

**EFFECTS OF ORGANIZATIONAL COMMITMENT,
EMPLOYEE MOTIVATION, AND EMPLOYEE
PARTICIPATION ON EMPLOYEE
PERFORMANCE IN THE UNITED
ARAB EMIRATES' BANKING
SECTOR**

ALANTALI ALI OBAID

SULTAN IDRIS EDUCATION UNIVERSITY

2023

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MOTIVATION, AND EMPLOYEE PARTICIPATION ON
EMPLOYEE PERFORMANCE IN THE UNITED ARAB
EMIRATES' BANKING SECTOR**

ALANTALI ALI OBAID

THESIS PRESENTED TO QUALIFY FOR A DOCTOR OF PHILOSOPHY

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ABSTRACT

This study aimed to investigate the effects of organizational commitment, employee motivation, and employee participation on employee performance in the United Arab Emirates banking sector and examine the mediating effects of intrinsic and extrinsic motivation as well as the moderating effect of employee participation on relationships. Using a simple random sampling technique, a sample of 350 UAE bank employees was selected. This study adopted a quantitative approach and questionnaires were used to collect data from the respondents. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyse the data. The findings revealed that at 0.05 significance level, affective commitment ($\beta=0.408$, $t\text{-value}=6.840$, $p=0.001$), continuance commitment ($\beta=0.223$, $t\text{-value}=4.914$, $p=0.001$), intrinsic motivation ($\beta=0.174$, $t\text{-value}=2.344$, $p=0.001$), and extrinsic motivation ($\beta=0.185$, $t\text{-value}=2.912$, $p=0.001$) have significant and positive effects on employee performance, but not normative commitment ($\beta=-0.104$, $t\text{-value}=1.423$, $p>0.05$). Extrinsic motivation significantly mediates the relationships between affective ($p=0.018$), continuance ($p=0.014$), and normative commitment ($p=0.006$) with employee performance, while intrinsic motivation significantly mediates the relationships between affective ($p=0.024$), and normative commitment ($p=0.021$) with employee performance. Employee participation only significantly moderates the relationship between continuance commitment and employee performance ($p=0.034$). In conclusion, affective and continuance commitment, and intrinsic and extrinsic motivation need to be increased to enhance employee performance in the UAE banking sector, and the difference in employee participation needs to be considered to ensure the effect of organizational commitment on employee performance. By implication, the findings shed light on how the management in the banking sector could improve employee performance through the roles of employee motivation and organizational commitment.

PENGARUH KOMITMEN ORGANISASI, MOTIVASI PEKERJA DAN PENYERTAAN PEKERJA TERHADAP PRESTASI PEKERJA DALAM SEKTOR PERBANKAN EMIRIAH ARAB BERSATU

ABSTRAK

Kajian ini bertujuan untuk menyelidik pengaruh komitmen organisasi, motivasi pekerja, dan penyertaan pekerja terhadap prestasi pekerja di sektor perbankan di Emiriah Arab Bersatu (UAE) dan mengkaji pengaruh pengantara motivasi intrinsik dan ekstrinsik serta pengaruh penyederhana penyertaan pekerja terhadap hubungan yang diuji. Menggunakan teknik pensampelan rawak mudah, sampel yang mengandungi 350 orang pekerja bank di UAE telah dipilih. Kajian ini menggunakan pendekatan kuantitatif dan soal selidik digunakan untuk mengumpul data daripada responden. Pemodelan Persamaan Struktural–Kuasa Dua Terkecil Separa (PLS-SEM) digunakan untuk menganalisis data. Dapatan kajian menunjukkan bahawa pada aras keertian 0.05, komitmen afektif ($\beta=0.408$, $t\text{-value}=6.840$, $p=0.001$), komitmen berterusan ($\beta=0.223$, $t\text{-value}=4.914$, $p=0.001$), motivasi intrinsik ($\beta=0.174$, $t\text{-value}=2.344$, $p=0.001$), dan motivasi ekstrinsik ($\beta=0.185$, $t\text{-value}=2.912$, $p=0.001$) mempunyai pengaruh yang signifikan dan positif terhadap prestasi pekerja, tetapi bukan komitmen normatif ($\beta=-0.104$, $t\text{-value}=1.423$, $p>0.05$). Motivasi ekstrinsik merupakan pengantara yang signifikan dalam hubungan antara komitmen afektif ($p=0.018$), berterusan ($p=0.014$), dan normatif ($p=0.006$) dengan prestasi pekerja, manakala motivasi intrinsik menjadi pengantara yang signifikan dalam hubungan antara komitmen afektif ($p=0.024$) dan normatif ($p=0.021$) dengan prestasi pekerja. Penyertaan pekerja hanya menyederhanakan hubungan antara komitmen berterusan dan prestasi pekerja ($p=0.034$). Kesimpulannya, komitmen afektif dan berterusan, serta motivasi intrinsik dan ekstrinsik perlu ditingkatkan untuk meningkatkan prestasi pekerja dalam sektor perbankan UAE, dan perbezaan penyertaan pekerja perlu dipertimbangkan untuk memastikan pengaruh komitmen organisasi terhadap prestasi pekerja. Implikasinya, dapatan ini memberi penjelasan tentang bagaimana pihak pengurusan dalam sektor perbankan dapat meningkatkan prestasi pekerja melalui peranan motivasi pekerja dan komitmen organisasi.

