

Extending the Model of Antecedents & Outcomes of Organizational Identification in Pakistani Context

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Abstract

This research paper empirically examined the effects of perceived organizational support (POS) and perceived external prestige (PEP) on organizational identification (OID) and the subsequent effect of OID on employee's turnover intentions (TOI) and readiness for change (RFC). The previous research studies have not focused on the integration of social identity perspective and social exchange perspective. Here, we have made an effort to study the effect of employee-employer exchange relationship on the identification process of employees, addressing the need for expanding the model of antecedents of OID. Further, to understand the underlying psychological process of employees behind the key organizational outcomes (TOI and RFC). RFC is considered to be a very important employee attitude with regards to success of organizational change processes but still the effect of OID on this important employee attitude has not been empirically tested. To address these gaps in the literature, we argued that when employees perceive their organizations as being supportive and prestigious in the society, it results in fostering OID. Further it was argued that OID reduced employee's TOI and increased his/her RFC. For testing of the hypotheses, regression analysis was used on the data set of 223 respondents from both public and private sector organizations of Pakistan. Results showed that both POS and PEP had positive influence on employee's extent of OID. The importance of OID in achieving the positive organizational outcomes (low TOI and high RFC) was also supported by the results suggesting the need for proper management of the OID.

Key words: Perceived Organizational Support, Perceived External Prestige Organizational Identification, and Readiness for change

Introduction

The concept of organizational identification (OID) has been argued as a key phenomenon in the field of organizational behavior since last two decades (M. R Edwards, 2005). According to Reade (2001) "OID refers to the psychological bonding between an individual and his or her organization" (p. 1269). The role of OID in the well-being of an organization and its members has been recognized since long (e.g., Hall & Schneider,

1972; Rotondi, 1975; O'Reilly & Chatman, 1986; Brown, 1969). Hence, organizations are exerting efforts to manage the extent of the identification & value sharing of their employees (M. R. Edwards, 2005). For facilitating this practice of the organizations, researchers are working alongside to explore the reasons that why employees identify with organization (e.g., Van Dick, 2001; Riketta, 2005; Lee, Wu, & Lee, 2009; Bartels, Douwes, DeJong, & Pruyn, 2006; Van Knippenberg, Van Dick, & Tavares, 2007). A considerable number of researchers have shown that high OID increases the probability of high intentions to stay, cooperation with other employees, greater level of in role and extra role performance, and increased citizenship behavior (J. E. Dutton, Dukerich, & Harquail, 1994). So understanding the psychological relationship between employee and employer is very important for the achievement of desired results (Ashforth & Mael, 1989; Hogg & Terry, 2000).

One approach to understand this relationship is through identification process, but the research work on OID is comparatively not very dense, and we don't have any well established model of antecedents of OID in frequent usage (Reade, 2001). The most dominant approaches for explaining OID over the last 20 years in the literature are those associated with social identity theory (Tajfel, 1978; Tajfel & Turner, 1979). Although, Social identity theory provides us some fundamentals for establishing a model of antecedents of OID but research work using this approach is not yet in a mature stage (Reade, 2001). In the literature, one of the most important antecedents of OID is agreed to be organizational image/prestige (Ashforth & Mael; 1989 Reade, 2001; Edwards, 2009). As this is the most frequently used antecedent of OID in past research, it is selected as one of the antecedents to be studied in Pakistani context so that the results obtained could be compared with existing results in Western studies. Another way of understanding the employee-employer relationship is through social exchange perspective (e.g., Rhoades & Eisenberger, 2002; Rousseau & Parks, 1993). So far, social identity perspective and social exchange perspective have been studied in isolation (D. Van Knippenberg, et al., 2007). For discovering new dimensions of the psychological relationship between employer and employee, social identity and social exchange perspective are required to be integrated. Edwards (2009) explained that in most of the models evaluating the exchange relationship, Perceived Organizational Support (POS) is an important element and it helps in explaining the extent to which people identify with their organization. Hence, this paper argued that POS is an important antecedent of OID.

Turnover has always been a major problem for organizations because it has heavy costs associated with it for the organizations, both in shape of time and money (Cascio, 1982). This phenomenon has been dealt by the researchers with the help of many psychological concepts like organizational justice, organizational commitment, work group norms, and trust (Griffeth, Hom, & Gaertner, 2000). However, still the notion of turnover is not being fully explained as there are a lot of questions regarding methodological and psychological process underlying turnover intentions yet to be answered (Van Dick, Christ, et al., 2004). So, studying turnover intention through the identification process is of great interest for developing in-depth understanding of this phenomenon.

