INVESTIGATING THE ANTECEDENTS OF ORGANIZATIONAL IDENTIFICATION

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ABSTRACT: The goal of this paper is to precisely examine the relationship between the attractiveness of organizational identity and strength of identification, and how perceived trust underlines such a possible effect of identity attractiveness on organizational identification (OID). A total of 545 public and private bank employees attended the study. Participants completed measures of organizational identification, organizational trust, and attractiveness of perceived organizational identity. Structural equation modeling and LISREL8.30 (Jöreskog and Sörbom, 1993) was used to assess the research model. The findings show that the relationship between attractiveness of perceived organizational identity (APOI) and identification is mediated by trust, and identity attractiveness does not directly influence the identification strength.

Keywords: Organizational Identification ; Organizational Identity ; Organizational Trust; Turkey

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1. Introduction

Organizational identification (OID) is a critical variable in work relationship. It is defined as “the perception of oneness with or belongingness to an organization, where the individuals defines him or herself in terms of the organization(s) which he or she is a member” (Mael and Ashforth 1992, p.104). Understanding what exactly fosters OID is important because it has substantial consequences at both the

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individual and the organizational level. The strength of member’s organizational identification has been shown to relate to positive organizational behaviors (Pratt, 1998; Schrodt, 2002; Wiesenfeld, Raghuram, Garud, 1998). A sense of identification creates a degree of perception to which a member associates himself or herself with the organization’s goals and values (Miller et al., 2000). Moreover, members who identify with an organization may be more likely to indicate supportive behavior towards organization. There are number of factors that affect identification strength. Ashforth and Mael (1989) argued that individuals who identify with employing organization tend to choose activities that are congruent with organization’s identity. Dukerich, Golden, and Shortell (2002) demonstrated a link between the attractiveness of an organization’s identity and the strength of member’s OID. When organization’s members view the organization’s identity to be attractive, their strength of OID is increased. In examining identification, it is important to investigate trust. The organizational literature views trust as resulting from an individual’s perception of the characteristics or qualities of specific groups or systems (Butler, 1991; Cook and Wall, 1980). Trust is expected to have positive effect on individual’s cooperative and voluntary contribution to the organization. In general, trust can be defined as an expectation that another’s future action will be beneficial, or at least not detrimental, to one’s interest. Trust influences employee’s reactions and affects the success of organizational activities. Besides, trust is a consequence of the content and process of organizational activities, and a mediator of the impact of organizational practices on important outcomes (Alder, Noel, Ambrose, 2006). Because of the predicted relationship between APOI and OID, we expected that particularly trust was mediating this relationship. This paper examines the relationship between employee’s perception of organizational trust (POT), attractiveness of perceived organizational identity (APOI) and OID. The objective of the present study was to link APOI and strength of identification through perceived organizational trust. The current study was based on a survey conducted in a group of bank employees in Turkey.

2. Theoretical Background of the Research Model and Hypotheses

Social Identity theorists propose that a person’s sense of self exerts a significant effect on his or her perceptions, attitude and behaviors (Tajfel and Turner, 1985). Tajfel (1978, p.63) defines social identity as “that part of an individual’s self concept which derives from his or her knowledge of his or her membership to social group (or social groups) together with the value and emotional significance attached to that membership”. Member’s perception of organization’s identity is affected by perception of his or her own social identities (Elsbach and Kramer, 1996). Ellemers, De Gelder, and Halsam (Van Dick et al., 2004, p.277) assume three intra-psychological processes underlying group based social identity, namely; (1) social categorization; cognitive tool that helps to organize social information, (2) social comparison; it provides meaning by evaluating one’s own group in comparison to other relevant ones, and (3) social identification; it is the person’s emotional involvement with the particular group. Social identification can be interpreted as, “it is the perception of oneness with or belongingness to some human aggregate” (Ashforth and Mael, 1989, p.21). Through social identification, he or she perceives himself or herself as psychologically intertwined with the fate of the group, as sharing a common destiny, and experiencing its successes and failures.
A person can acquire a more positive social identity through association with organization that has positive identities (Mael and Ashforth, 1995; Dutton et al., 1994) because, “the attributes that comprise an organization’s identity, by association, are transferred to individuals who work there” (Dutton and Penner, 1993, p.103). Conversely, events that threaten the organization’s identity constitute a threat to member’s own identity (Elsbach and Kramer, 1996). Albert and Whetten (1985) define that organizational identity consists of those attributes that members feel are central, distinctive, and enduring, or it may refers broadly to what members perceive, feel, and think about their organization (Hatch and Schultz, 1997, p.357). Organizational identity is a subjective and affective pattern, so organizational members have different views about its identity. Dutton, Dukerich, and Harquail (1994) offered the notion of “perceived organizational identity” which refers to the subjective beliefs had by individual organizational members about what they believe the organization’s identity to be. Perceived organizational identity can also be defined in terms of how an organization’s members perceive the organization’s identity (Dutton et al., 1994). Perceived organizational identity might influence the extent to which an organization’s member identifies with the organization (Dutton et al., 1994). Individuals’ evaluation of whether the organization’s identity is favorable or unfavorable is based on the individuals’ subjective assessment of (a) those subjective factors believed to comprise an organization’s identity, and (b) the perceived attractiveness of those compositional factors as they are understood by the organizational member (Dukerich et al., 2002).

