



Impact of Collaborative Culture as a Mediator for Performance Management System on Employees’ Motivation in Construction Sectors of Afghanistan

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ABSTRACT

This study investigates the impact of performance management systems (PMS) as a mediator for employees’ motivation on collaborative culture within the construction sector of Kabul, Afghanistan. Utilizing a survey-based approach, data was collected from employees across various construction firms to assess the relationships between these variables. The analysis was conducted using regression analysis through the Process Hayse Macro, which allowed for the examination of mediation effects. The findings reveal a significant relationship between employees’ motivation and collaborative culture, with the performance management system playing a crucial mediating role. Specifically, the study highlights that an effective PMS enhances employees’ motivation, which in turn fosters a more collaborative work environment.



Introduction

A performance management system is a systematic process used to plan, monitor, and evaluate an employee's performance, with the goal of improving individual and organizational performance (Aguinis, 2019; DeNisi & Pritchard, 2017). This process typically includes setting performance goals, providing regular feedback, and evaluating employee performance against those goals (London, 2015). A well-designed performance management system can help organizations achieve their strategic objectives, improve employee productivity, and enhance overall organizational performance (Aguinis, 2019). Effective performance management systems also provide

opportunities for employee growth and development, which can lead to increased employee engagement and retention (Buckingham & Goodall, 2015). Regular feedback and coaching are essential components of a performance management system, as they help employees understand their strengths and weaknesses, and identify areas for improvement (London, 2015). Construction sector characterized by complex and long-hour working conditions (Khalil et al., 2023; Wadood et al., 2024) requires better performance management system for successful project outcomes.

Employee motivation describes the mental forces which inspire workers to reach their objectives while giving their top performance (Latham & Pinder, 2015; Steers et al., 2016). Workers who feel motivation display enhanced organizational engagement together with higher productivity levels and increased organizational commitment leads to project success (Bakker & Demerouti, 2017). Multiple employee motivators exist that include job satisfaction together with recognition and rewards alongside opportunities for professional advancement (Latham & Pinder, 2015). The research indicates that corporate results depend on employee motivation because motivated staff members deliver better productivity and quality together with superior customer satisfaction (Steers et al., 2016). The combination of work environment support with achievement recognition rewards and career development opportunities makes organizations effective in building employee motivation according to Bakker & Demerouti (2017).

A collaborative culture functions as a workplace system that strengthens employee group collaboration while maintaining open communication for collective objective attainment (Gibson & Vermeulen, 2013; Senge, 2014). A collaborative work culture represents employees who share team objectives through mutual trust boundaries and respectful relationships (Edmondson, 2012). Organizations that promote collaborative environments make it possible for staff members to exchange professional information and technical abilities thus improving organization-wide productivity rates and outcomes (Gibson & Vermeulen, 2013). Research evidence demonstrates that organizations develop better employee engagement and retention combined with improved well-being and organizational results like productivity, quality and innovation through collaborative cultures (Senge, 2014). Edmondson (2012) reports that organizations establish collaborative workplaces through the combination of open communication channels along with collaborative performance rewards and teamwork along with knowledge-sharing opportunities. This paper investigates how performance management systems function as mediation between employee motivation levels and construction sector workplace collaborative culture within Kabul. The research seeks to identify the following main question:

Research Questions

What is the effect of performance management system as a mediator for employees' motivation on collaborative culture in construction sectors of Kabul?

Literature Review

Performance Management System and Employee Motivation

Employee motivation highly depends on a performance management system. If the goals in the performance management system are unclear, chances of motivating employees are minimal (Aguinis, 2019; DeNisi & Pritchard, 2017). Regular feedback and coaching to employees make them more motivated since it enables employees to learn that their performance contributes to organizational goals (Latham & Pinder, 2015; Steers et al., 2016). Likewise, a performance management system that heavily puts employee learning and development should also boost

employee motivation with opportunities for skill development and career advancement (Bakker & Demerouti, 2017; Christian et al. 2011). On the other hand, a performance management system that centers on the competition of one's own performance can demotivate the employees thereby reducing job satisfaction and engagement (Baer et al., 2015). As such, organizations need to create performance management systems that combine individual and team performance, have avenues for growth and development and have a positive and supportive work environment (Aguinis, 2022; DeNisi & Pritchard, 2020).

