

The Effect of Organizational Trust on Service Quality in the Public Sector: With Mediating Roles of Participatory Decision-Making and Employees' Engagement

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Abstract

This study aimed to analyze the effect of organizational trust (OT) on service quality (SQ) via mediation roles of participatory decision making (PDM) and employees' engagement (EE) in the case of Addis Ababa Water and Sewerage Authority (AAWSA). To that end, the explanatory research design with a mixed methods approach was used. Quantitative data were collected from 75 leaders, 400 employees and 400 customers of AAWSA; whereas qualitative data were collected via interview with purposively selected leaders of same. Data analysis was done using mean, standard deviations and structural equation modeling. Findings revealed that at AAWSA, OT (M=2.83), PDM (M=3.15) and SQ (M=2.69) have moderate levels; whereas EE is high (M=4.20). Besides, the direct effects of OT on SQ (-.15) and EE (.30) are respectively of medium and large size and statistically significant ($p < 0.05$). However, OT's direct effect on PDM (.03) is small and statistically insignificant ($p = .67$). Similarly, OT's indirect effects on SQ via mediations of EE (.01) and PDM (.00) at respective P. values of .61 and .98 are statistically insignificant. Nonetheless, the total effect of OT on SQ via mediations of PDM and EE (-.16) is of a medium size and statistically significant ($p = .03$). The qualitative findings revealed that the higher level of EE is caused by prevalence of highly controlled work environment and there are other internal and external factors that influence AAWSA's SQ. Thus, unless AAWSA rethinks the interplay among its OT, PDM, EE and SQ and stretches the potential of its engaged employees to the extent of providing innovative solutions, the city's residents and development projects will suffer from lack of quality water and sewer services in the near future.

Key words: Organizational trust, Participatory decision making, Employees' engagement, Service quality, Water and Sewer

1. Introduction

Prevalence of unprecedented changes in the internal and external environments of organizations forced management practitioners and scholars to search for organizational variables that make organizations resilient and successful in the faces of difficulties (Sinek, 2009; Beats, 2006). Since employees are the centrally vital assets of any organization, great attempt was made to identify personnel related variables that could contribute to enhanced performance (Simonsen, 1997;

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Henry, 1995). Among those factors, Job rotation, job enlargement, training and development, job enrichment, quality circles, pay, colleagues, supervisors, work and promotion opportunities are mostly considered by different researchers (Dereje, et al., 2020, Andrade, et al., 2017; Nda & Far, 2013). Besides, research has shown that employees like to have challenging jobs that increase their knowledge, skill and attitude towards the organization and the specific jobs they are engaged in (Westover, 2014; Morgeson & Humphrey, 2005).

Nonetheless, introduction of organizational trust in to management and organizational behavior literatures diverted the search for employee based variables of organizational success from extrinsic factors to intrinsic ones (Sinek, 2009; Covey, 2006; Al Golin, 2004). It was found out that organizations characterized by high levels of trust among their members' experience benefits such as strong friendships, freedom of expression, institutional loyalty, heightened self-esteem, open communication, information exchange, acceptance of innovation, good coordination, sense of belongingness, reduced supervision, inimitable competitive advantage, and unhindered development (Salah et al., 2022; Vanhala & Tzafrir, 2021; Rababah et al., 2019; Maxwell, 2011; Shockley-Zalabak, et al., 2010).

In fact, trust per se does not directly result in enhanced performance. Rather, it paves a way for development of positive organizational attributes such as: motivation, participatory decision making and employees' engagement (Tracy, 2011; Sinek, 2009; Covey, 2006; Al Golin, 2004). While this theoretical argument is sound in terms of creating intrinsic motivation in employees for higher performance, there is limited and fragmented empirical research that shows the mediating roles of PDM, and EE on the relationship between OT and SQ (Abera et al., 2022; Abriham, 2021; Assefa, & Singh, 2020; Kumar & Saha, 2017; Jin & McDonald, 2016; Nidhi & Kumari, 2016; Ermias, 2014). Therefore, the purpose of this research is to bridge this research gap by studying the interplay between OT and SQ with the mediating roles of PDM and EE.

2. The study context

Just like in any other sorts of organization, maximizing service quality is the focus of the Ethiopian public administration agencies. Over the past decades, the government has been engaged in reforming the structures, processes, procedures and personnel managements of public agencies with a clear goal of achieving and maintaining service standards. However, studies have revealed that performance in the public sector has been below expectations due to employee dissatisfaction, turnover, inconvenient work environments, low pay scales and reform fatigue (Kasa & Zekarias, 2020; Worku, 2019).

The Addis Ababa Water and Sewerage Authority (AAWSA) is one of the public agencies on which different reform tools have been implemented in order to improve its service delivery process and outcomes. AAWSA began its service provision in 1887, even before official establishment of the Ethiopian public sector agencies by Emperor Minilk-II in 1907. Currently, AAWSA is organized under a head office and nine branch offices located in different parts of the city. Out of these offices: the head quarter, Akaki, Nifas silk, Gurdshola, Addis Ketema and Arada were purposively sampled for this study.