Under this perspective, organizational identification is a specific form of social identification where the individuals define themselves in terms of their membership in a particular organization (Mael and Ashforth, 1995, p.310). In organizational behavior literature, there is strong link between identity attractiveness and identification strength. For example, Dukerich, Golden, and Shortell (2002) found that attractiveness of organizational identity was strongly related to the strength of employee’s identification with the organization. The strength of identification is apt to change with the changes in an organization’s identity (Dutton et al., 1994; Kreiner and Ashforth, 2001). However, if an organization’s member perceives the organization’s identity as increasingly attractive, they are likely to identify more strongly with their organization (Mael and Ashforth, 1995; Cole and Bruch, 2006).

3. Indirect Effect of APOI on Identification via Trust
The current study proposed that employee’s perceived organizational identity will promote identification strength because the enactment of organizational identity will increase trust in the enacting organization. Initially we can conceive of APOI as having indirect effect on identification by way of their determinants. We, therefore, propose that APOI influences trust. There are theoretical and empirical bases for this assumption. The organizational literature view trust as resulting from individual’s perception of the characteristics or qualities of certain groups or systems (Lee, 2004). Perceived trust plays an important role in organizational activities and processes such as, improvement of cooperation behavior, performance evaluation, goal setting, leadership, team spirit enhancement (McAllister, 1995; Jones and George 1998; Mayer et al., 1995), organizational commitment, and job satisfaction (Huff and Kelley, 2003). There has been considerable debate about what trust is, and how it is influenced. One of the perspectives emphasized the influences of
contextual factors, in which trust is seen as a cognitive process associated with confidence in another’s goals or purposes, or the perceived sincerity of another’s world (Hosmer, 1995). The basis of all trust is claimed to be the presentation of the individual’s self as a social identity that builds itself through interaction (Huemer, 2004). The trustworthiness of the authority depends on the degree to which they exhibit moral integrity in the sense of faithfully representing the organizational identity and related values in their actions (Shamir and Lapidot, 1990). Tyler and Degoy (1996) found that people care more about trustworthiness of organizational authorities when they derive a sense of identity from organizational membership. Shared social identity directly influences perception of trustworthiness, so shared social identity can be associated with perceived trust (Voci, 2006). When a person defines himself or herself as a member of a group, he or she tends to become prejudiced and discriminatory toward people in the out-group (Adler et al., 2006). Those who perceive themselves as having the same identity as that of the organization would have high-level of trust in the system and high expectation. On the other hand, Bies and Trip (1996) states that if the employees perceive a damaged sense of organizational identity, their perception of trust is also damaged. De Cremer et al. (2006) found that affect-based and cognitive-based trusts are positive influences to the identification. Indeed, trust and identification have been related to one another in previous researches. Kramer (1993), Dutton et al., (1994), Cremer and van Knippenberg (2005), Connaughton and Daly (2004), and Lee (2004) for instance found that there is a positive relationship between members’ feeling of trust and identification. Cook and Wall (1980) in their research, pointed out the positive relationship between trust and identification.