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APPENDIX LIST

- A Questionnaire English Version
- B Arabic Verions of Questionnaire
- C Synthesis of Literature on the Study's Variables





CHAPTER 1

INTRODUCTION



This chapter is an introductory section of the study, and it included ten subsections. The first subsection was an introduction to the chapter. The second subsection discussed the background of the study while the third subsection focused on problem statement. Research questions, research objectives, and research hypotheses made up the fourth, fifth, and sixth subsections respectively. Scope of the study was expounded to form subsection seven, and significance of the study was explicated in subsection eight. Then, definitions of the key terms were provided in the ninth subsection, and arrangement of thesis was presented to conclude the chapter.





1.2 Background of the Study

The banking sector, with no exceptions in the United Arab Emirates (UAE), is a key player in economic development as it effectively funds economic and business activities worldwide. The sector also contributes to the UAE's financial stability by channeling available savings and cash reserves to the credit demand of private organizations and other sectors with deficit spending (Al-Zaidanin & Al-Zaidanin, 2021). As a result of the magnitude of financial activities performed by the sector, it is regarded as one of the most important components of the nation's economy. With a banking asset volume of AED 3,038 billion in 2019. The sector is also the largest in the Middle East and North Africa (Central Bank of UAE, 2019). The UAE Central Bank is the primary financial regulatory body in the country, with 23 domestic banks and 26 foreign banks. The nation's banking sector is dominated by larger banks, with the five largest banks accounting for approximately 60% of the sector's assets. The Islamic banking sector in the UAE is comprised of eight full-fledged Islamic banks and 23 Islamic windows established by conventional banks, accounting for 19% of total banking sector assets. (CBUAE, 2019).

However, due to a variety of factors, the UAE banking sector is experiencing a decline in profitability and performance (see Tuli, Damak & Young, 2021). According to Tuli, Damak, and Young (2021), the profitability of UAE banks will continue to decline, with little chance of returning to prior levels in the medium term if the problem is not addressed as soon as possible.



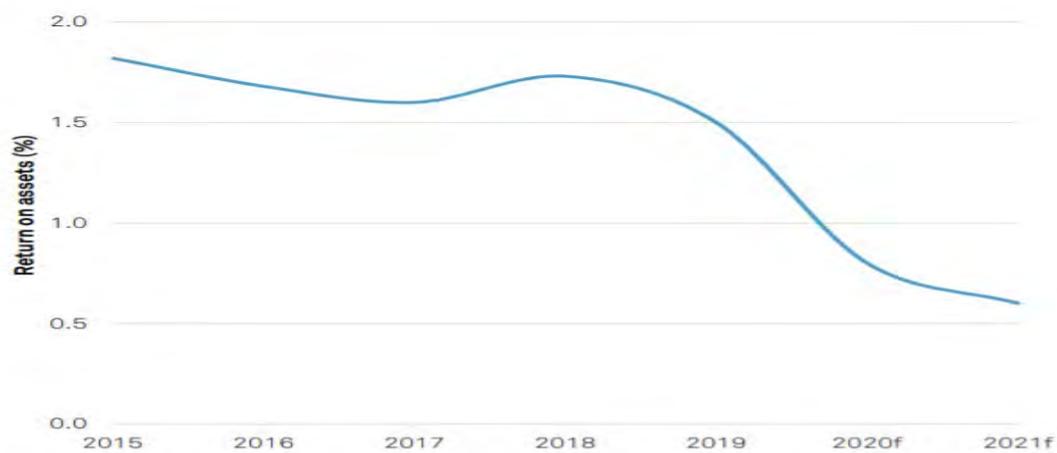


Figure 1.1. UAE Banks' profitability trends. Adopted from Tuli, Damak and Young, 2021.

To buttress this statistically, the graph above depicts how the banking sector's profitability has deteriorated over the last six years, with a downward trend. The UAE banking sector is heavily reliant on other industries such as real estate, construction, hospitality, and retail, all of which are affected by the COVID-19 pandemic. As a result, banks have lower asset quality, higher credit losses, and lower profitability when compared to the banking sector in other GCC countries. The desire of the UAE banking sector to be globally competitive has kept the job of the banking sector evolving, difficult, and fascinating (Alruwaili, 2018). In order to ensure employee performance, they must contend with economic and political uncertainties, employee motivation, organizational commitment, and employee participation (Bello, 2018). These are the results of the intense pressures imposed by global competition on banks (Bolarinwa, Obembe, & Olaniyi, 2019).

