’s self-efficacy (SE) and relationship quality (RQ) states teacher’s self-efficacy beliefs do effect the relationship quality that exists with the organization and students whereas (Ahmad & Akbar, 2020) stated that a teacher’s SEB influences their formative assessment.

Employees during their stay in an organization develop a relationship and association and bullying effects the outcomes of an employee relationship. (Wu, Kwan and Wu, 2015) supports that workplace bullying (WBB) effects the ultimate outcomes such as quality of relationship with organization and effects the prosocial behaviors. This study therefore attempts to view behavioral aspects which influence employee’s decision of establishing relationship with their firm.

Literature (Shinnar, Young, & Meana, 2004) states Relationship Continuity (RC) and word of mouth (WOM) as useful constructs for building customer relationship, but, its discussion has been limited to “customer and organization” paradigm only. However, the current work aims to explore these aspects from perspective of Employees. As skilled employees act as the backbone of an organization and with each departing one the organizations weakens, therefore, through this “employee-organization” perspective the aim is to identify and highlight antecedents for Relationship continuity.

2. Review of Literature & Hypothesis:
2.1 Relationship of Self Efficacy, Relationship Continuity and Quality

According to Caprara, Barbaranelli & Cervone, (2004), Self-efficacy is known as “one’s self-assurance to achieve task”, performing the role of an energetic forecaster of an individual's capability to obey the rules on social basis and can work as a foundation to observe an individual’s intellectual abilities. Armstrong-Stassen (2008), stressed that individuals who are more inclined to increase their self-efficacy are prone to be more committed towards work. Studies (Chan and Yen-Chun, 2012; Viator, 2010) identifies positive and adverse relationship between individual’s efficacy and organization in terms of performance and continuity.

**H1**: SE has relationship with RC

Nicola (2016), examined how a person’s level of efficacy can lead towards optimistic or opposing variations in respect of one's psychological make-up. Jacob & Jolly (2016), also identified the existence of a positive correlation between worker's ability and enactment of tasks and their intensity. Similarly (Fatima, Khan, & Malik, 2019) state when employee perceive managers with high SE they are more positive towards organization. Thus, by doing so nature of relationship an employee holds with its organization can be more productive.

**H1a**: SE has relationship with RQ.

**H1aa**: SE has relationship with RC with mediating effect of RQ.

Research recommends association among own-ability and WOM for example (Bandura, 1997)
declares young people having extraordinary level of SE perform well in routines and further stated that such employees are determined in their actions. In a study conducted on teachers, (Niu, 2010) examined that self-ability has notable influence on their assurance. Similarly (Bloemer & Odekerken-Schröder, 2006) established that worker’s association can decide and influence their normative assurance which influences their behaviors. Thus, leading to either positive or negative WOM, as Zeithaml et al., (1996) identified positive WOM results from a faithful consequence of an employee. Intellectual capabilities of a worker help to examine relationship with society, and this can benefit by improving motivation along with creating cost free referrals (Shinnar et al., 2004).

Therefore:

**H1b:** SE has relationship with WOM

**H1bb:** SE has relationship with RC with mediating effect of WOM

### 2.2 Relationship of Bullying Behavior with Relationship Continuity

Bullying behavior at workplace casts consequences on individual’s performance and behaviors (Pieterson, 2007). (Sommers, Schell and Vodanovich, 2002) recommended “if workers see they have been served unethically by those in authority in the society, there is possibility of using secondary and secret procedures of revenge”. An individual facing WBB is constantly in phase of hopelessness (Saunders, 2007) leading in separation from work, job anxiety (Greenhalgh and Rosenblatt, 1984; Mats et. al, 2014).

**H2:** WBB has relationship with RC

Leon (2016), examination of workers employed at industrial business showed WB caused by controllers and contemporaries can influence employee and organization relationship. (Hogh, Hoel, & Carneiro, 2011) claim WBB influence an individual by intentionally quitting job as a result of traumatic situations. (Paul, Joan, Elson, & William, 2017) also provide evidence of connection between self-confidence and bullying behavior, identifying women as being more victim of bullying compared to men. (Gupta, Gupta, & Wadhwa, 2020) in a systematic review points out that WBB can influence employee relation with their organization. Hence:

**H2a:** WBB has relationship with RQ

**H2aa:** WBB has relationship with RC with mediating effect of RQ.

WBB has undesirable influence on employee’s interpersonal relations (Andersson, 1999) as it hinders positive responses towards individuals and groups as well (Leymann, 1996; Houshmand, O’Reilly, Robinson & Wolff, 2012). Therefore, it is expected that a worker facing bullying would have undesirable view about group and would comprise in generating adverse word of mouth. Further investigators (Einarsen, Hoel, Zapf, and Cooper, 2010) state WBB has adverse consequence in form of absenteeism and antisocial behaviors.