As a capital city of the nation, Addis Ababa is the seat for international, regional and national public and private organizations. On top of that, it is one of the oldest and highly populated cities in Africa. This makes the quality of water and sewer services of AAWSA critical for the overall wellbeing and development of people and organizations of the city. These scenario demands AAWSA to stick its neck in search for variables that could influence quality of its services.

Even though there are studies so far done on the interaction among organizational trust, performance, employees' engagement, service quality and participatory decision making; most of these studies are conducted out of Ethiopia and in different contexts as well as conceptual frames and methods (Somech, 2022; Abera, Adem & Mulatu, 2022; Kumar & Saha, 2017, Ramseook-Munhurrin, Lukea-Bhiwajee & Naidoo, 2010; Jin & McDonald, 2016; Ermias, 2014). Moreover, as far as the Researcher's literature search is concerned, there are no studies that conceptualize service quality as a measure of performance of public sector agencies.

Therefore, studying the relationship between organizational trust and service quality, with mediating roles of employee engagement and participatory decision making is crucial to bridge the literature gap and contribute to the dynamics in human resource management endeavors of public sector agencies in Ethiopia.

3. Theoretical framework

The interplay among OT, PDM, EE and SQ was explained based on the theoretical foundations of the human relations and social exchange theories. The human relations theory (HRT) was developed in response to inhuman natures of the classical administrative and scientific management theories that emphasis on formal structure, control, efficiency, economy and hierarchical authority (Simonsen, 1997; Henry, 1995). The base of the HRT was a series of independent sets of experimental studies conducted by Elton Mayo and his colleagues at the Hawthorne Plant of Western Electric near Chicago, United States between 1924 and 1936 (Omodan, et al., 2020). During the experiment, the intensity of the light was increased, which resulted in increased productivity. Surprisingly, intensity of the light was decreased but, productivity went-up. Accordingly, the researchers concluded that employees are not simply rational beings who responded to economic and environmental stimulus only; rather, humanism and socio-psychological factors play a role in employee productivity (Westover, 2014; Sinek, 2009; Simonsen, 1997; Henry, 1995).

The HRT accentuates on the point that in addition to physical conditions and economic benefits of work, attitudes, relationships, feelings of belonging, interpersonal skills, participative decision-making, trust and effective communication play a key role in the performance and effectiveness of organizations (Bruce & Nyland, 2017). Participatory decision making (PDM) is embedded by HRT in the sense that inclusion of employees in the decision making process boosts the employees' self-esteem creates a sense of belongingness and obligation towards meeting organizational goals and enhancing productivity (Tracy, 2011, Black & Gergersen, 1997). According to HRT, these needs are more important than material and financial benefits in motivating people (Omodan et al., 2020, Westover, 2014).

On the other hand, the social exchange theory (SET) emerged at the end of the 1950s, focuses on presuming social behavior in dyadic and group settings by applying the economic concepts of cost-benefit analysis to social behavior (Davlembayeva & Alamanos, 2023). According to Homans (1961), group members' behavior towards each other is regulated by rewards and punishments in a way that rewards reinforce positive behaviours and punishments inhibit the opposite ones. Similarly, Blau (1964) analyzed the theory from the perspectives of utilitarianism and concluded that what motivates good behavior among groups is the anticipation of rewards in the future. Such reward could be social power, money or minimized costs compared to other relationships.

These theories resulted in convergence of sociological, psychological and economic views of human behavior in relationships on the point that they agree on interdependence and reciprocal nature of human behaviour. When organizations trust in the worth of their employees', they set a PDM environment, and earn trust from their employees (Sinek, 2009). This trustworthy relationship between the organization and its employees' serve as a competitive advantage that could not be imitated by others in the industry (Al Golin, 2004). Because, when employees' feel that their organization cares for their interests and benefits, they respond in a similar manner by getting fully engaged in their jobs and performing at their maximum levels (Maxwell, 2011, Sinek, 2009; Covey, 2006, Al Goline, 2004).

4. Review of Related Literature and Hypothesis Development

4.1 Organizational trust

Trust is defined as a psychological state that involves the intention to take risks on the basis of positive expectations about the intention of another person in unpredictable situations (Mayer, Davis, & Schoorman, 1995). Organizational trust is a soft-bedrock value that impacts the organization's performance in various ways (Covey, 2006; Al Golin, 2004). Further, trust is conceptualized as having three strands: trust within organizations, inter organizational trust and trust between organizations and customers (Vanhala & Tzafrir, 2021). Trust within organizations could be studied under one of the two forms or both (interpersonal Vs. impersonal). Interpersonal trust deals with the relationship between employees and leaders at different levels as well as among co-workers; whereas impersonal trust is defined as 'the individual employee's expectations about the employer organization's capability and fairness' (Vanhala et al., 2011, Shockley-Zalabak et al., 2010). Capitalizing on the impersonal dimension of OT, Shockley-Zalabak, et al. (2010), developed a trust model with five predictors namely: competence, reliability, concern for employees, openness and honesty and identification.