This clearly demonstrates that the performance of UAE banks is a pressing issue that requires scholarly attention. As a result, if the performance decline is not addressed, it may worsen unemployment, market loss, slowed entrepreneurship growth, and a



recessed economy (CBUAE, 2019). Numerous scholarly attempts have been made to solve this performance challenge, but a comprehensive review of the literature reveals that a significant number of studies have looked into financial, economic, and social factors as predictors of banking performance. However, what makes a company more successful is not necessarily better products, services, strategies, technologies, or a lower cost structure. These factors, while all contributing to superior performance, are all replicable. Meanwhile, the workforce is the major source of competitive advantage, resulting in a positive ROI, company value, and long-term strength. When it comes to human resource management, research has repeatedly shown that employee performance is critical to organizational performance (Ismail, 2014; Ismail et al., 2019).

The long-term competitive advantage of an organization is built on employee performance. According to research findings (Ismail et al., 2019), human resources are the most important assets that help businesses maintain their competitive advantage and survive. Employee commitment helps to improve organizational performance. A company that increases its employees' commitment will prosper and continue to grow. (Gardner et al., 2011). As opposed to that, the progress of the organization can be hampered by low employee productivity and subpar employee performance. Tolentino (2013) attributes employee performance to commitment and participation on the part of the employees. They think that a high-commitment environment enhances employee retention, reduces operating costs, and fosters worker productivity and efficiency.

Employee productivity, according to Armstrong and Taylor (2010), is behavior that helps an organization achieve its goals and objectives. Given the current business





climate, especially in the banking sector where the apex bank has implemented an interest cap regulation, inspiring people to give their best work has never been more crucial. Businesses of all sizes adopt strategies to compete in intensely competitive marketplaces and increase staff productivity in order to achieve their goals and objectives. The hiring and creation of retention plans for the best workers falls under the purview of human resources management, especially for those in crucial positions where the requisite technical skills make it challenging to find a suitable replacement. Organizations view their most valuable asset as their human capital, which can either help them succeed and achieve effective performance (Fisher, 2012).

However, to achieve effective performance, certain motivating factors must be implemented to encourage employees to give their all at work. One of the most difficult challenges for managers in organizations is determining how to best engage employees in their work and motivate them to contribute their best to the achievement of the organization's goals.

Employee motivation refers to the reasons why employees behave in certain ways and why they are driven to achieve certain goals. It is an important factor in employee performance and is essential for managers who want to help their employees progress toward worthwhile goals. The term motivation deals with the reasons behind why employees behave in certain ways and why they are driven to achieve certain goals, with a primary focus on the workplace. It offers solutions to issues like why managers and workers report to work and perform well. The manager's main duty is to establish and uphold a work environment where employees can effectively complete their tasks and meet the goals of the business.





One of psychology's most crucial ideas is motivation, which is essential for managers who want to help their staff members progress toward worthwhile objectives (Adnan, 2005). According to (Kesten 1987), managers consider employee motivation to be the most serious problem they face when instructing subordinates. This transfer of control works best in an environment where employees are "organized to encourage and support a continued, increasingly matured, and comprehensive acceptance of responsibilities for one's own performance" (Kesten, 1987). Managers should be aware of what motivation is and how it affects employee performance because, according to Horge (2004), motives are the keys to human behavior and have a significant impact on both employee performance and other activities.

To raise employee morale and aid in goal achievement, motivation is crucial in businesses. Motivated staff members aid in the success of the company by continuously aiming to do better at their jobs (Ali & Ahmed, 2009). Because they enjoy their work, motivated employees will be highly productive. They experience greater job satisfaction as a result, which reduces absenteeism and turnover. Retaining highly motivated employees is not an easy task, especially for managers, even though they are the company's most important resource for future success (Kreisman, 2002). Employees are an organization's human capital, and how well they perform therein determines whether the organization will succeed or fail (Salleh et al., 2011).

One strategy manager uses to increase the efficiency of job management among employees in an organization is employee motivation (shadier et al.2009). A motivated worker makes progress because they are aware of the precise goals and objectives that must be achieved. It is crucial for organizations to convince their employees'





motivation, as Rutherford (1990) asserts that motivation increases an organization's success because a motivated employee is constantly seeking out better ways to complete a task (Kalimullah et al 2010) One of the most persistent and difficult challenges is getting employees to perform at their best under challenging conditions, and this can be done by motivating them.

Employee motivational incentive programs have been found to be the strategy that organizations use the most frequently to motivate their employees. The program aims to encourage positive behavior, reward productive employee performance, and pique employee interest. Growth incentives are one of the strategies used in workplaces to motivate staff in order to achieve targeted employee productivity, and employers are particularly interested in various schemes and tactics connected to employee productivity. Industries and organizations' main concerns center on employee productivity and how to increase it (Nohria, Groysberg, Lee, 2008).