**H2b:** WBB has relationship with WOM.

**H2bb:** WBB has relationship with RC with mediating effect of WOM.

### 2.3 Relationship of Work Environment and Relationship Continuity

James and Jeanne (2007) observed professional attitude of certified public accountant in USA and observed influence of WE on worker’s performance. They stated that groups that does not deliver or transform their current ethos in accordance to requirements would flop to recollect an accomplished relationship. Moos (1974) originate that “obtainable explanations of societal surroundings seemed to be insufficient, as they did not comprise an explanation of psychosocial features and societal features of environment”. Thus, WE influences the employee’s perception and
induces positive feelings and acting a strong factor to stay in the organization. Hence: 

**H3:** WE has relationship with RC

The spatial conditions of workplace cast its effects on employee’s behavior both directly and indirectly (Moos, 1994). (Shahid & Ali, 2019) state is WE is not appropriate can cast negative influence on employee’s performance and its relation with its organization. Thus:  

**H3a:** WE has relationship with RQ  
**H3aa:** WE have relationship with RC with mediating effect of RQ.  

(Shinnar et al., 2004) recommends that it is significant to observe mental influence of individual’s situation with firm’s interior qualities. Moos (1987) stated work situation can regulate assured social features of an individual way, he will achieve and also his socializing procedure. (James and Jeanne, 2007) denoted that work situation “fit” consequences in job fulfillment. Hence, an individual with extraordinary level of job fulfillment will have constructive word of mouth for workplace (Shinnar et al., 2004). Moos (1994), specified societal settings outlay their special effects on workers, so an optimistic layout will source a positive WOM contributing towards synergetic association with firm.  

**H3b:** W.E has relationship with WOM.  
**H3bb:** WE have relationship with RC with mediating effect of WOM.  

### 2.4 Relationship of Word of Mouth and Relationship Continuity

It has also been decided that Residence uniqueness and societal attachment have optimistic connection with optimistic word of mouth in face-to-face association (Ning et al., 2016). Greet and Filip (2007), declared that word of mouth can help as an essential foundation for fresh employing group of workers, as its excessive attachment can yield positive outcomes. A group with worker's sympathetic reputation has modest position in marketplace and improved aptitude to maintain its workers (Todd and Micheal, 2006) therefore:  

**H4:** WOM has a significant relationship with RC.

### 2.5 Relationship of Relationship Quality and Relationship Continuity

Basheer and Al–alak (2010), specified that emphasis upon client-worker association feature observes association link as a consequence of relationship superiority. Therefore, similar consequences can be generalized for worker-group association as workers are interior clients of group (Shueh-Chin and Liang-Yin, 2014). Soroosh and Alex (2016), analysis about supplier and buyer bond of medium size firm also provides evidence that desire to continue relationship depends upon its quality.  

Apicha (2017), stated that employees in terms of continuing relationship, organization pays close attentions towards the level of trustworthiness and nature of quality of relationship it has with its people. (DeWulf, Odekerken-Schro & Iacobucci, 2001) stated the intrinsically employees differ from each other which differs their motivation level as well, so if an employee feels like having a strong and qualitative relationship with the firm he/she would be willing to stay and continue relationship with the firm. Thus:  

**H5:** RQ has relationship with RC.
On the basis of aforementioned study, following model is proposed:

![Theoretical Framework](image)

**Figure 1: Theoretical Framework**

### 3. Research Methodology

#### 3.1 Population and Data Collection

Data was collected using online survey questionnaires consisting of 5 points Likert scale ranging 1 to 5 (Strongly agree---- strongly disagree). The population is workers from textile sector of Punjab, Pakistan through non-probability random sample method i.e. purposive sampling. The top and middle level managers were targeted for the sake of data collection, as these are mangers, the organization wants to retain for competitive position in the market. Nishat Group, Ruqayat group, Salman group and few others were contacted through online survey. Thereafter, a sample of 552 was selected as final data for analysis.

#### 3.2 Construct’s measurements

To measure self-efficacy a one-dimensional scale consisting of eight items developed by Chen and Gully (1997) was used. Workplace bullying behavior is measured by using a scale named NAQ-R (adverse performance survey reviewed) established by Einarsen and Hoel (2009) of 22 items. Workplace environment is measured by the scale of Moos (1994) comprising of three dimensions and relationship quality scale was adapted from the research work of Hennig-Thurau (2002). Relationship continuity is measured by a unidimensional scale adapted from the study of Lusch and Brown (1996). Word of mouth is also being measured by unidimensional scale containing 3 items.