Research so far has shown that there is a positive association between OT and organizational performance. Ning et al. (2007) conducted a study on the influence of employees' trust in top leaders, immediate supervisors and their co-workers on employees' performance. They found out that employee trust in the three entities of trustees is vital for improved performance. Another study by Silla et al. (2020) dealt with influence of magnitude of organizational trust in leadership and consensus about this trust on job satisfaction, with a mediating role of perceived

communication quality. Findings indicated that the effect of magnitude of employees' trust in leadership on job satisfaction is fully mediated by perceived communication quality. On top of that, consensus on employees' trust in leadership is found positively and directly correlated with job satisfaction. There is also a study by Singh and Desa (2018), on the effect of organizational trust on employees' job performance in the public sector. Results showed that there is a positive correlation between organizational trust and employees' job performance.

4.2 Service Quality (SQ)

As a result of the emphasis given to the new public management movements of the 1990s, improving SQ, defined from customer perspectives, became one of the performance indicators in public sector organizations (Black, Briggs, & Keogh, 2001; Diefenbach, 2009). SQ is understood as a measure of a service's ability to live up to the average customer's expectations about its value (Hassan, 2012). Since SQ is mainly defined from the perspectives of customers' expectation, this makes it mean different things to different customers. That is why, it is easier to identify quality in products but complicated in the case of services due to their intangible, inseparable and heterogeneous features (Ramya et al., 2019; Kenyon & Sen, 2015).

In order to sustainably succeed in their business, organizations have to create value to customers, employees' investors and society (Sinek, 2009). Nonetheless, SQ is not evaluated just in terms of the outcomes only; but also it takes in to consideration the whole process of service delivery (Goetsch & Davis, 2014; Black et al., 2001). Accordingly, Parasuraman et al. (1988), proposed a SQ measurement model with five dimensions namely: tangibles, reliability, assurance, responsiveness and empathy.

The main mission of public service organizations is provision of quality services that realize benefits of the public policy objectives (Black et al., 2001). Studies show that SQ is determined by employee commitment, PDM, work environments, bureaucratic red tapes, pay scales, employee competence and employees' sense of belongingness to the organization (Gebre, 2022; Alemseged & Hailay, 2019; Desalegn, 2014; Ermias, 2014; Polate, 2009). Further, a study by Nidhi and Kumari (2016) on quality of services in the public sector revealed that, compared to that of the private sector, public sector service quality is low due to management inefficiency, lack of transparency, absence of customized services, delayed services and insufficient equipment and resources.

4.3 Organizational Trust and Service Quality

Presence of trustworthy relationship between an organization and its employees is reflected in the level of employees' performance (Tracy, 2011; Al Golin, 2004). Trust creates a reciprocal behavior whereby the employees keep saying that 'if the organization trusts me, then I will trust it back and give it the best I can' (Maxwell, 2011; Sinek, 2009). Such relationship enables organizations drive the best level of performance out of their employees (Covey, 2006; Simonsen, 1997). The ultimate locus of such best contribution of employees is realized in the level of quality of the services provided to customers (Black et al., 2001). Employees of trustworthy organizations provide service that is characterized by availability of tangibles,

assurance, reliability, responsiveness and empathy (Parasuraman et al., 1988).

Empirical studies revealed that employees of the Ethiopian public sector organizations are dissatisfied with the work environment, compensation scales and fringe benefits (Selam & Belay, 2018; Worku, 2019). This dissatisfaction is one of the factors determining their performance (Kassa & Zekarias, 2020). However, having well established trust deposits, compensates for dissatisfaction, serves as a tiebreaker, a spirit de corps, and motivates employees to contribute their level best for their organization, even in the absence of satisfaction with extrinsic factors (Al Goline, 2004). Therefore, the Researcher proposed the following:

H1. Organizational trust is positively related to service quality.

4.4 Organizational Trust and Participatory Decision Making

Every organization prospers or fails as a result of the quality of decisions made by its leaders (Collins, 2011). Ensuring employees' participation in decision making is the essential element—"or a raison d'etre" of good leadership (Lindlow et al., 1989). PDM gives chance to those involved to incorporate their views, provide different alternatives of solving the problem at hand, improve quality of the decision as well as be diligent to its implementation (Lawal & Yusuf, 2014).

Trust based organizations consider their employees as critical assets and involve them in decision making (Asikhia, 2014; Al Golin, 2004; Somech, 2002; Simonsen, 1997; Black & Gergersen, 1997). The degree of employees' meaningful involvement in decision making indicates the extent of trust between the employees and their organization and vice-versa (Shuck et al., Adelson & Reio, 2016; Tracy, 2011). Besides, the complex pattern of relationship that exists between the organization and its employees is a critical factor that determines quality of participation of employees in decision making (Sinek, 2009; Al Golin, 2004). This is so because, it is natural for employees to see and understand every decision made in the organization through the prism of the relationship they have with the organization (Sinek, 2009; Parish & Cadwallader, 2008; Covey, 2006).

Black and Gergersen (1997) stated that PDM has both humanistic and human relations grounds. Essentially, the humanistic rationale argues that people have the right to participate in decisions that affect their lives. The second rational, labeled as the "human relations" contends that participative decision-making is an instrumental way to achieve higher productivity, efficiency, profits, or other valued organizational results such as employee retention, reduced turnover, lower complaints and cooperation among various work divisions (Al Golin, 2004).