It has also been discovered over time that good employee motivation is one of the measures that business organizations can use to improve their employee performance and, as a result, boost their performance (Uju, 2013). However, despite over four decades of research on the influence of motivations on employee performance, the fundamental concerns about its role in enhancing employee outcome remains unanswered (Kuvaas, Buch, Weibel, Dysvik, & Nerstad, 2017).

Similarly, in increasing the performance of employees, employee participation is key element which organizations should focus on (Odero & Makori, 2017). Employee participation is also seen as a vital success component for organizations since





it promotes employee loyalty, performance, reduces absenteeism and as a result enhances the bank profitability (Gyawali, 2017). Employee participation is aided by effective communication within an organization. When organizational employees are given the opportunity to participate in organizational decision making, they feel more connected to the organization (Kulachai, Narkwatchara, Siripool & Vilailert, 2018). Inadequate or limited employee participation in decision-making, on the other hand, will lead to lower job satisfaction, organizational commitment, and employee performance (Kulachai, et al., 2018).

According to Allen and Meyer (2004), a strong organizational commitment inspires workers to put in more effort to further the organization's objectives. A person with a high level of organizational commitment views himself as an actual member of the company, is more likely to uphold the company's values and beliefs, and is more forgiving of minor sources of dissatisfaction (Tolentino, 2013). The performance and expansion of an organization are aided by employee motivation (Aguenza & Som, 2018). However, it is now crucial for the banks to raise employee performance through organizational commitment in order to ensure that they meet expectations, employee motivation, and employee participation. That is, the ability to take part in decision making in the organization and to gain total commitment in order to achieve optimal employee performance. Employee participation has to be introduced in organizations where power is shared, in which everyone will be given an opportunity to participate and teamed up to achieve the organizational goal (Bhatti, Akram, Bhatti, Akram, & Bilal, 2019).





It has been recognized by researchers and practitioners that, lack of organizational commitment, poor motivation and employee participation are the major cause of employee poor performance in the different sectors of economy (Hieu & Cham, 2020; Adjei, Emmanuel & Forster, 2016; Nizam & Shah, 2015). Furthermore, earlier studies such as the work of Chien, Mao, Nergui, and Chang (2020); Suliman and Iles (2019); and Faraji (2018) recommend the need for more empirical research on organizational commitment and employee performance and that a comprehensive study of the three components of organizational commitment may help to identify which of the three components of organizational commitment is associated with high employee performance, at least in the Arab country. Furthermore, in the same case, employee motivation was recommended as a mediator between organizational commitment and employee performance (Chien, Mao, Nergui & Chang, 2020). However, Puspaatmaja and Satrya (2016) suggested that future study should consider moderating role of employee participation on motivation and employee performance.

Furthermore, based on the reviewed articles, it was discovered that, past studies descend little attention to the mediating and moderating role of employee motivation and employee participation respectively. In addition, to that, the banking sector has drawn little attention of researchers particularly in the UAE context because many of the past studies focused more on the public sectors (Manzoor, Wei, & Asif, 2021; Siswanto, Maulidiya & Masyhuri, 2021; Lee, Kim, Park & Robertson 2020; Chien, Mao, Nergui & Chang, 2020; Lamba, & Choudhary, 2017; Adjei et al., 2016). Therefore, in light of the challenges confronting the UAE banking sector and recommendations from previous studies, the current study seeks to investigate the mediating role of employee motivation and the moderating role employee participation



on the relationship between organizational commitment and employee performance in the UAE banking sector.

1.3 Problem Statement

UAE banking sector is experiencing decline in profitability and performance (see Tuli, Damak & Young, 2021). The decline in the performance is not tamed it could aggravate unemployment, loss of market, declined growth of entrepreneurship and recessed economy (CBUAE, 2019). The existing inquiries into the banking performance challenges are related to financial, economic, and social factors as predictors of banking performance. However, what makes companies more successful are not absolutely better products, services, strategies, technologies or a better cost structure. Although these factors certainly contribute to superior performance, but all of them can be copied. The one thing that creates sustainable competitive advantage, leading to a favorable ROI, company value and long-term strength is the workforce. And when it comes to people, research has shown time and again, that employee performance is crucial to organizational performance (Ismail, 2014; Ismail et al., 2019). Employee performance, employee motivation, organizational commitment and employee participation have been identified as significant drivers of performance (see Bello, 2018).

The post Covid-19 situation of the UAE banking sector has not significantly changed from pre-Covid-19 and during-Covid-19 situations. Banks are still struggling to get over the impacts of the Covid. Derived from the UAE Monetary, Banking & Financial Markets Developments 2022 – 3rd Quarter Report, the branches of the locally



incorporated banks decreased to 506 branches at the end of September 2022, indicating the shrink in the banking activities in some areas in the UAE, although online banking services increases as the number of electronic banking service units of the banks rose to 44 units at the end of the third quarter of 2022. One indisputable fact is that the ability of the banks to recuperate from the Covid-19 impacts and enhance their performance hinges on employee performance (see Ismail et al., 2019; Johari et al., 2019; Mfinanga, 2018).