Change is an inevitable feature of modern day organization, as organizations need to make frequent changes e.g., procedural, technological, and operational in order to keep their existence in the competitive business world. To achieve this goal, organizations should remain in a continuous state of readiness for change (Rowden, 2001). There is an ongoing debate in the literature of OID that whether organizational identification discourages employees of change (B. Van Knippenberg, Martin, & Tyler, 2006) or encourages (e.g., Rousseau, 1998; Cherim, 2006). Though, change has been empirically tested with commitment (Madsen, Miller, & John, 2005), however, to the best of our knowledge, its relationship with OID (i.e., whether OID encourages change or discourages it?) has never been explored in past such as Van Knippenberg et al., (2006) have also called for specific research to find out the effects of OID in change process.

The proposed study on OID has been conducted in the South Asian context (Pakistan). As per review of existing literature it is observed that only three internationally published research studies (i.e., Chughtai & Buckley, 2009; and 2010; Reade, 2001) have been conducted on OID in the Pakistani context (sixth most populated country of the world). While most of the research on OID has been conducted in Western countries from the last two decades (Edwards, 2005b) and it is quite clear that the notion of OID has been overlooked in South Asian context. Therefore, it is of great interest and practical worth to understand the psychological bonding of employees with their employers in both the public and private sector organizations of Pakistan.

Theoretical Background and Hypotheses

Identification is a level at which the self concept of a person has the same characteristics as the other identity (organization) with which he identifies (Dutton et al., 1994). It refers to a cognitive state and is the knowledge of self with regard to the organization (Rousseau, 1998). People who observe OID are actually performing the act of categorizing themselves into social groups (Ashforth & Mael, 1989). The notion of OID was conceptualized by many researchers (e.g., Foote, 1951; Brown, 1969; Patchen, 1970 etc.) in the past but the approaches associated with Social Identity Theory (SIT; Tajfel, 1978; Tajfel & Turner, 1979) were considered more dominant during the last 20 years. According to Van Dick, Wagner, Stellmacher, & Christ (2004), the main assumptions of SIT are that individuals try hard to achieve a positive self esteem and some part of that self esteem of individuals is based on their social identity, which is derived from group membership. The comparison of the group with relevant out-groups is required in order to evaluate and maintain a positive social identity. Turner, Hogg, Oakes, Reicher, & Wetherell (1987) have introduced the Self Categorization Theory (SCT) which added to the assumptions of SIT that individuals can categorize and compare themselves at different levels like personal, intermediate or group level, or super-ordinate level. The integration of SCT and SIT is often termed as social identity approach by the researchers (Hogg & Abrams, 1988). The concept of SIT was explained and adopted in organizational context by Ashforth & Mael (1989). Mael and Ashforth (1992) have defined organizational identification as “a specific form of social identification where the individual defines himself or herself in terms of their membership in a particular organization” (p.106).

The notion of Perceived Organizational Support (POS) is also considered very important for understanding the employee-employer relationship as it is based on social exchange theory (Blau, 1964). According to social exchange theory (Blau, 1964), social exchange relationship is founded by exchange of mutual support, a large part of which may consist of socio-emotional support. According to reciprocity norm (Gouldner, 1960), if employees believe that their organization supports them, they feel an obligation on their part to support the organization. Eisenberger, Huntington, Hutchison, & Sowa (1986) have conceptualized POS on the basis of employee's expectations that "in order to determine the organization's willingness to reward work effort and meet needs for praise approval, employees develop global beliefs concerning the extent to which the organization values their contribution and cares about their well being" (P. 501). We have argued that when the organization is perceived by employees as being supportive, it results in high levels of OID. There are two main theoretical reasons for this relationship i.e., first, Group engagement model of Tyler and Blader (2003) provides main support for this argument. According to this model, the information gathered by the members about the treatment of organization with them becomes the source of generating willingness in members for engaging in an organization. The fair and respectful treatment by the organization with employees reflects them that they are being valued by the organization which boosts their self esteem and contributes to self worth. This boost of self esteem is the main driving factor of identification as per SIT (Tajfel & Turner, 1979; Hogg & Abrams, 1988). So as a result, the employees will be willing to psychologically engage with the organization (Edwards, 2009).