Even though PDM is one of the highly researched concepts in organizational leadership and management, most of the scholarly works considered PDM as a uni-dimensional concept (Sinek, 2009, Black & Gergersen, 1997). However, Somech (2002) conducted a study on PDM in schools' decision making by operationalizing PDM as a multi-dimensional construct having four dimensions namely: structure, rational, target, and domain. Previous studies show that there is direct relationship between organizational trust and the level of employees' participation in

decision making (Yassien, 2023; Yassien, et. al., 2023; Shagholia, et. al., 2010). Therefore, the following hypothesis is proposed to be tested in this study:

H2. Organizational trust is positively associated with participatory decision making.

4.5 Organizational Trust and Employees' Engagement (EE)

Employee engagement (EE) is a construct which deals with the extent of employees' physical, emotional and cognitive immersion in their jobs (Kahn, 1990). EE implies the emergence of motivation, active participation and involvement of workers in all production processes, which should favorably influence the growth of labor efficiency (Houle et al., 2021; Budriene & Diskiene, 2020).

Employees could engage in their jobs if nature of the work is physically, mentally, emotionally and spiritually attractive to them (Sinek, 2009; Covey, 2006). Engaged employees are self-employed in their workplace and they reflect a sense of involvement, flow, mindfulness, and intrinsic motivation (Shuck et al., 2016; Tracy, 2011).

According to Kahn (1990), and Hackman and Oldham, (1976), EE is mainly affected by task characteristics, role characteristics and work interactions. When the work design is challenging, clearly delineated, varied, creative, and somewhat autonomous, it gives them more meaning and keeps them engaged. On top of that, if the role enables them feel valuable, when peoples' roles earn them influence and status in the system, it gives them psychological meaningfulness. Most importantly, work environments filled with lively and rewarding interpersonal interactions with co-workers, leaders and customers reflects the trust deposits of the organization as a whole. Organizations trusted by their employees have competitive edges that enable them attract competent and trustworthy employees, retain them for longer time and maintains good employee moral even in difficult times (Covey, 2006, Al Golin, 2004).

Studies show presence of direct and positive association between OT and EE (PouAhmadi & Ahmadizad, 2015; Ugwu et al., 2014). A study by Gebre (2022), on public employees' commitment towards execution of organizational goals in Addis Ababa indicated that employee disengagement, unnecessary political interference, poor leadership support, discriminatory employee treatment, unfair incentives and remuneration and employee dissatisfaction, are resulting in low level of employees' commitment which again affects the public employees' ability to perform organizational goals at the expected level. These determinants of employees' commitment reflect lower levels of OT in the studied organizations (Shockley-Zalaback et al., 2010, Covey, 2006). Accordingly, the researcher proposed the following:

H3. Organizational trust is positively related with employees' engagement.

4.6 The Interplay among OT, PDM and SQ

Organizations with higher trust deposits are posited to involve their employees in their decision making process (Al Golin, 2004). Employees' participation in organizational decision makes them feel sense of ownership and responsibility towards full implementation of such decisions. Participative cultures put psychological pressure on their employees and move them to perform not only the in-role duties but also extra-role duties, reflecting citizenship behaviour towards

their organization (Polat, 2009). In business environments shaped by rapid changes, organizations could not dictate all necessary behaviours expected from their employees. Instead, organizations benefit by establishing a trustworthy relationship with their staff, avoid micro management and leave situational measures under discretion of their employees. To that end, it is mandatory for organizations to understand the importance of stakeholders' meaningful participation throughout the product or service design, delivery and experience process so as to improve quality and add value sustainably (Kenyon & Sen, 2015). Therefore, it is proposed that:

H4. Participatory decision making mediates the relationship between organizational trust and service quality.

4.7 The Interplay among OT, EE and SQ

As per the social exchange model, employees respond to such behaviour of their organization by exerting utmost effort and care they could give it (Ugwu, Onyishi, & Rodríguez-Sánchez, 2014). When employees feel that they are working for a trustworthy organization; their self-esteem boots up and help them bring the whole of themselves to their workplaces (Tracy, 2011; Khan, 1990). The trust they have in their organization also make employees focus on all the details of their organization's strategy (mission, vision and values); the features of their specifically given roles and the standards of performance (Loehr & Schwartz, 2003). Therefore, the following mediation hypothesis is proposed to be tested.

H5. Employee engagement mediates the relationship between organizational trust and service quality.

4.8 Conceptual Framework of the Study

As depicted by Figure 1, the level of OT in the organization directly affects the status of SQ via path "C". On top of that, prevalence of trust between organizations and their employees' creates fertile ground for employees' involvement in the decision making process (a1) and enable organizations to improve their SQ (b1). On the other side, when OT prevails, employees come to work every day with their whole selves and get engaged in harmonizing the work process (a2) and deliver services of the required quality (b2). Thus, the level of SQ in any organization is determined not only by OT but via the mediating roles of PDM and EE.