Researchers in both developing and developed countries have conducted a number of empirical studies on employee outcomes such as job satisfaction, commitment, motivation, and others, as well as organizational outcomes such as performance. Nonetheless, studies on how and when these outcomes may affect performance are lacking. This could be due to a lack of understanding of some of the roles of these outcomes in improving performance, particularly in developing economies (Al-Dhamari & Ahmad, 2021). As a result, little or no research has been found in the available literature on the interplay of these outcomes as an underlying mechanism between organizational commitment and employee performance, including the moderating role of employee participation.

However, a number of substantial studies (e.g., Al Zefeiti1 & Mohamad, 2017; Krishnanathan & Mangaleswaran, 2018; Nazir & Islam, 2017; Naveed et al., 2018; Nirushan, 2019) have established a direct relationship between organizational commitment and employee performance, there has been little research into the underlying mechanisms that explain this relationship (Al-Badi & Al-Busaidi, 2019). In particular, there is a gap in the literature regarding employee motivation as a mediating





role in the relationship between organizational commitment and employee performance, particularly in the banking context of developing nations (Al-Dhamari & Ahmad, 2021).

Besides, empirical studies (Al-Badi & Al-Busaidi, 2019; Naveed et al., 2018; Nirushan, 2019) have revealed no significant impact of organizational commitment on employee performance, while some studies (e.g., Loan, 2020; Sungu, Weng, Hu, Kitule & Fang, 2019) showed no significant effect. However, the inconsistencies of the findings could be attributed to magnitude of employee participation in the workplace. This is because research has shown that employee participation enhances commitment, motivation and performance (Al-Tit et al., 2020).



Moreover, most of the research on organizational commitment, motivation,

employee participation, and performance has been conducted in Western countries. However, the cultural and institutional contexts in the UAE banking sector may differ significantly from those in Western countries. Therefore, there is a need for context-specific research to enhance our understanding of the factors that influence employee performance in the UAE banking sector. Consequently, upon literature review it is evidenced that organizational commitment and employee performance nexus is lacking within the context of UAE banking sector. The previous studies on the nexus have been conducted in other sectors and national context from a single point of view, and therefore, lacks a comprehensive generalizability.

Furthermore, past studies, have recommended variables to use with their respective relationship in order to proffer solutions to this problem. For instance, the





direct relationship between organizational commitment and employee motivation as well as employee motivation and employee performance are as a result of the recommendation made by Suliman and Iles (2019) suggested that the full study of the three components of organization commitment will help to identify the most relevant component of organizational commitment that is associated with high employee performance.

Theoretically, the inconsistencies of the findings of the existing studies could be attributed to diverse study context such as nationality and industry/sector studied. This shows that there is need to further investigate the mechanisms involved in organizational commitment and employee performance nexus. Additionally, literature review has revealed that organizational commitment and employee performance nexus is lacking within the context of UAE banking sector. The previous studies on the nexus have been conducted in other sectors and national context from a single point of view, and therefore, lacks a comprehensive generalizability. Furthermore, past studies, have recommended variables to use with their respective relationship in other to proffer solutions to this problem. For instance, the direct relationship between organizational commitment and employee motivation as well as employee motivation and employee performance are as a result of the recommendation made by Suliman and Iles (2019). Who suggested that the full study of the three components of organization commitment will help to identify the most relevant component of organizational commitment that is associated with high employee performance.

Practically, thus study has identified that lack of effective employee motivation brought about low morale for the employees in the UAE banking sector, while





inadequate participation in the decision affecting their working life is also regarded as the causes behind their low morale (Bose, 2018; Mohamud, Ibrahim & Hussein, 2017). This issue has eroded the UAE banking sector survival as poor motivation had resulted to huge effect on their banks performance. According to Shields (2016) lack of employee motivation does not only demoralizes employees but also diminishes their commitment to the organization which has an adverse effect on employee performance. Therefore, if these problems are not urgently attended to it can collapse the UAE banking sector thereby affecting the entire nation's economy.

Additionally, it has been suggested that a thorough business research include both mediator and moderator variables in its research model because doing so would increase the research models' potential application (Namazi & Namazi, 2016). Also, most studies on organizational commitment-employee performance research are focused on a direct relationship, showing that there is dearth of research integrating both moderating and mediating variable in a single study especially in the context of UAE banking sector. Thus, introducing mediating variable and/or moderating variable can serve as mechanisms that can unravel the vague relationship between performance and its predictors (Chowhan, 2016), fill the existing research gaps, and enrich the existing body of knowledge by resolving the inconsistencies of the findings of the existing studies in the organizational commitment and employee performance research field.