Second, the importance of POS in developing OID is well explained by social exchange theory (Blau, 1964). Social exchange theory argues that when a reward is provided to the employees by the organization, this develops an exchange based relationship. In case of providing socio-emotional support, the reciprocity norm (Gouldner, 1960) influences employees to develop a bond with organization (Edwards, 2009). Rousseau (1998) has argued that this bond occurs through the identification process. The aforementioned theoretical frameworks provide strong rationale that POS leads towards high levels of OID. Which ever mechanism (i.e., social exchange mechanism or boost of employee's self esteem) affects more the relationship between POS and OID, it is expected that high levels of POS will encourage the employees for identifying with their organization. A few studies have shown significant positive correlation between POS and OID (e.g., Van Knippenberg et al., 2007; Edwards, 2009). It is hypothesized that:

Hypothesis 1. Perceived organizational Support is positively related with organizational identification

Smidts, Pruyn, & Riel (2001) have defined perceived external prestige as it reflects: "How employees think outsiders view the organization (and thus themselves as a member thereof)" (p.7). As argued by the proponents of SIT, individuals prefer to belong to groups which have high prestige because membership of those groups increases the self esteem of the individuals. When this concept is applied in the organizational context, it is believed that the prestige of the organization enhances the self esteem of an individual and develops the identification with the organization (Ashforth & Mael, 1989; Mael &

Ashforth, 1992; Benkhoff, 1997). According to Mael and Ashforth (1992) “the more prestigious the organization, the greater the potential to boost self esteem” (p. 107). Many other researchers have also emphasized the importance of perceived external prestige in organizational context (e.g., Dutton & Dukerich, 1991; Dutton et al., 1994). The existence of significant positive correlation between perceived external prestige and OID has been shown by a large number of researchers (e.g., Bergami & Bagozzi, 2000; Carmeli, 2005; Mael & Ashforth, 1992; Smidts et al., 2001; Reade, 2001; Lee, 1971). These studies highlighted that if employees believed that the status and prestige of organization was viewed positively by outsiders, they tend to act more positively towards organization and identify strongly with it (Bartels, Pruyn, Menno, & Inge, 2007). Thus, on the basis of abovementioned theoretical arguments and empirical evidences it is hypothesized that:

Hypothesis 2. Perceived external prestige is positively related with organizational identification

The construct of turnover intention is conceptualized as the intention of an employee to quit from his/her present organization in future. Van Dick et al., (2004) have argued that organizational identification shows the level of perceived integration of the organizational goals and values with the individual’s self concept. Thus identification is the individual’s feeling of common fate with the organization. An employee who highly identifies with the organization is less likely to leave. Van Knippenberg et al., (2007) have argued that OID motivates individuals to follow the organizational interests, while turnover is perceived as working against the organizational interests. For the above reasons, a negative relationship between turnover intentions and OID has been proposed by social identity perspective. The negative relationship between turnover intentions and OID has also been supported by many researchers (e.g., Abram, Ando & Hinkle, 1998; Van Knippenberg & Van Schie, 2000; Van Knippenberg et al., 2007; Van Dick et al., 2004a). Therefore it is hypothesized that:

Hypothesis 3. Organizational identification is negatively related to turnover intention

In today’s business world organizations are facing continuous changes. Organizational change initiatives have increased manifold during the last ten years due to economic downturns, employee shortages, technical advancements, downsizing etc (Madsen et al., 2005). ‘Change’ in this research work is conceptualized as changes in organizational “structures, objectives, processes, and technologies” (Kwahk & Lee, 2008; p. 474). The reason for excluding the major changes like downsizing, mergers and acquisitions is because during these kinds of changes, organizational identity also changes and individual fears losing his self concept, so triggering negative force in employees regarding change (Cherim, 2006; Rousseau, 1998). For successfully accommodating the change processes, organizations should remain in state of readiness continuously (Rowden, 2001). For organizations to be ready for change, employees should also be ready and open for change (Backer, 1995). Employee’s readiness for change is a very important element for conducting successful change in the organization (Bernerth, 2004).

Previously, only the health, psychology, and medical researchers have explored the notion of individual's readiness for change (e.g., Block & Keller, 1998; Morera et al., 1998). However, some researchers in the field of organizational behavior (Armenakis, Harris, & Mossholder, 1993) have started exploring the individual factors for organizational readiness for change during the past decade. Individual's readiness for change in this research is conceptualized as defined by Kwahk & Lee (2008) "the extent to which organizational members hold positive views about the need for organizational change, as well as their belief that changes are likely to have positive implications for them and the organization. This attitude can determine whether an individual supports or resists a change. Of course, a change may give satisfaction to some and not to others" (p. 475).