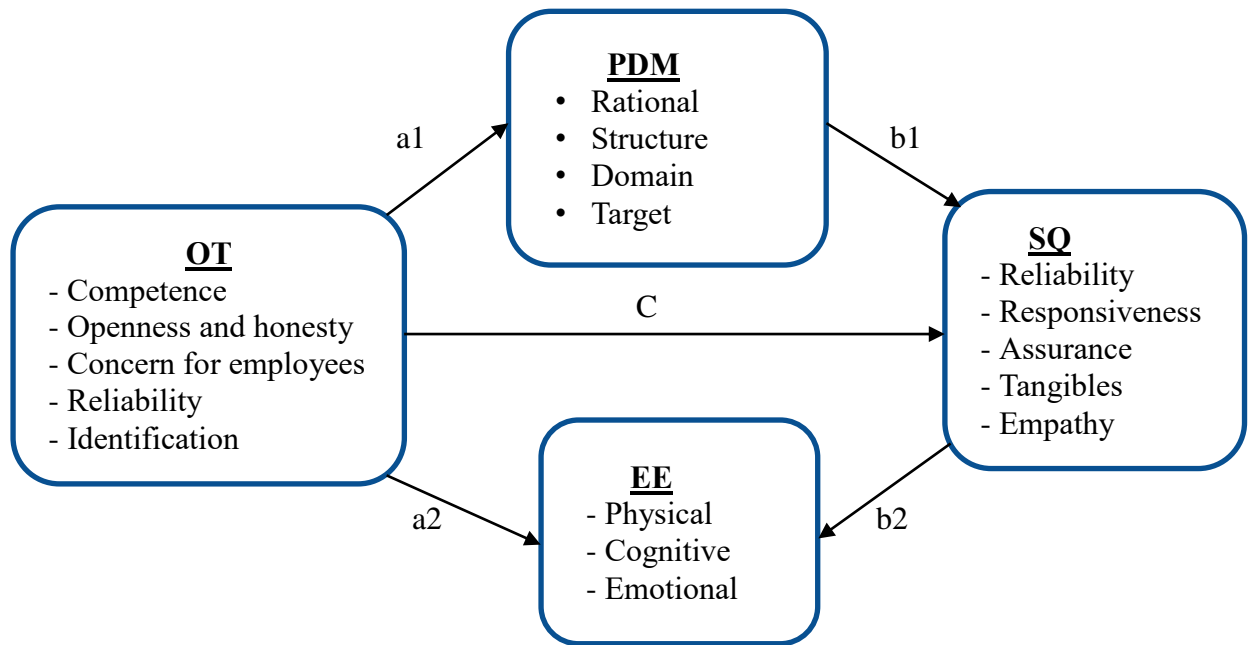


Figure 1: Conceptual framework of the study

Source: Developed by the researcher based on literature review (2022).

5. Research Methods and Materials

Since the purpose of this study was to analyze the interaction between OT and SQ with the mediating roles of PDM and EE, the explanatory research design with an explanatory sequential mixed methods approach was adopted (Creswell, 2009). Furthermore, the study made use of both primary and secondary data types. Quantitative data were collected from leaders, employees and customers of AAWSA; likewise, qualitative data were gathered via in-depth interviews with leaders of AAWSA, the labour union and customer forums. Secondary data were also taken from the organizations' human resource department (2023).

Sample size was determined using Yamane's formulae (1967, p. 886, as cited in Israel, 2003, P. 4), which runs as: $n = \frac{N}{1 + N(e^2)}$. Accordingly, 400 employees and 400 customers were sampled. These respondents were selected using the simple random sampling technique. On top of that, 75 leaders were included in the study via census method.

Four types of questionnaires composed of both close-ended and open-ended items were used in this study. The first questionnaire dealt with OT and was developed based on Shockley-Zalabak et al.'s (2010) model of OT. The second questionnaire measures PDM as operationalized by Somech (2002). Besides, the EE questionnaire was developed based on Kahn's (1990) model (Houle et al., 2021). Finally, the SQ questionnaire developed by Parasuraman et al. (1988) was adopted. As presented in Table 1, Reliability of the questionnaires was ensured using Cronbach alpha scale reliability test.

Table 1: Cronbach alpha reliability test results of the questionnaires

No.	Variables with their dimensions	Cronbach alpha	No. of items
1	Organizational trust		
1.1	Competence	.880	7
1.2	Openness and transparency	.772	6
1.3	Concern for employees and stakeholders	.836	5
1.4	Reliability	.895	4
1.5	Identification	.897	3
	Overall reliability	.936	25
2	Service quality	Cronbach alpha	No. of items
2.1	Tangibles	.982	4
2.2	Reliability	.911	5
2.3	Responsiveness	.900	4
2.4	Assurance	.860	4
2.5	Empathy	.789	5
	Overall reliability	.949	22
3	Participatory decision making	Cronbach alpha	No. of items
3.1	Structure	.865	3
3.2	Rational	.971	10
3.3	Target	.869	9
3.4	Domain	.769	10
	Over all reliability	.953	32
4.	Employee engagement	Cronbach alpha	No. of items
4.1	Physical engagement	.925	6
4.2	Cognitive engagement	.864	5
4.3	Emotional engagement	.944	6
	Overall reliability	.924	17

Source: Own analysis using SPSS (2023).