From a theoretical point of view, it thus seems logical that if APOI influences OID, then trust will more likely act as a mediator. Before moving further, predictions of the study should be summarized. First, it is expected that employee’s enactment of APOI will positively influence employee’s sense of OID ($H_1$). Second, it is expected that APOI will have positive influence on perception of trust-level of the employees ($H_2$). Further building on earlier research on the role of trust (Cremer et al, 2006), taking into the account the nature of OID, it is predicted that the positive effect of APOI on OID will be mediated by trust ($H_3$).

4. Methodology

4.1. Procedure and Sample

This research employed a survey design. All survey items were measured using a 7-point Likert scale (1= strongly disagree, 7= strongly agree). The study was conducted in Ankara, the second largest city in Turkey. A total of 6 different commercial banks/branches, three of which were the largest state banks and the other three, the largest private banks, attended the survey. Questionnaires were distributed randomly among 840 participants in various commercial banks/branches in Ankara. The participants were asked to complete the questionnaire and return it in a self-addressed stamped envelope to the first author. A total of 545 usable questionnaires were returned, indicating a response rate of 65 percent. The final sample of subjects averaged 34 years in age and had been employed by their organization for an average period of 10 years. Among participants, 56 percent were female and 44 percent male. Respondents worked in public banks (57.6 percent) and
private banks (42.4 percent). Respondents were employed at different hierarchical levels in the organization; 28.8 percent were upper-level (manager, assistant manager), 23.1 percent were medium-level (specialist, assistant specialist), and 48.1 percent were lower-level (supervisor, clerk) employees.

4.2. Measures
Study was conducted in a Turkish-speaking environment. Since the survey instrument was originally developed in English, it was translated to Turkish, and then it was later back translated to English to avoid translation errors (Ball et al., 2002) and make sure that the intended meanings of items were maintained.

Identification  Dependent variable of this study is identification. The strength of organizational identification was measured using Mael and Ashforth’s (1992) 6-item survey scale. Riketta (2005) recently observed that the Mael and Ashforth’s measure is the most frequently used measure of identification. An example item includes, “When someone criticize (company name) it feels like personal insult”. Exploratory factor analysis results showed a unidimensional structure. Eigenvalue was 2.89 and %48.13 variance accounted for the scale. Internal reliability of this scale was calculated as $\alpha = .78$.

Attraction of Perceived Organizational Identity Member’s perception of the characteristics of organizational identity was assessed via 23 items, a questionnaire adapted from the comprehensive workplace scale developed by Dukerin, Golden, and Shortell (2002). Exploratory factor analysis results showed a unidimensional structure. Eigenvalue was 13.34 and %58 variance accounted for the APOI scale. Internal reliability of this scale was calculated as $\alpha = .97$.

Organizational Trust Employees’ perception of trust was assessed by a 12 items scale, which is developed by Cummings and Bromiley (1996). Exploratory factor analysis results showed a two dimensional structure (affective and cognitive). The first dimension consists of 7 items and designated as Cognitive Organizational Trust (COT), eigenvalue was 3.15 and %26.23 variance explained by the first factor. Internal reliability of the first factor was calculated as $\alpha = .85$. The second dimension consists of 5 items and designated as Affective Organizational Trust (AOT), eigenvalue was 1.99 and %16.57 variance explained by the second factor. On the other hand, 4th item of the POT scale was loaded to both cognitive and affective dimensions, that is why 4th item of POT scale was excluded and not been used for the further analysis. With remaining items, reliability analysis was done and internal reliability was calculated as .72.

4.3. Analysis and Results
Means, standard deviations, reliabilities, and intercorrelations for the study variables are displayed in Table I. The correlations observed were generally consistent with the expectations. All of the measurement instruments had acceptable reliabilities. The results indicated that identification was positively related to the APOI (.51), AOT (.51) and COT (.21). AOT and COT were also positively related to APOI (.76 and .43 respectively).
Structural equation modeling LISREL 8.30 (Jöreskog and Sörbom, 1993) was used to determine whether the pattern of relationship observed among the variables was consistent with the model proposed above. According to the exploratory factor analyses results, APOI and OID items showed unidimensional structure. Every latent variable should have more than one indicator in proper structural equation modeling (SEM). Partitioning of scale items for every latent variable is one of the ways to overcome this problem. Variables in this study are assessed as latent variables. APOI and OID items are partitioned as two parts, odd and even items. For every part, mean scores were calculated and provided that every latent variable has two indicators. As a result, proposed model has three latent variables. First one is APOI which is the independent variable of this study and shown with two indicators (APOI_odd and APOI_even). The second one is POT which is the mediator variable and shown with two indicators (COT and AOT). Third latent variable is OID which is the dependent variable of this study and shown with two indicators (OID_odd and OID_even).