### 4. Analysis

#### 4.1 Normality

This section of the analysis checks the conventions of normality as recommended by Hair, Black, Babin, Anderson and Tatham, (2006) for purification of data before conducting SEM model fit test. Firstly, data was checked to remove all the outliers using SPSS. After confirming that there are no missing values, kurtosis and skewness were measured for the collected data as shown in table 1. To establish that there are no issues of multicollinearity in the data, variance inflation factor (VIF) and tolerance were calculated using SPSS. The analysis showed that VIF and Tolerance were exact reciprocal of each other, and all the values were within acceptable range i.e. tolerance above .1 and
VIF below 10. Also, correlation was calculated among all the variables of study, the results of which reflects not none of the value surpasses the threshold of 0.7 at p-value=0.000.

<table>
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<tr>
<th>Table 1: Descriptive Analysis</th>
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<tr>
<td>N</td>
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<tr>
<td>RC</td>
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<tr>
<td>RQ</td>
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<tr>
<td>WB</td>
</tr>
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<td>WOM</td>
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<tr>
<td>SE</td>
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<td>WE</td>
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4.3 Reliability and Validity

Hair et al., (2006) also suggest checking each construct reliability analysis, this test assures that there exists internal consistency in constructs selected for the study, also a reliability test was run for the whole data set. SPSS was utilized to determine reliability; the results verify that all the values of reliability tests were higher than .7. The reliability statistics for the complete data set was .721.

Afterwards, Construct validity was determined, the benefit of calculating construct validity is that it guarantees that data gathered through questionnaires, truly epitomizes the selected constructs (Hair et al., 2006). To measure construct validity three measures of construct validity were used, convergent validity, content validity and divergent validity. Calculated values of content validity are described in Table 2. Divergent validity also recognized as discriminant validity evaluates the individuality of every independent construct in assessing dependent construct (Hair et al., 2006). While, convergent validity deals in establishing degree of connotation among items of specific variables (Brown, 2006). To measure convergent validity Average variance extracted (AVE) is considered as suggested by Bagozzi, (1981). If the value AVE is greater than 0.5 than there is no issue of convergent validity (Hair et al., 2006). It was also proposed by Hair et al., (2006) that data set has no issues of discriminant validity if the value of MSV is less than AVE.

<table>
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<th>Table 2: Construct Validity</th>
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<tbody>
<tr>
<td>AVE</td>
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<td>SE</td>
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<td>WB</td>
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<td>WE</td>
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<td>WOM</td>
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<td>RQ</td>
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<tr>
<td>RC</td>
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4.4 Model Fit

As suggested by Hair et.al., (2006) followed by preliminary analysis and validity confirmation the data is qualified for analysis, i.e. EFA, CFA, test of model fit and path analysis (SEM) for hypothesis testing. The KMO value was greater than 0.7 and Bartlett test of sphericity was significant with p value=0.002 indicating that sample size is adequate enough to run further EFA analysis. The EFA thus resulted showed that all the items of the latent construct were loaded on the same construct, thus there was no need to eliminate any item at this level.

Afterwards, CFA for one-dimensional and second order CFA for multi-dimensional items were performed. The analysis resulted in elimination of 34-items based on poor standardized loadings to have a good model fit. The outcomes of the model fit analysis are represented in the following table 3 with both mediators.

Table 3: Model Fit

<table>
<thead>
<tr>
<th>Fit Indices</th>
<th>Final (19-items) with RQ as mediator</th>
<th>Final (18-items) with WOM as mediator</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$ (df)</td>
<td>214.785(137)</td>
<td>229.176(120)</td>
</tr>
<tr>
<td>CMIN</td>
<td>1.568</td>
<td>1.910</td>
</tr>
<tr>
<td>IFI</td>
<td>.976</td>
<td>.968</td>
</tr>
<tr>
<td>TLI</td>
<td>.970</td>
<td>0.959</td>
</tr>
<tr>
<td>CFI</td>
<td>.976</td>
<td>0.968</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.032</td>
<td>0.071</td>
</tr>
</tbody>
</table>

After first order test, mediator was used to test the model once with relationship quality as mediator and again with word of mouth. Analysis resulted with 19 items model fit with mediator relationship quality, and 18 items model fit with word of mouth. SEM analysis thus performed are represented in figure 2 and 3 with relationship quality and word of mouth as mediator with standardized regression loadings respectively.
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4.5 Hypothesis testing Results

After checking the basic assumptions, SEM analysis was performed using AMOS. The results of which reveals that self-efficacy has no important association with relationship continuity with B=0.934 and p-value=.072. Thus, Hypothesis 1 got rejected because p-value is greater than .5.