Acceptance and resistance are a result of how the change is predicted to impact the perception of the individual's identity in the organization. According to Dirks, Cummings, & Pierce (1996), "individuals will promote change efforts under conditions fulfilling their needs for self-enhancement" (p.8). So the change will be accepted if it is likely to award positive identity to organization and its members. On the contrary, if the change drives towards the destruction of organizational characteristics (which according to employee's belief define their identity and role within organization) the change will probably be resisted (Cherim, 2002; Huy, 1999). According to social identity perspective, individuals strive to associate themselves with organizations having positive identity, because this enhances their self esteem (Ashforth & Mael, 1989; Dutton et al., 1994). According to Rousseau (1998), "organizational changes that reinforce identification will be more readily accepted than those that challenge it" (p.227). She explained that the boundary between employee's self concept and the organization to which he is attached is made less significant by deep structure identification. As a result, a favorable disposition is developed in the employees toward the organizational interests, which is associated to a huge area of acceptance where a range of organizational actions and requests are accepted by the employees easily. So deep structure identification increases worker acceptance of change.

Hypothesis 4. Organizational identification is positively related to readiness for change.

Research Methods

The study was conducted on public sector research & development (R&D) organizations; private sector banks and telecom companies operating in Pakistan. The rationale behind selecting public sector R&D organizations, banks and telecom companies as the population for this study is the dynamic work environment of these organizations (high competition, adopting new technologies and constantly changing objectives, procedures and goals). Employees working in these organizations are highly trained and skillful, so the job openings for them are not limited to Pakistani job market. Development of a psychological bonding with the employees is important, in order to achieve positive organizational outcomes. The respondents were selected to be lower, middle and top management employees in order to ensure sufficient educational level and experience for understanding the questionnaire. The questionnaires were distributed to specified

subgroups and non random selection for respondents was made. The questionnaires were distributed and collected directly by the researchers themselves without the involvement of HR department for ensuring complete anonymity of the respondents.

A total of 400 questionnaires were distributed out of which 236 filled questionnaires were collected, reflecting a response rate of 59%. Out of which 114 (48.3%) were from public sector and 122 (51.7%) from private sector. Out of 236 received questionnaires, 192 (81.4%) respondents were male and 44 (18.6%) were female. 90% of the respondents had less than 12 years experience in their current organizations while only 7.6% respondents had experience greater than 15 years. 40.7% of the respondents were aged between 26 to 30 years, while 78.4% of the respondents were less than 35 years of age and 7.2% had age greater than 45 years. So the sample has good diversification in relation to age and experience.

Measures

All the measures except control variables were based on five point Likert scales ranging from “strongly disagree” (1) to “strongly agree” (5). Scores of each scale were calculated by taking average of all responses on the associated items. Scales already developed and used in Western context were utilized in this research.

Perceived organizational support (POS) was measured by using Eisenberger, Cummings, Armeli, & Lynch (1997) eight-item version of the short survey of perceived organizational support. For measurement of POS, the scale of Eisenberger et al., (1997) is considered most reliable in the research and is used in many studies (e.g., Edwards, 2009; Van Knippenberg et al., 2007). The sample item of the original scale is “the organization really cares about my well being”. The scale showed good internal consistency ($\alpha = .854$).

Perceived external prestige (PEP) was measured using eight-item scale developed by Mael & Ashforth (1992). The scale was adopted and modified in research context and seven-items were used in survey. This is also one of the most widely used scales for measuring perceived external prestige (e.g., Smidts et al., 2001). The sample item of the original scale is “people in my community think highly of (name of school)”. In this study it has demonstrated internal consistency i.e. $\alpha = .824$

Organizational identification (OID) was measured using six-item scale developed by Mael & Ashforth (1992). The items were rephrased for adopting in the research context. This is the most extensively used scale for OID in the research (Riketta, 2005). Van Knippenberg & Van Schie (2000) have also used the same scale. The sample item of the original scale is “when I talk about this school, I usually say 'we' rather than 'they'”. Cronbach’s alpha obtained in this study is $\alpha = .775$