In specifying a model, the first step is to test the measurement model which provides evidence for how well the latent variables are measured by the predefined indicators. Thus, testing the measurement model is conducting a confirmatory factor analysis for all the latent variables at a time. In the study sample, the measurement model is tested by the measurement model having good fit to data, \( \chi^2 (6, n=545) = 21.70, p < .002, GFI = .99, AGFI = .95, CFI = .99 \). Overall, results indicate that the data matrices are suitable for structural analyses.

Partial mediation model fit statistics obtained in the study sample are provided in figure 1. In general, model had good fit with the expectations, \( \chi^2 (6, n=545) = 21.70, p < .002, GFI = .99, AGFI = .95, CFI = .99 \).
5. Discussion and Conclusion
The present study examined the effect of an APOI on OID and trust. The results showed that APOI has positive influence on perceived trust. In addition, it was also shown that trust mediates this positive relationship between APOI and OID. H1 proposed that APOI positively influences OID. Study found that direct effect of APOI over OID was not found to be statistically significant ($\beta=0.18$), therefore, H1 was not supported. H2 proposed that APOI positively influences POT. The direct effect of APOI over POT is found to be significant ($\beta=0.82$, $p<.05$), the direct effect of POT over OID is statistically significant ($\beta=0.48$, $p<.05$), and therefore H2 was supported. H3 proposed a mediation model, which was tested by running SEM with latent variables using LISREL 8.30. As expected, the effect of APOI over OID by the mediation of POT, is found significant ($\beta=0.39$, $p<.05$), therefore, H3 was supported. Overall structural model analyses revealed that, APOI predicts perception of trust, which in turn predicts identification strength. APOI was not positively influence on OID alone.

The findings with respect to the APOI that had no direct influence over OID were more surprising. The greater the attractiveness of the perceived identity of the organization, the stronger is person’s identification with it (Dutton et al, 1994). The results showed that identity attractiveness is not a sufficient condition for identification. According to the current study, employee’s identification with the organization occurs only when they perceive trustworthiness of the organization. The current study markedly indicates the feeling of trust towards organization can facilitate the relationship between identity perception and identification. This situation can be discussed in the context of cultural differences. Cultural differences are also likely to influence perceptions. As discussed in Aycan (2001), Turkish societal and organizational culture is composed of both Western and Eastern values. Most of the relevant research has been developed within Western European and North American cultural context. The cross-cultural applicability of North American HRM practices is highly questionable in Turkish context. While attempting to catch the current Western HRM trends, we must bear in mind that Turkey has social, economic, political as well as cultural characteristics which are distinct from those in Western industrialized societies (Aycan, 2001). However, whether and how trust is established certainly depends upon the societal norms and values that guide people’s behavior and belief. Culture constitutes the collective programming or shared system of meanings and ideas (Huff and Kelley, 2003). This shared system guides perception of the self and the world. Organizational members trust for specific organization will be influenced, in part, by their general propensity to trust. Propensity to trust is often viewed as a personality trait, but it is also shaped by the culture (Huff and Kelley, 2003). Future research should be conducted in order to validate the findings of this study. Cross-cultural and cross-industrial studies would be very helpful to analyze the study subject better. In future, researchers could study with different measures of identity attractiveness and trust. Future research should apply longitudinal design to fully understand the process of identification.

6. Limitation and Suggestion for the future researches
This study provides useful insight regarding the employee’s perception of trust, identity, and identification. The present study’s cross-sectional design limited our ability to draw conclusion about the casual direction of the observed relationship. However, the study has a number of limitations; therefore caution should be
exercised when interpreting and generalizing findings. One other limitation is that it covered only one city in Turkey with 545 employees. Whether the present study’s findings generalize to other populations in different organizational settings or cultures is unknown. Second, study results may just be valid for the banking sector. In order to eliminate those questions, study should be enlarged and applied to the other sectors. More research in this area is needed to explain how trust, identity, and identification differentiate according to different cultures.

References

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