For both H1a (SE &RQ) and H1aa (SE & RC with mediator RQ) significant positive relationship can be seen with (B=0.169 and p-value=0.008) and (B=0.298 and p-value=.0028) indicating that employee’s efficacy contributes towards continuity with the organization in the presence of mediator, indicating a full mediation. Similarly in case of H1b (SE &WOM) and H1bb (SE & RC with mediator WOM) a positive significant relationship can be seen with values (P-value=0.000 and B=.270) and (P-value=0.020 and B=.793) signifying that WOM carries strong influence among employees to continue relation with the firm.

For H2, (WBB & RC) significant but negative relationship exists with p-value=0.005 and B= -0.995 indicating employee will not continue his/her relation with firm if suffered from WBB. For, H2a (WBB &RQ) and H2aa WBB &RC with mediator RQ) shows significant relationship but negative in nature with values (p-value=0.000 and B=-0.568) and (p-value= 0.038with B= -0.732). This shows a partial mediation exists with RQ, so quality of relation will suffer between employee and organization. Results of H2b (WBB and WOM) with p-value=0.235 and B= -0.073 and H2bb (WOM as mediator between WBB & RC) with p value=.340 shows insignificant results. Therefore, it can be stated that individuals faced by bullying show no intention of continuing their jobs.

For H3 (WE and RC), p-value=0.021 and B=0.990, explicate a significant and highly positive relation. Whereas, H3a (WE and RC) and H3aa (WE and RC with mediator RQ) are significant with p-value=0.008 and B=0.438 and p-value=0.001, B=0.33. Thus, it can be concluded that if organization is providing its employees better working facilities than there are higher probabilities of employee’s extension of relation with organization.

Analysis of H3b (WE and WOM) and H3bb (WE & RC with mediator WOM) have significant relationship with values (B=0.430, p-value=0.020) (p-value=0.027and B=0.836) assuring that a good environment fosters better and relation through employee’s wom.

Results of H4 (WOM & RC) also identifies significant relationship with p-value=0.010 and
B=0.179, stating WOM is a strong tool for firms to keep relations with their people. Lastly, H5 (RQ and RC) significant relationship was found with p-value=0.020 and B=0.670.

5. Discussion

The conceptual framework of this research is unique as compared to other literary works as it tests the constructs from the employee's viewpoint. The results of this research work are in consistent with the findings of Ming-Cheng and Yen-Chun, (2012). The results of this study are same as confirmed by Bandura (1997), who claimed that employee’s level of self-efficacy if higher fosters his/her relationship with his/her organization. Self-efficacy was found to have positive association with word of mouth by the employee, also it was determined that word of mouth arbitrates link among self-ability and association endurance, these outcomes are also supported by study accompanied by Kim and Cha (2002).

However, workplace bullying behavior was insignificant with relationship continuity and relationship quality, but relationship quality was found to establish mediating role among bullying behavior and relationship continuity, these results are also prescribed by (Chen & Myagmarsuren, 2011; Hogh et al., 2011). Work environment was determined to have significant impact on relationship continuity, relationship quality and wom both were found to play positive mediating role, and these results are also supported by James and Jeanne, (2007). Lastly, Relationship quality influences relationship continuity, these results were confirmed by Todd and Micheal, (2006).

6. Conclusion:

The current study contributes in exploring factors, which are useful for organizations to retain its people and to establish quality relationship. It highlights how an employee’s self-ability, work environment and workplace bullying can induce effects on perceptions of employees by choosing in favor or against a firm. Results of the study align with the objective of study which was to identify individual and organizational factors which influence employees and act as strong determinants for relationship continuity Academically, this study is unique in its conceptual framework employing mediators. These constructs have been widely used from the customer perspective but an evident gap exists when it comes to study related to employees. Analysis also reflects that mediating role of word of mouth and relationship quality were worth consideration and it’s a useful contribution towards employee-organization relation. Moreover, the findings of study are in accordance with the knowledge perspective of resource theory of Penrose (1959) that keeping the intellectual capital helps to maintain growth and existence of organization.

From managerial perspective, it can outline, upgrade and enhance the employees-organization relationship by boosting employees' level of self-efficacy, through specialized trainings, eradicating bulling behavior at every level in the organization and by providing better, advanced and facilitating work environment.

7. Limitations and Future Directions:

The limitations of this research are that sample selected for the analysis was textile sector of Punjab, via non probability sampling. These findings can be amplified by adding more data from other sectors that may include multi-disciplinary areas i.e. services or banking through probability sampling which can help in its generalization by longitudinal data than cross-sectional. Moreover, the conceptual framework can be uplifted by adding constructs that are enablers of relationship continuity like role of supervisor, peer support.
References