1.4 Research Questions

This research focuses on answering the following questions based on the problems identified in the previous sub-chapter (i.e., problem statement):

RQ1: Do dimensions of organizational commitment have positive significant effects on employee performance?

RQ2: Do dimensions of organizational commitment have positive significant effects on employee motivation (intrinsic and extrinsic)?

RQ3: Do dimensions of employee motivation have positive significant effects on employee performance?

RQ4: Does employee motivation (intrinsic and extrinsic) mediate the relationships between dimensions of organizational commitment and employee performance?

RQ5: Does employee participation moderate the relationship between dimensions of organizational commitment and employee performance?

1.5 Objectives of the Study

Generally, the main objective of this study is to examine the significant effects of organizational commitment, employee motivation, employee participation on employee performance in the UAE's banking sector. Specifically, the objectives of study are:

RO1a: To determine the significant positive effect of affective commitment on employee performance.



RO1b: To determine the significant positive effect of continuance commitment on employee performance.

RO1c: To determine the significant positive effect of normative commitment on employee performance.

RO2a: To determine the significant positive effect of affective commitment on intrinsic motivation.

RO2b: To determine the significant positive effect of affective commitment on extrinsic motivation.

RO3a: To determine the significant positive effect of continuance commitment on intrinsic motivation.

RO3b: To determine the significant positive effect of continuance commitment on extrinsic motivation.

 05-4506832    RO4a: To determine the significant positive effect of normative commitment on intrinsic motivation.

RO4b: To determine the significant positive effect of normative commitment on extrinsic motivation.

RO5a: To determine the significant positive effect of intrinsic motivation on employee performance.

RO5b: To determine the significant positive effect of extrinsic motivation on employee performance.

RO6a: To examine the mediating effect of intrinsic motivation on the relationship between affective commitment and employee performance.

RO6b: To examine the mediating effect of intrinsic motivation on the relationship between continuance commitment and employee performance.



RO6c: To examine the mediating effect of intrinsic motivation on the relationship between normative commitment and employee performance.

RO7a: To examine the mediating effect of extrinsic motivation on the relationship between affective commitment and employee performance.

RO7b: To examine the mediating effect of extrinsic motivation on the relationship between continuance commitment and employee performance.

RO7c: To examine the mediating effect of extrinsic motivation on the relationship between normative commitment and employee performance.

RO8a: To examine the moderating effect of employee participation on the relationship between affective commitment and employee performance.

RO8b: To examine the moderating effect of employee participation on the relationship between continuance commitment and employee performance.

RO8c: To examine the moderating effect of employee participation on the relationship between normative commitment and employee performance.

1.6 Research Hypotheses

Below are the formulated hypotheses. However, for the purpose of clarity and precision it should be noted that organizational commitment as used in the study comprises of three major components: that is affective commitment, continuance commitment and normative commitment. Therefore, organizational commitment is used to represent all the three variables in the study.

H1a: Affective commitment has a positive effect on employee performance.

H1b: Continuance commitment has a positive effect on employee performance





- H1c: Normative commitment has a positive effect on employee performance.
- H2a: Affective commitment has a positive effect on intrinsic motivation.
- H2b: Affective commitment has a positive effect on extrinsic motivation.
- H3a: Continuance commitment has a positive effect on intrinsic motivation.
- H3b: Continuance commitment has a positive effect on extrinsic motivation.
- H4a: Normative commitment has a positive effect on intrinsic motivation.
- H4b: Normative commitment has a positive effect on extrinsic motivation.
- H5a: Intrinsic motivation has a positive effect on employee performance.
- H5b: Extrinsic motivation has a positive effect on employee performance.
- H6a: Intrinsic motivation mediates the relationship between affective commitment and employee performance.
- H6b: Extrinsic motivation mediates the relationship between affective commitment and employee performance.
- H7a: Intrinsic motivation mediates the relationship between continuance commitment and employee performance.
- H7b: Extrinsic motivation mediates the relationship between continuance commitment and employee performance.
- H8a: Intrinsic motivation mediates the relationship between normative commitment and employee performance.
- H8b: Extrinsic motivation mediates the relationship between normative commitment and employee performance.
- H9a: The greater the employee participation is, the stronger the effect of affective commitment on employee performance.
- H9b: The greater the employee participation is, the stronger the effect of continuance commitment on employee performance.





H9c: The greater the employee participation is, the stronger the effect of normative commitment on employee performance.

1.7 Significance of the Study

The significant of the study is to address how the study contributed to the researchers, Banking sector, bankers, shareholders, stakeholders, government, and policymakers. The significance of this study, namely, theoretical, practical and methodological significance in banking sector of UAE, was discussed as below.



1.7.1 Theoretical Significance



The conceptual framework of this study was built on theoretical gaps in the literature and previous empirical results. It was also supported and justified in terms of social exchange theory and self-determination theory, through the mediating role of employee motivation and the moderating role of employee participation, in order to provide new perspectives and comprehend the direct impact of organizational commitment on employee performance. As a result of the research findings and discussions, the current research has revealed significant theoretical advances in the context of the research topic.