Turnover intentions (TOI) was measured using three-item turnover intention scale from the Michigan Organizational Assessment Questionnaire (Cammann, Fichman, Jenkins, & Klesh, 1979). This scale is used by many researchers in the past (Khatri, Fern, & Budhwar, 2001). The sample item is “I will likely actively look for a new job in the next year”. The scale showed good internal consistency ($\alpha = .891$)

Readiness for change (RFC) was measured using the seven item scale used by Kwahk and Lee (2008) (adopted and modified from (Dunham, Grube, Gardner, Cummings, & Pierce (1989) original 18 items scale). The sample item is “I find most changes to be pleasing”. Cronbach’s alpha obtained for this scale was ($\alpha = .747$).

Control variables were included in the questionnaire for ruling out the other possible explanations for the significant relationships. They were: age, sex, experience in the current organization (tenure), and type of organization (public or private). Some previous studies have shown that variables like sex, age and tenure can influence the individual's level of OID (Riketta, 2005). While, the variable 'type of organization' is included after analyzing the current research context. **Gender** was coded as 1 = male & 2 = female; for **age**, respondents were asked to choose their appropriate age category from given list starting from 1 = 25 years or less to 6 = more than 45 years; **tenure** (experience in current organization) was measured as 1 = less than three years to 6 = greater than 15 years; and **type of organization** was measured as 1 = public and 2 = private.

Data Analysis

The data analysis and testing of hypotheses was conducted using AMOS 17.0 and SPSS 16.0. In the first step, data screening was performed i.e. missing values, descriptive statistics, normality, detection of multivariate outliers, homo-scedasticity, multicollinearity and correlation analyses. Initial data set comprised of 236 respondents while 13 were excluded from further analyses as being multivariate outliers.

Confirmatory factor analysis was conducted using AMOS 17.0 for the validity of measures in the research context, by putting all the constructs together. Descriptive statistics, zero-order correlations and reliability coefficients are presented in Table 1. The correlations among the study variables were moderate. Following fit indices were used to assess model adequacy (Byrne, 2001), namely CMIN/df, Chi-square, the Tucker–Lewis Index (TLI), the Comparative Fit Index (CFI), and the Root-Mean Square Error of Approximation (RMSEA). CFI and TLI values above 0.90 and RMSEA scores below 0.08 represent a good model fit. When the first model (with all the items for 5 factors) was tested, the model fit statistics were not acceptable (Chi-square= 756.681, $p < 0.01$; CMIN/df = 1.785, CFI = 0.865; TLI = 0.852, RMSEA = 0.059). Then the items with low factor loadings were removed (total of four items were removed i.e., two for PEP, one for OID, and one for RFC). The model fit statistics were acceptable for the second model (Chi-square= 494.043, $p < 0.01$; CMIN/df = 1.573, CFI = 0.918; TLI = 0.909, RMSEA = 0.051). One-factor model showed worse fit to data (Chi-square = 1280.008, $p < 0.001$, CMIN/df = 3.951, CFI = .567, TLI = .531, RMSEA = .115). The scores of each construct were calculated by taking average of the respondents on the associated items. All the scales have shown acceptable level of internal reliability (i.e., Cronbach's alpha ranging from .891 to .747). Summary of inter-correlations and reliability of scales (α is mentioned in *italics & bold* on the diagonal) is demonstrated in the Table 1.

TABLE 1
Descriptive Statistics and Inter-correlations Summary

	Mean	Std.	Gender	Organ.	Age	Exp.	PEP	POS	OID	RFC	TOI
Gender	1.19	.392	N/A								
Organ.	1.52	.501	.123	N/A							
Age	2.61	1.40	-.179**	-.390**	N/A						
Exp.	2.35	1.50	-.105	-.473**	.802**	N/A					
PEP	3.91	.66	.057	-.156*	.057	.131	.824				
POS	3.44	.61	-.003	.072	.032	-.006	.548**	.854			
OID	3.89	.53	-.042	-.179**	.062	.102	.483**	.373**	.775		
RFC	3.80	.46	-.046	-.188**	.079	.065	.080	.048	.253**	.891	
TOI	2.63	.98	-.004	.140*	-.213**	-.229**	-.459**	-.446**	-.417**	-.011	.747

N = 223; * $p < .05$; ** $p < .01$; N/A = Not applicable; PEP = Perceived external prestige, POS = Perceived organizational support, OID = Organizational identification, RFC= Readiness for change, TOI= Turnover intentions, Organ. = Type of organization i.e. Public or Private, Exp. = Tenure in the current organization