Likewise, the instruments' validity was cross-referred from relevant literatures and expert reviews. The structural equation modeling (SEM) was conducted using SPSS-AMOS version 21. Results of the quantitative data analysis are presented using Tables and Figures; whereas the qualitative data were thematically interpreted and presented in a narrative way (Roulston, 2014).

6. Findings and Discussion

This study aimed to analyze the effect of OT on SQ via mediating roles of PDM and EE in the case of AAWSA. Besides, the statuses of OT, SQ, PDM and EE were analyzed as indicative preconditions for the inferential analysis.

6.1 The statuses of OT, SQ, PDM and EE at AAWSA

The studied organization's level of OT, SQ, PDM and EE was assessed using mean and standard deviations with a mean standardization as: between $1 \leq X_i \leq 2.5$ = Low level; between $2.5 < X_i \leq 3.5$ = Moderate level and between $3.5 < X_i \leq 5.0$ = High level (Andrew, 2017, p. 5). The data in Table 2 shows the mean and standard deviation values of the study variables.

Table 2: Statuses of OT, SQ, PDM and EE at AAWSA

Variables	N	Mean	Std. Deviation
Overall organizational trust (OT)	389	2.83	.68
Overall Participatory decision making (PDM)	75	3.15	.69
Overall Employee engagement (EE)	389	4.20	.66
Overall Service quality (SQ)	385	2.69	.70

Source: Own analysis using SPSS (2023).

Based on the aforementioned standardization of mean values, findings of the descriptive analysis indicated that the level of OT (M=2.83; SD=.68); SQ (M=2.69; SD=.70) and PDM (M=3.15; SD=.69) is at a moderate level. However, AAWSA has higher level of EE (M=4.20; SD=.66). Theoretically, higher levels of OT and PDM are presumed to cause a higher level of EE (Al Golin, 2004; Covey, 2006; Sinek, 2009; Shockley-Zalabak et.al, 2010). Hence, the higher level of EE, in the presence of moderate levels of OT and PDM, could have been caused by factors other than OT and PDM.

6.2 The direct, indirect and total effects of OT on SQ via mediations of EE and PDM

The structural equation modeling (SEM) requires fulfillment of the requirements of uni-dimensionality, reliability, composite reliability, construct validity, convergent validity, discriminant validity and average variance extracted as preliminary procedures. Results of the confirmatory factor analysis revealed that except the openness and honesty (OT2) and identification with the organization (OT5) dimensions of OT, the rest of them have below the acceptable level (<.6) results on uni-dimensionality. On top of that, the standardized co-variances metrics shows that OT1---EE2; OT3---EE1 and OT4---EE1 have values greater than 2. These values were 3.456, 4.194 and 3.558 respectively. Hence, these dimensions of OT were omitted from the SEM analysis and the model was run again (Awang, 2014). The final results of the factor analysis are presented in Figure 2.

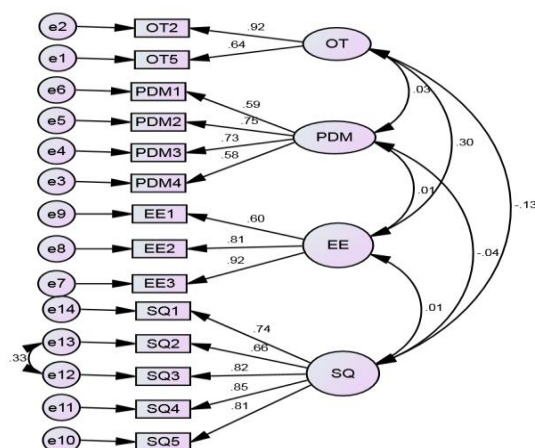


Figure 2. Measurement model of the study
Source: Own analysis using SPSS-AMOS (2023).

After satisfying the preliminary requirements of uni-dimensionality, validity and reliability, the next step in SEM analysis is checking fitness of the measurement model. Accordingly, it was checked against the standard values of chi-square discrepancy, SRMR, RMSEA, GFI and CFI. The final model fit indices are presented in Table 3.

Table 3: Model fitness indices

Category	Name of index	Acceptable value	Score	Judgment
Absolute fit	RMSEA	<0.8	0.028	Accepted
	SRMR	<0.8	0.019	Accepted
	GFI	>0.90	0.966	Accepted
Incremental fit	CFI	>0.90	0.989	Accepted
Parsimonious fit	Chis/DF	<5	1.31	Accepted

Source: Awang, (2014, p. 64) and Kline (2005, pp. 269-278).

Table 3 shows that the requirements for model fit indices are met. This scenario gives the researcher a green light to proceed to the main SEM analysis: to determine strength of the direct, indirect and total effect of OT on SQ via mediations of EE and PDM. Results of this analysis are presented in Figure 3 and Table 4.