Furthermore, by investigating the role of employee motivation as a moderator in this relationship, the current study has increased our understanding of the causal





relationship between organizational commitment and employee performance. The findings of this study support existing evidence that employee motivation is an important factor in encouraging employees to be more dedicated to and delighted with their work. Furthermore, studying employee motivation as a moderating factor allows us to understand how and why intrinsic and extrinsic rewards may improve employees' performance at work. Furthermore, this study was carried out in a developing country "UAE," which is a Western Asian country with very limited research in this field. As a result, by filling this research gap, this study adds to the existing literature. It's worth noting that the study's findings suggest that in the nation's banking sector, both intrinsic and extrinsic rewards can be beneficial and make employees more productive.

Notably, the integration of employee participation as a moderating variable in the current research model represents a significant theoretical advancement to the study because it was rarely assessed as a moderating variable that was established through literature review. As a result, the current study broadens the theoretical focus of existing organizational behavior theories and makes it easier to respond to questions about the circumstances under which specific organizational factors result in different outcomes.

1.7.2 Practical Significance

This study, in addition to making theoretical contributions, has drawn some practical inferences for bankers, governments, shareholders, stakeholders, and policymakers. This research looks into ways to improve employee performance in the UAE banking sector. The government, shareholders, and policymakers are all interested in learning





how to improve organizational employee performance. However, it was discovered that some of the variables in this study had a significant relationship with employee performance. Some variables with a non-significant relationship on employee performance, on the other hand, are highlighted. As a result, bankers, government officials, and policymakers in the UAE should be aware of the critical factors affecting an organization in the banking sector.

The study's findings provide some practical guidelines for policymakers, stakeholders, and bank managers, which will benefit the sector's long-term and improved employee performance. This provides insights into how employee-oriented commitment is a critical factor and source of competitive advantage that improves employee performance. These committed employees are more likely to become more committed to the organization, which improves their performance. As a result, managers and other stakeholders must instill organizational commitment to employees. Similarly, it has been established that both intrinsic and extrinsic motivation are effective in optimizing employee performance, and it has also been demonstrated that the incentive system is critical for motivating people in businesses.

The study's findings also offer policymakers, stakeholders, and bank managers some practical guidelines that will benefit the sector in the long run and improve employee performance. This study found that an employee-oriented commitment is a critical factor and source of competitive advantage that improves employee performance. Employees who are committed to the organization are more likely to become committed to the organization, which improves their performance. Managers and other stakeholders must instill organizational commitment to employees as a result.





Similarly, it has been demonstrated that both intrinsic and extrinsic motivation are effective in improving employee performance, and that the incentive system is critical for motivating people in businesses.

1.7.3 Methodological Significance

The work also provides some methodological implications by using advanced statistical techniques to investigate the postulated relationships in this model. To begin, PLS-SEM is regarded as a good statistical analysis method because it can maximise explained variance in the dependent variable, perform flawlessly with complex models, impose fewer constraints on data normality, and have higher statistical power (Hair, Ringle & Sarstedt, 2011). PLS-SEM is preferred over multiple regression (Micceri, 1989; Peng & Lai, 2012). Despite the highly skewed data, PLS-SEM results are still reliable (Hair, Sarstedt, Ringle & Mena, 2012; Peng & Lai, 2012). As a result, PLS-SEM is appropriate for this study.

After that, multiple regression would not reveal certain findings, which can only be found using PLS-SEM. This is because PLS-SEM can offer better predictive accuracy and a lower risk of chance correlation than multiple regression, which is why it is preferred over multiple regression (Cramer, 1993). Therefore, it is anticipated that the use of PLS-SEM will yield interesting new results in addition to adding methodological significance to the mediating role of employee participation in the relationship between employee motivation and performance in the UAE banking sector. Finally, in this study, the Sobel test and the causal procedure developed by Baron and





Kenny (1986) are not used to test the mediation effects; instead, the bootstrapping technique is employed. According to Hair, Hult, Ringle, and Sarstedt (2017), researchers should follow Preacher and Hayes' (2004, 2008) recommendation and bootstrap the sampling distribution of the indirect effect when examining mediating effects. They continued by stating that this approach works well with both simple and multiple mediator models.

Furthermore, because no assumptions are made regarding the shape of the constructs' distribution or the sampling distribution of the statistics, the bootstrapping technique is thought to be ideal for PLS-SEM and is therefore applicable to small sample sizes (Preacher & Hayes, 2008; Hair et al., 2017). The use of the bootstrapping approach has added methodological value to the current study.



1.8 Scope of the Research

The focus of this study is to investigate the effects of organisational commitment, employee motivation, and employee participation on employee performance in the banking sector of the United Arab Emirates. The following is the rationale for focusing on the banking sector of the United Arab Emirates as the context of this study. First, literature indicates that the UAE banking sector's profitability and performance are declining. According to the literature, poor employee performance in the banking sector may be due to a lack of employee commitment, motivation, and participation.