Hierarchical multiple regression analysis was used to test all the hypotheses instead of SEM because we have used four control variables in our analysis which makes SEM model very complex. According to Petersitzke (2009), the control variables showing significant Pearson correlation or ANOVA with dependent variable should be used in regression model because use of non significant terms affects the values of regression coefficient (β) for significant terms. Following this logic, we entered appropriate control variables in first block and independent variables were entered into subsequent blocks of regression model. Hypothesis 1 stated that the perceived organizational support (POS) has positive affect on OID. One control variables i.e., organization (public or private), showed significant correlation with OID ($r = -.179$, $p < .01$). As shown in the Table 2, POS (standardized $\beta = .387$; $p < 0.001$) has significant positive association with OID. The perception of organizational support of employees positively effects their level of identification with the organization ($\Delta R^2 = .149$). Hence, the results of hierarchical regression analyses fully supported the first hypothesis. Hypothesis 2 stated that the perceived external prestige (PEP) has positive relationship with OID. As demonstrated in the Table 2, PEP (standardized $\beta = .466$; $p < 0.001$) has significant positive effects on OID. The employees perception of their organization's external prestige has positive effect on their level of organizational identification ($\Delta R^2 = .212$). Thus hypothesis 2 was also supported by the results of the analysis.

Table 2
Hierarchical Multiple Regression Analyses

	OID		RFC	TOI
<i>Controls</i>				
Organization	-.206**	-.106	-.148*	-.029
Age				-.105
Experience				-.117
<i>Main effects</i>				
POS	.387***			
PEP		.466***		
OID			.227**	-.404***
R ²	.181	.244	.085	.214
Δ R ²	.149	.212	.050	.158

Hypothesis 3 stated that organizational identification has negative association with employee's turnover intentions (TOI). Three control variables (organization: $r = .140$, $p < .05$; age: $r = -.213$, $p < .01$; experience: $r = -.229$, $p < .01$) showed significant correlations with TOI; thus, these variables were entered into the first block of regression and then OID was entered into the subsequent block. Table 2 shows that OID (standardized $\beta = -.404$; $p < 0.001$) has significant negative effects on TOI. Organizational identification makes employees to stay with their organizations and reduces their intentions to leave ($\Delta R^2 = .158$). The negative association between OID and TOI has also been recorded by the results. Hypothesis 4 stated that organizational identification has positive association with RFC. One control variable (i.e., organization; $r = -.188$, $p < .01$) showed significant correlation with RFC. As shown in the Table 2, the independent variable OID (standardized $\beta = .227$; $p < 0.01$) has explained significant amount of variance in dependent variable RFC ($\Delta R^2 = .050$). High identifying employees are expected to be ready for organizational change and are less likely to resist.

Discussions

The aim of the study was to highlight the importance of notion of organizational identification in the achievement of organizational goals and objectives by depicting the direct affect of OID on the important organizational outcomes (turnover intentions, employee's readiness for change). Further, to explore the determinants of OID (i.e., POS and PEP) so that the extent of identification of employees with their organization could be managed and controlled. The first hypothesis of the study was that perceived organizational support acts as one of the predictors of OID. The results of the study in previous section supported this hypothesis (i.e., $\beta = .387$; $p < 0.001$). The positive evaluation of exchange relationship increases employee's level of self esteem and the membership of the organization becomes salient part of their self concept; hence, fostering OID. The results obtained regarding this relationship are in compliance with those obtained in previous research (e.g., Edwards, 2009). A feeling of respect and recognition is to be developed in the employees in order to encourage them for positive views towards the organization and pride in organizational membership.

The data set in this study comprised of both public and private sector organizations, which increased the generalizability of the research findings. It was observed during data analysis that control variable 'organization (public or private)' had significant relationship with OID. For having a more detailed exploration of the relationship between POS and OID, sector wise (public and private) analysis was performed. It was observed that POS predicted the level of OID for private sector (standardized $\beta = .454$; $p < 0.001$) employees greater than that for public sector (standardized $\beta = .341$; $p < 0.001$) employees. This was a very interesting finding of this research study. It can be argued by keeping in view the research context that employees in the public sector organizations consider their organizations less fair in dealing with their employees because there is very limited flexibility in the rules and procedures of those organizations for accommodating the needs of the employees; and rewarding and recognizing their contributions to the achievement of organizational goals. This can be exemplified in such a way that in public sector organizations the annual salary increments are provided at a fixed rate to all the employees of equal ranks, regardless of the efforts they have put in; thus, being unable to recognize the efforts of the employees. While in private sector organizations rewards are mostly performance based, developing a sense of recognition and differentiation of high performers from low performers. Therefore, POS plays comparatively less affective role in formation of organizational identification of public sector employees than that of private sector employees.