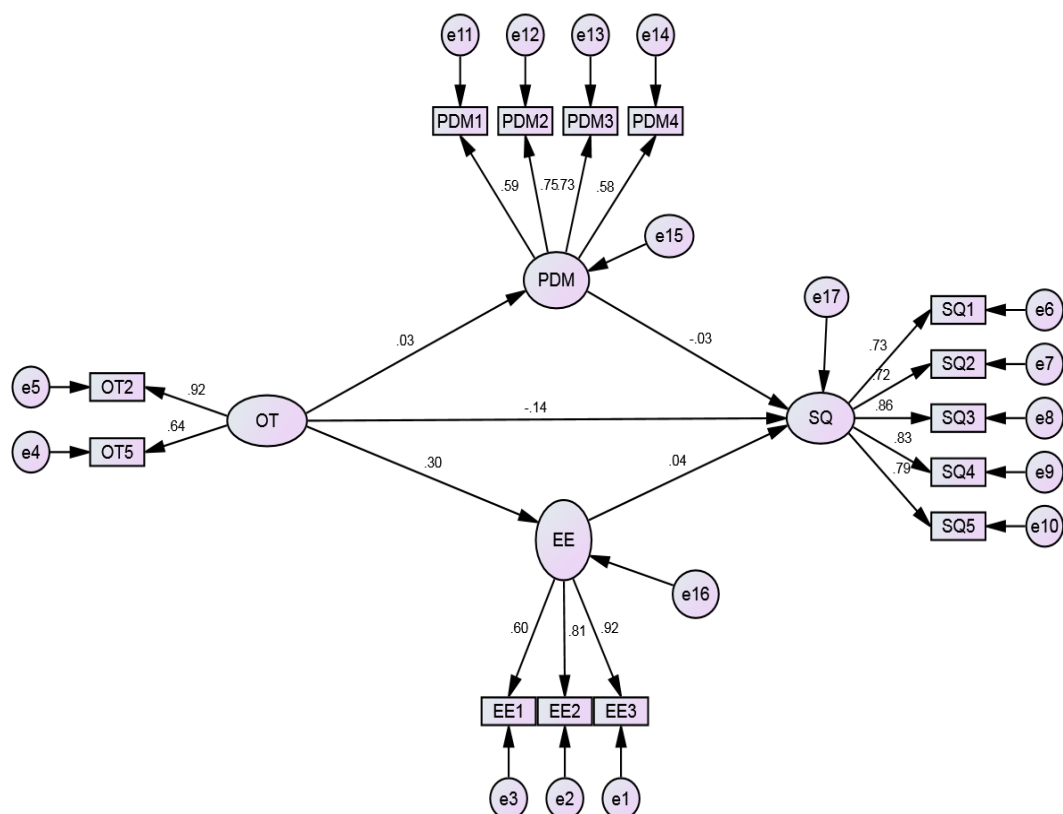


Figure 3: Structural model of the study

Source: Own designed using SPSS-AMOS (2023).

Table 4: Direct, indirect and total effects

Hypothesis	Direct effects	Indirect effects	Total effects	Effect size	P. value	Decision
PDM< ---OT	0.031			Small	.670	Rejected
EE< ---OT	0.300			Large	.002	Accepted
SQ< ---OT	-0.145			Medium	0.033	Accepted
SQ< --PDM< ---OT		0.000		Null	0.987	Rejected
SQ< --EE< ---OT		0.012		Small	0.616	Rejected
SQ< ---EE< --PDM< ---OT			-0.159	Medium	0.035	Accepted

Source: Own analysis using SPSS-AMOS (2023).

To determine the strength of effect sizes of the regression weights, the standardization of Cohen, 1988, as cited in Ellis, 2010, p. 41) was used. According to these authors, a regression result above the cutoff point of .26 is large, .13 is medium and .02 is small.

Findings of the SEM analysis proved that the direct effects of OT on EE (.30) is large and statistically significant ($p=.00$); on SQ (.14) is medium and statistically significant ($p=.03$), and on PDM (.03) is small and statistically insignificant ($p=.67$). Again, the indirect effect of OT on

SQ via PDM is almost null and statistically insignificant ($p=.98$); while the indirect effect of OT on SQ via EE is small (.01) and statistically insignificant ($p=.62$). Hence, it could be concluded that, in AAWSA, PDM and EE do not significantly mediate the effect of OT on SQ.

Nonetheless, the total effect of OT on SQ which is the summation of the direct effect and the total indirect effects is medium (-.16) and statistically significant ($p=.03$). The negative sign on the effect size indicates that there is an inverse relationship between the independent variable (OT) and the dependent variables. In other words, an increase in the level of OT will result in decrease in the levels of the dependent variables.

7. Discussion

Theoretically, OT is being propagated as a bedrock soft variable that promotes organizational success when everything runs ok; and saves the organization from getting collapsed when it did some wrong for any reason (Sinek, 2009; Covey, 2006; Al Golin, 2004). Thus, organizations are advised to deposit much trust in their trust accounts. Organizations with high OT deposits will have high levels of PDM and EE. However, AAWSA's level of OT is of a moderate level. With this level of OT, it is very difficult to have honest participation of employees in decision making (Parish & Cadwallader, 2008). On top of that, AAWSA has structurally omitted individual participation of employees in decision making. Rather, employees may indirectly participate via their labour union in matters that are purely related to employees' benefits, rights and wellbeing. That is why again the level of PDM at AAWSA remained moderate.