Performance Management System and Collaborative culture

Performance management system can be important to develop a supportive and team culture in an organization. Performance management system with right or well design will promote collaboration and teamwork since with the same goals, provide for feedback and how to achieve the goals, how to reward from that, and from recognizing and rewarding this type of behavior. (Aguinis, 2019; DeNisi & Pritchard, 2017). If employees are rewarded and evaluated for their work on team goals, they will more likely work together and with the team to meet common goals (Gibson & Vermeulen, 2013; Senge, 2014). Consequently, a good performance managed system is also 'breaking down silos and promote a culture of openness and transparency (Edmondson, 2012; Baer et al., 2015). A performance management system is capable of providing regular feedback and coaching which can help employees to develop the ability to perform their work effectively in a collaborative environment (Latham & Pinder, 2015; Steers et al., 2016). This is why performance management systems need to be designed in order to spur collaboration, teamwork and open communication and to recognize and reward employees for their contribution to the overall team goals (Aguinis, 2022; DeNisi & Pritchard, 2020).

In addition, Motivation is intrinsic excitement of an employee to perform certain work-related activities. Motivation is really that internal force that causes one to determine to lead to action. There is a sense that biological, intellectual, social and emotional factors are involved in influencing an individual's motivation. Therefore, motivation is an intrinsic, not easily defined, force of driving with influence of outside offering. Every person is motivated. Each and every employee has his/her certain activities, people, events, and goals, which make him her stimulates. Therefore, each person's conscious and action has some motivation of some aspect in their life.

Relationship between Performance Management and Employee Motivation

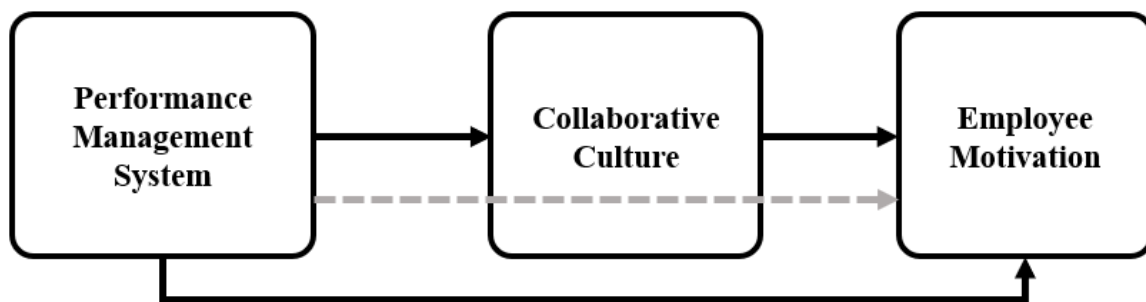
The relationship between performance management system, employee motivation, and collaborative culture is complex and interdependent. A well-designed performance management system can foster employee motivation by providing clear goals, regular feedback, and opportunities for growth and development (Aguinis, 2019; DeNisi & Pritchard, 2017). When employees are motivated, they are more likely to collaborate with their colleagues, share knowledge, and work towards common goals, leading to a collaborative culture (Gibson & Vermeulen, 2013; Senge, 2014). Secondly, research has found that bringing about a collaborative culture is also beneficial to employee motivation (Edmondson, 2012; Bakker & Demerouti, 2017), as employee's sense that they belong, trust and respect each other. A collaborative culture can be reinforced through use of a performance management system that encourages collaboration, teamwork, and communication between employees towards an improved employee motivation and better organizational performance (Latham and Pinder, 2015; Steers et al., 2016). A performance management system that aims at individual performance and competition can be detrimental to a collaborative culture and may indeed undermine employee motivation and organizational performance (Baer et al., 2015). Also therefore organizations should manufacture performance

management systems that weigh a fine blend of both individual and team performance, offer you opportunities of development and growth as well as help a collaborative society (Aguinis, 2022; DeNisi & Pritchard, 2020).

Theoretical Framework

Huselid (1995) said that organizational outcomes are affected by the HR practices suggested by different studies. HR practices may increase the effectiveness of organization through the involvement of employees in working hard in order to achieve the organization objectives. Korsgaard, Roberson and Klein (1991) stated that performance management may give various benefits like job performance, job satisfaction and Employees Attitude. Performance management is one of the main functions of HR practices. It is a tool used for the evaluation of employee's day to day performance and is linked with the achievement of organizational goals (Lowenberg& Conrad, 1998). Different studies showed that the factors of performance Management have effects on Employee Motivation and Collaborative Culture. Which give bring increase in the performance levels of employees (Bobin & Boles, 1996; Brown & Peterson, 1994).