The second hypothesis of this research study stated that perceived external prestige plays positive role in the formation of OID. The research findings supported this hypothesis and results are also in compliance with those achieved in the previous studies (e.g., Reade, 2001; Mael & Ashforth, 1992). Perceived external prestige (PEP) appeared to be the greater enhancer of OID (standardized $\beta = .466$; $p < 0.001$) in comparison to POS. It establishes the perception of shared values and goals between employees and organization. PEP develops pride in organizational membership and creates positive attitude of employees towards organization. To some level, perceived external prestige depends on how the organization is valued in the external world (society at large) (Dutton et al., 1994). But from employee's identification point of view, it depends on how employees perceive the reputation of the organization. This perception of the employees regarding organizational prestige depends on a variety of factors but some of them can be managed and controlled by the organization. For example: by circulating the positive information in internal communication and external advertisement regarding organizational activities in society and positive figures from statistical data. This will help in developing a positive organizational image in the minds of employees. The sector wise (type of organization) analysis was also performed for PEP. In contrast to POS, the results showed that PEP predicted the OID of public (standardized $\beta = .479$; $p < 0.001$) and private sector (standardized $\beta = .471$; $p < 0.001$) employees at equal levels. This suggested that in both sectors, perceived external prestige plays an equally important role in fostering employee's level of OID.

The third hypothesis of this study stated that OID has a negative affect on employee's turnover intentions. The results supported this hypothesis such as OID has significant negative effect (standardized $\beta = -.404$; $p < 0.001$) on TOI. This finding is also in

congruence with those derived in previous studies (e.g., Van Knippenberg & Van Schie, 2000; Van Knippenberg et al., 2007; Van Dick et al., 2004a). Employee turnover is very vital and expensive employee behavior for the organizations and it has been discussed in relation to many important concepts like justice, and commitment etc. In this research, an effort has been made to understand the notion of employee turnover intention through social identity theory. The negative relationship recorded between OID and TOI fostered the need for managing the level of employee's identification for achieving the desired positive results. During the testing of hypothesis, the affect of age, experience, and organization was controlled as they exhibited significant correlations with turnover intention. For analyzing the individual affect of these variables, further analyses were performed. It was observed that age had a significant negative affect on TOI as high aged people (older than 45 years) had less TOI as compared to young people. Similarly, employees with experience more than 15 years (mean = 1.98) had low turnover intention as compared to employees having experience less than 3 years (mean = 2.75). This affect can be explained by the argument that high aged and experienced employees are less ambitious in looking for new jobs as they are at such a stage of their careers where they have high cost associated with switching the jobs. The sector wise analysis revealed that private sector employees (mean = 2.76) had high turnover intentions as compared to public sector employees (mean = 2.49). This phenomenon reveals that job security and low pressure working environment in the public sector organizations results in low TOI while highly competitive, demanding and survival of the fittest phenomenon in private sector encourages employees to look for new openings.

The last hypothesis of this study uncovered the positive relationship between OID and employees readiness for change. It is worth noting that this was the first effort to test the theoretical arguments of this relationship empirically. The result of the study supported this hypothesis which showed that OID has significant positive effect on RFC (standardized $\beta = .227$; $p < 0.01$). This finding is in accordance with the arguments presented by Rousseau (1998) and Cherim (2002). The significant positive influence of OID on employee's readiness for change exhibited that in order to accommodate the change effort in a positive manner; organizations should focus on developing a strong attachment of employees with organizational identity. Madsen et al. (2005) have argued that during the change initiatives, many companies proceed in a manner which in reality reduce the level of identification such as decrease in communication, imposing decisions, augmenting uncertainty, and fall in perceived worth of employees. The findings of this research support that decrease in the level of employee's organizational identification also decreases their readiness for change. Unfortunately, employee's exhibit resistance when organization is in dire need of the change. The control variable 'organization' showed significant correlation with employee's readiness for change, so sector wise analysis revealed that public sector employees (mean = 3.95) showed higher readiness for change as compared to private sector employees (mean = 3.77). Here it is argued that private sector employees may feel insecurity and might fear losing their job or position/status in the organization as a result of organizational change. While in contrast, due to job security and strict set of rules regarding seniority, public sector employees would be more inclined to try new ideas and support the change process. It is evident from the above discussion that all the hypothesized relationships were proved in this