Somehow surprisingly, the level of EE was found high in AAWSA. As explained by leaders and employees, this is due to the employees' liking of their jobs and the responsibility they feel as a public servant (Shuck, Adelson, & Reio, 2016; Cascio, 2003). In addition to employees' feeling of responsibility, the interviewed leaders also stated that AAWSA's highly controlled work environment could be the cause of their high engagement (Avolio & Bass, 2002).

Prevalence of higher level of EE is expected to result in higher level of SQ (Budriene & Diskiene, 2020; Loehr & Schwartz, 2003). The status of EE in AAWSA is high but its SQ is of a moderate level. The, intriguing finding here is that "why AAWSA's SQ is not high in the presence of high level of EE? According to explanations given by the interviewed leaders, AAWSA has limitations and challenges in its service delivery. The limitations are related to presence of untrustworthy work environment and absence of comprehensive PDM. On top of that, AAWSA's lack of autonomy to revise water tariffs and to assign competent top and middle level leaders, presence of deteriorated water and sewerage infrastructures, presence of outdated work rules and structures, production of uniform quality of water for all types of activities, managements and employees' low appetite to adapt to changing situations and shortage of vehicles are its limitations. Further, since the nature of AAWSA's business requires synergetic and cooperative efforts from many stakeholders, absence of adequate leadership commitment from both stakeholders and AAWSA is affecting its SQ.

Moreover, reduction in the level of available surface and underground water resources due to climate change and high rates of construction projects, contamination, high rates of urbanization, high altitude in some parts of the city, customers' weak culture of water usage, lack of right of

way, misunderstanding of the nature of AAWSA's business by top decision makers at the city level and red tape bounded procurement system are the main challenges of AAWSA. These findings on limitations and challenges of AAWSA are similar with other authors (e.g., Hailu, 2017; Zemichael, 2019; Desalegn, 2014), who studied AAWSA's water supply in the peri-urban areas and Causes and Challenges of Urban Water Supply in Mekelle city administration, respectively.

Results of the SEM analysis indicated that the direct effect of OT on SQ is of medium level and statistically significant. Besides, OT's direct effect on EE is large and statistically significant. Hence, AAWSA could benefit by enlarging its trust deposit so as to ensure better levels of EE and SQ. Nonetheless, OT's direct effect on PDM is small and statistically insignificant. That means, OT does not make meaningful contribution to ensure PDM at AAWSA. This finding is contradictory with the theoretical propositions (Shockley-Zalabak et. al., 2010; Sinek, 2009; Covey, 2006; Somech, 2002). In reality, AAWSA's decisions are made in two ways: (a). decisions on matters that affect employees' benefits are made in participation of their labour union; (b). other organization related matters (reforms, work rules, organizational strategy, organizational structure... etc) are determined by the city administration and/or AAWSA's top and middle level leaders. On such matters, let alone ordinary employees', the lower level leaders do not participate. Hence, PDM could not mediate the effect of OT on SQ. The analysis also indicated that EE does not mediate the effect of OT on SQ; because, AAWSA's high level of EE is not driven by its level of OT but by other factors namely presence of highly controlled work environment and the employees liking of their jobs.

8. Conclusion

The purpose of this study was to analyze the effect of OT on SQ with the mediating roles of PDM and EE. Results of the SEM analysis indicated that the direct effect of OT on SQ is of medium level and statistically significant. Besides, OT's direct effect on EE is large and statistically significant. Nonetheless, OT's direct effect on PDM is small and statistically insignificant. The mediation analysis also revealed that both PDM and EE do not have statistically significant mediation effect on the relationship between OT and SQ.

Thus, AAWSA needs to rethink the statuses of and the links among its OT, PDM, EE and SQ. Specifically, it has to work on the openness and honesty and identification dimensions of OT. Likewise, a PDM framework that enables individual participation of employees in organizational matters should be designed and implemented. If so, the trustworthy environment could generate genuine EE. Besides, AAWSA needs to emphasize on creating synergetic cooperation with various stakeholders. Otherwise, the city's residents and development projects will suffer from lack of quality water and sewer services in the near future.

9. Limitations of the study

Like any other research endeavor, this study has conceptual and methodological limitations. The study's focus on OT, PDM and EE as determinants of SQ at AAWSA has excluded many other internal and external factors that could affect SQ in the organization. Besides, the study's

confinement to the case of Addis Ababa also limits generalizability of the findings to similar organizations located in different parts of Ethiopia. Likewise, the psychological nature of the constructs in this study requires detail qualitative methodology to address them in more deeper and sensible manner. However, the mixed methods approach employed in this study used qualitative data just to explain some unexpected findings of the quantitative data. Thus, the researcher suggests that future researchers should study SQ at AAWSA considering other factors that could affect it. Besides, the issues of OT, PDM, EE and SQ could also be studied using different methodological designs, approaches and tools. Further, researchers could conduct comparative researches on the effect of OT on SQ via the mediation roles of EE and PDM in the case of regional water and sewer organizations.

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