Figure 1:



Hypothesis of study

H1: There is a significant impact performance management system on employee motivation

H2: Performance management system has positive relationship with Collaborative culture.

H3 Collaborative culture positively mediate linkage between performance management system and employee motivation.

Research Methodology

Research Design

This research study will use survey method and will be mainly based on primary data which will be collected through a structured questionnaire form the employees working in construction projects in Kabul. As quoted by (Sekaran, 2003), “questionnaire is a popular method of collecting data because researchers can gather information fairly easily and the questionnaire responses are easily coded”.

Population and Sample size

Employees of all public and private sector Universities working in KPK are the population of the study. There are public and private sector Universities in KPK. This study will adopt the systematic random sampling technique to select these 30 public and private sector Universities. The sample size for this research will be 300 projects which will be selected on the basis of convenience methods. The number of questionnaires that will be distributed among the employees of the projects will be 300. The justification for this technique is based on the fact that it enables every subject in the sampling frame to have equal opportunity to be selected without bias in systematic manner (Ogbeide, 1997).

Measurement

The questionnaire used for this study includes items regarding performance management adopted from Kinicki, A. J., Jacobson, K. J. L., Peterson, S. J. and Prussia, G.E. (2013) Development and Performance Management Behavior Questionnaire. Personnel Psychology, a 15 items questionnaire adopted from Sveiby and Simons (2002) to measure organizational culture with an emphasis on collaboration. For measuring Employee motivation the 6 items will be adopted from Chang and Chen (2008) who have used their questionnaire on industrial employees.

Tools for analysis

For the analysis of data SPSS software will be used for measuring the correlation among the different variables and Pearson correlation will be used for this analysis. Linear Regression Model will be used for determining and explaining the dependence of dependent variable on independent variable. Cronbach's Alpha test will be used for checking the reliability and validity of questionnaire.

Findings

Reliability Analysis

The below table shows the numerical values of Cronbach's alpha for different aspects of the questionnaire on the basis of this reliability data was collected. The author of the study, conduct the reliability test on the items of the questionnaire. The value of the results of Cronbach's alpha test was 0.968 for all variables which is excellent and further it can be used for data collection. The individual reliability test was also conducted. The value of Cronbach's Test for performance management system was 0.954 which excellent. The value for collaborative culture and employee motivation in the Cronbach's test is 0.904 and 0.839 respectively.

Table 1: Reliability Analysis

Variables	N of Items	Cronbach's Alpha
Performance Management	15	0.892
Employee Motivation	06	0.786
Collaborative Culture	8	0.842

Table 1 revealed the results of regression analysis. The value of R-sq is 0.9813 meaning that there is 98% change occurs in collaborative culture due to PMS, the p value for the overall model is less than 0.05. Hence based on findings overall model is accepted. The results of beta coefficients

revealed that with the one unit change in PMS there will be 0.9853 units change in collaborative culture. And the p value for beta coefficients is also significant.

Regression and Mediation Analysis

Table 2: Regression Analysis Summary for Predicting Outcome

Variable	Coeff	SE	t	P	LLCI	ULCI
Constant	0.0777	0.0041	18.9002	< .001	0.0696	0.0858
PMS	0.9853	0.0284	34.7505	< .001	0.9294	1.0411

Outcome: EM

Note. $R = .9906$, $R^2 = .9813$, $MSE = 0.0329$, $F(1, 214) = 1207.60$, $p < .001$.

The effect of performance management system (PMS) is shown on employee motivation (EM). The R-sq value 0.9064 is explained by PMS which is also significant at 0.000 level. Meaning that performance management system brings 90% change in Employee motivation and overall model is significant. Furthermore, the coefficient value is 0.8138 meaning that with a one unit change in PMS there will be 0.8138 units change in employees motivation and the beta coefficients are also significant because $p < 0.05$.

Table 3: Regression Model Summary for Predicting Outcome (CC)

Variable	Coeff	SE	t	P	LLCI	ULCI
Constant	0.403	0.010	38.477	< .001	0.382	0.424
PMS	0.813	0.057	14.283	< .001	0.701	0.926

Outcome: CC

Note. $R = .9520$, $R^2 = .9064$, $MSE = 0.1216$, $F(1, 214) = 204.01$, $p < .001$.