study. The findings were in conformity with previous research and theoretical frameworks were fully supported. It has also been depicted that theories of social exchange and social identity are well appraised in the South Asian context (Pakistan). The dynamics of the results explained in the light of demographic variables (the affects of which were controlled during regression analyses) furnished important insights regarding the main constructs.

Practical Implications

The study has significantly contributed to the existing literature of HRD, management, organizational psychology and change. The results of this study suggest very important recommendations for practitioners. For organizations to become an employer of first choice and to achieve desired goals, organizations need to work on their external image as well as they have to improve the ways of dealing with their employees. The fair and supportive treatment by the organization fosters the level of identification of the employees with the organization. Further the role of OID during the organizational change process has provided us important findings, and it is one of the few “readiness for change studies” conducted in HRD arena. As organizations try to develop individual’s readiness for change before the change process, they can utilize the potential of OID in developing this attitude. Here it is recommended for managers to adopt strategies for managing the identification level of employees. So the practitioners should adopt the proper models and strategies like Haslam, Eggins, & Reynolds (2003) ASPIRe model and Van Knippenberg’s (2003) strategies for managing OID. The selection of proper strategies is recommended because over-identification can result in a number of negative outcomes (Hogg & Terry, 2001) like stereotyping and lack of organizational flexibility.

Future Research Directions

The results of the present study have opened new avenues for research. As significant relationship of POS and PEP with OID has been observed, it is of great practical worth to analyze the effects of these determinants on different foci of identification to identify the most suitable correlates for each focus. This will enable the practitioner to implement specific measures for managing desired focus of identification instead of applying global and unspecified measures (Van Dick et al., 2004b). Further the affect of OID as a whole has been analyzed on the organizational outcomes. It is recommended that in future research, relationships of different dimensions of OID, as detailed by Van Dick (2001), should be analyzed with the outcomes in order to enrich the literature as there is great potential in this direction of work (Rikketa, 2005). During the analysis phase, it was observed that control variables (age, experience and organization) had significant relationship with OID and outcomes. So it is proposed to check the moderating affect of these variables on the relationship of OID and its correlates. This can provide us with interesting findings and explanations. Finally it is recommended that the mediating effect of OID between POS and employees readiness for change should be explored in future researches so that the role of POS in the development of employee’s readiness for change could also be highlighted.

Limitations

Beside some useful contributions, this study also has some limitations. Firstly, cross sectional design was used for collection of the data; hence it is impossible to infer causality or rule out reverse causality. Another limitation is the use of self-reported questionnaires which can cause concerns about mono-method bias and percept-percept inflated measures. We used Harman's one-factor test which is an analytical technique for assessing the extent to which common method variance may be a problem. The principal component analysis generated six factors with eigenvalues of 1 or more, and an explained variance of the factors ranging from 14.52 percent (factor 1) to 10.22 percent (factor 5). It indicated that mono-method variance was not a serious threat in this study. Further, the survey is not able to dig deeply into the perceptions of the respondents, which might have restricted the research from having a more comprehensive analysis of the relationships (Madsen et al., 2005). It can also be termed as a limitation that the data were obtained exclusively from employees in banking and telecom sector; and public sector R&D organizations of Pakistan, since relationships may differ in other industries and countries. Finally, the difference among the way organizations treat the change can be a limitation. Like change message efficacy and the methods of starting change process are different in each organization due to difference in culture and complexity of these issues in every organization. These factors were not controlled in this study, and they might have posed a significant affect on the results.

Conclusion

The objective of this study was to enhance the model of antecedents of OID by exploring its relationship with POS and PEP and study its subsequent effects on employee turnover and readiness for change. The results have shown that POS and PEP have significant positive influence on employee's identification with their organizations which in turn results in low turnover intention and high readiness for change. The results are in accordance with the underlying theories (i.e., social identity and social exchange theory) already tested empirically in the Western context. While the relationship of OID with RFC was tested for the first time in this study and it was recorded that OID can play significant positive role during organizational change processes.

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