The study's population consisted of 75,509 employees from the UAE's 53 banks. Using cluster sampling, 350 questionnaires were distributed to employees in the 53 banks in the UAE based on the study's population. The study was also cross-sectional in nature, so it was completed in the shortest amount of time possible. Individuals were used as the unit of analysis in this study because the goal was to investigate the effects of organizational commitment, employee motivation, and employee participation on employee performance in the banking sector of the United Arab Emirates.

1.9 Operational Definition of Key Terms



1.9.1 Employees Performance



Employee performance is the extent to which employees meet their job requirements of a particular job (i.e., UAE banking) (Williams & Anderson, 1991). It is measured against the accuracy, completeness, cost, and speed standards that have been established by the organization (Nassazi, 2013).

1.9.2 Organization Commitment

Organizational commitment is defined as a psychological state that describes an employee's attachment to and identification with their organization (i.e., UAE banking) (Meyer & Allen, 1991). It comprises three distinct but related components: affective





commitment, continuance commitment, and normative commitment. (Meyer & Allen, 1991).

1.9.3 Affective Commitment

Affective commitment is defined as an employee's emotional attachment to the organisation as well as a willingness to identify with and participate in activities that benefit the organization (i.e., UAE banking) (Fields, 2002; Meyer & Allen, 1991). It is a strong emotional commitment of employees to stay with the organization willingly



1.9.4 Continuance Commitment



Continuance commitment refers to the employee's perception of the costs of leaving the organization and a sense of obligation to remain with the organization (i.e., UAE banking) (Fields, 2002; Meyer & Allen, 1991).

1.9.5 Normative Commitment

The employee's perception of an obligation to remain with the organization (i.e., UAE banking) due to a sense of moral or ethical obligation to do so is referred to as normative commitment (Fields, 2002; Meyer & Allen, 1991).





1.9.6 Motivation

Motivation is defined as the various internal and external factors that influence an employee's willingness and ability to perform effectively at work. It is an employee's drive or desire that stimulates them to take action and exert effort in order to achieve their work-related goals. (Armstrong, 2017; Vandenabeele, 2008 & Moers, 2006). It is classified as intrinsic and extrinsic motivation (Wright, Christensen & Pandey 2013; & Vandenabeele, 2008).

1.9.7 Extrinsic Motivation

Extrinsic motivation refers to the external factors that drive behaviour or action, such as rewards, recognition, or punishment. In other words, people engage in a particular activity or behaviour in order to receive something from outside of themselves. (Armstrong, 2017).

1.9.8 Intrinsic Motivation

Intrinsic motivation is the internal drive or desire to engage in a particular activity or behaviour because it is innately satisfying or enjoyable (Armstrong, 2017). In other words, motivation comes from within the individual and is not influenced by external factors such as rewards or recognition





1.9.9 Employee Participation

Employee participation refers to the practice of involving employees actively in decision-making processes problem-solving activities, and organisational planning (Abernethy & Bouwens, 2005). It is a process that allows employees to contribute their ideas, skills, and knowledge to improving the overall performance of the organisation.

1.9.10 Banking Sector

The banking sector is a group of financial institutions that accept deposits, lend money, and provide investment and insurance products (Barr, 2021). In UAE, banks and other financial institutions in the banking sector play an important role in facilitating financial transactions, supporting economic growth, and managing financial system risks.

1.10 Research Structure

This study consisted of five chapters of which chapter one is an introductory part. Chapter one, as the introduction to the study, houses ten subsections. The first subsection discussed the background of the study while the second subsection focused on problem statement. The other subsections are research objectives, research questions, significance of the study, scope of the study, and definitions of the key terms. Arrangement of the thesis concluded the chapter.





Chapter two contained literature review of efficiency continuance and employee performance. The chapter also includes underlying theories, empirical review, research framework, and development of the hypotheses. Chapter three focused on research methodology of the research. It comprised research design, hypotheses development, population of the study, sample size and sampling technique, unit of analysis, operationalization and measurement of variables, questionnaire design, data collection procedure. The other part is that of data analysis technique, involving reliability and validity as well as the pilot study. The last part is the synopsis of the chapter.

Chapter four presented data analysis and the results of the study. The data analysis involved descriptive analysis and inferential analysis via SPSS version 21 and Smart PLS 2.0 M3 software respectively. Chapter five explicated the results of the data analysis using pertinent previous studies and relevant theories. It also involved discussion of theoretical, managerial, methodological contributions of the study, limitations of the study and corresponding suggestions for future research directions.

1.11 Chapter Summary

This chapter discussed the background of the study, problem statement, research objectives, and research questions. Significance of the study and Scope of the study were also discussed. In addition, this chapter is an introductory chapter that laid down the foundation and structure of this study.