The mediation analysis was run in order to achieve the objective of the study that is impact of performance management system on collaborative culture with mediating effect of employee motivation. For mediation analysis Hayes (2013) process macro was applied to check the mediation effect. The results revealed that the value of R-sq 0.9836 meaning that collaborative culture and performance management system brings 98% change in collaborative culture with the $p < 0.05$ in table 2. hence based on these results overall model is significant. The results of beta revealed that with the one-unit change in employees' motivation there will be 0.1807 units change in CC and with the one unit change in PMS there will be 0.8382 units change in EM in table 4. As the beta value for performance management system reduced due to inclusion of mediator that is collaborative culture. So it means that employee motivation partially mediates the relationship between PMS and EM.

Table 4: Mediation Analysis Model Summary for Predicting Outcome (EM)

Variable	Coeff	SE	T	P	LLCI	ULCI
Constant	0.0048	0.0493	0.0970	.923	-0.0923	0.1019
EM	0.1807	0.1224	1.4769	.141	-0.0605	0.4220
PMS	0.8382	0.1003	8.3565	< .001	0.6405	1.0359

Note. $R = .9917$, $R^2 = .9836$, $MSE = 0.0291$, $F(2, 213) = 597.74$, $p < .001$. Path b represents the effect of PMS on the outcome.

Conclusion and Discussion

The aim of the researcher was to know the impact of performance management system on employee motivation with mediating effect of collaborative culture in construction sectors in Kabul Afghanistan. The author used mediation analysis, through Hayes (2013) process-macro in which regressions, coefficient and r-square are calculated to determine the impact of independent variable on dependent variable and to know the mediating effects of the mediating variable. The findings of the study added to the knowledge that changes in the dependent variable is explained by the changes incur in independent variable or it is also said that coefficient explains that a unit change in independent variable can bring changes in the independent variable. The R-sqaure value showed that positive significant change occurs in the dependent variable. The study also indicated that there is partial mediation effect of collaborative culture exist between the performance management system and employee motivation. It was also significant at 0.05 level. Therefore, null hypothesis is rejected and alternate hypothesis is accepted. Thus it can be deduced that there is positive significant effect of performance management system on employee motivation with partial mediation effect of collaborative culture.

The findings of this study are found in consistence with more previous studies. The results of this research are in resemblance with the findings of Iliuta, (2014) in which he finds positive significant association of organizational culture with performance management practices in IT companies in Romania. Furthermore, our results are also in consistence with Mujeeb. E., Ahmad, M. S., (2011) also conducted a research on impact of organizational culture on performance management practices and found positive linkage between both the dependent and independent variables. Teh C.J., Boerhannoeddin A. and, Ismail A., (2012) results also revealed that there is positive association of performance appraisal with organizational culture. Furthermore, Cascio (1998) and (Dessler 2008) suggested that there should be training programs implemented in order to use it as a measure of performance management. According to Purcell and Boxal (2003), in an increasingly knowledge-based society, 'it is the people who form the organization.' It is therefore important to instill confidence in the future career development of the company's employees and to make employees feel safe and secure with their work. Training and understanding are the hallmark of good management by providing the necessary skills to do the job to existing or new workers (Dessler, G 2008, p. 248). The findings of this study are also in line with Mujeeb, E.U., & Ahmad, M.S. 2011; Henri, F, J., 2006).

Recommendations for Future Research

Although this research study is by its very nature a first systemic analysis in the construction sector in Kabul, Afghanistan. Research has encountered many obstacles and difficulties, but previous empirical research on topics, hesitation and reluctance of educational institutions to allow their employees to fill out questionnaires and lack of knowledge the major obstacle faced by the author during this research has been a research culture in academic circles. Some limitations of this analysis have been as follows:

Most important limitation of this study is a small sample size as compared to the total population of the study, which can increase the probability of sampling error. There for, repetition of study with same variables but with a larger sample size is recommended for further research. Due small sample size and a smaller number of female respondents it is hard to make the findings generalized for all construction sector in Kabul. Another limitation of study that in present study the author has limited to only one independent and mediating variable. Future researchers may consider other

variables as independent, mediating and moderating variables in other sectors of the countries. Another limitation of this study only quantitative techniques and methods were used to analyze viewpoints of respondents. It is recommended to replicate present study with same variable but with implying both qualitative and quantitative techniques for data collection and data analysis.

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