

Denial Management: A Novel Concept for Improving Organization Performance and Organizational Success

Ahmad El Zein

Faculty of Business Administration and Economics, Department of Management and Marketing,
Notre Dame University (NDU), Lebanon

elzein.drahmad@gmail.com

Abstract. This study introduces a new concept called denial management, which refers to the process of identifying and addressing employees' denial of their performance issues and deficiencies. We developed a scale to measure denial management and tested its impact on organizational performance through the mediating roles of employee performance, communication, and job satisfaction, as well as the moderating role of reward management practices. Using a sample of 204 middle managers from various industries, we found that denial management had a significant positive impact on employee performance and communication, which in turn enhanced job satisfaction and organizational performance. We also found that reward management practices moderated the relationship between job satisfaction and organizational performance, such that the relationship was stronger when reward management practices were more effective. Our findings suggest that organizations can benefit from implementing denial management practices to improve their employees' performance and overall organizational success.

Keywords: Denail Management, Leadership, organizational performance, employee performance, enhanced communication, job satisfaction, reward system

1. Theoretical Background

In light of the novel nature of the title and concept, articulating the essence of this novel title and concept within the realms of business, management, and leadership is a daunting task. In order to understand the operational dynamics of denial management within its native context, namely the professional setting, an optimal approach is required. Denial management refers to the systematic examination of each instance of denial; where in a comprehensive analysis is conducted to ascertain the underlying reasons behind an employee's refusal or reluctance to acknowledge their weaknesses. This may encompass instances where individuals fail to admit or acknowledge their deficiencies in certain skills or areas, or even instances where they resist acknowledging the need for occasional improvement and personal growth. This concept is grounded in extensive research utilizing statistical analysis, empirical observations, and in-depth interviews.

Every individual has encountered instances wherein they have felt at ease within their comfort zones and encountered challenges when attempting to venture beyond them in search of a more favorable alternative. Initially, a state of denial and tension is observed among the employees until they realize that their initial perceptions are incorrect. What steps can be taken to achieve this outcome? This question can only be effectively addressed by a manager who possesses authentic leadership capabilities and possesses a forward-thinking perspective.

If an employee consistently exhibits a habit of denial, it can pose significant challenges in attempting to persuade them. There is a high probability that individuals may engage in argumentation during the performance assessment, exerting considerable effort to obfuscate the circumstances. It is not uncommon for individuals to experience difficulty or hesitation in acknowledging their deficiencies and areas of limited expertise. The employees belonging to this particular group exhibit notable dissimilarities compared to those who effectively embrace criticism and leverage it to advance their professional trajectories.

It may be difficult to persuade these individuals to change their behavior to stay on the team, as they seem to be limited by their anxieties or other factors that lead to their denial. The importance of ongoing performance documentation is further emphasized by this finding. The manager should be ready to furnish precise examples or a comprehensive compilation of the performance incidents that are relevant to the ratings and comments being contested by the employee when employing denial as a defensive strategy. The provision of readily available factual supporting evidence enables the presentation of arguments that an employee may find challenging to dispute, despite potential disagreement.

Insight into strengths and weaknesses in the workplace

Striking a suitable equilibrium between one's professional strengths and weaknesses poses a challenge for any employee. Consequently, it is imperative for team managers, especially those responsible for personnel management and welfare, to give careful consideration to this matter.

What are the benefits and drawbacks associated with your occupation?

Certain traits are consistently perceived as either advantageous or disadvantageous. Who, for example, would fail to appreciate the importance of intellect, inventiveness, or adaptability?

When engaging in discussions regarding our professional competencies and limitations, it may not always be readily discernible which specific aspects are being addressed, as the dynamic nature of the work environment necessitates continual adaptation to evolving demands and expectations from both employees and employers.

What are your areas of expertise and proficiency within your professional domain?

It is possible to define the strengths of an employee as the characteristics that make them desirable as members of a team, as they make it easier for them to accomplish the goals they have set for themselves and complete the tasks that have assigned to them. Regrettably, the focus on these characteristics has deviated from its intended path in recent times, as exemplified by the inclusion of renowned

professional competencies such as "capacity to excel in high-pressure situations" or "commitment to long-term organizational loyalty." In addition to the intellectual and technological prerequisites, commonly referred to as hard talents, which are more aligned with those of a superhero rather than an ordinary worker.

Despite this, the conversation that surrounds strengths and weaknesses in the context of work is gradually transforming. Inquiries have arisen regarding various attributes that were previously esteemed, including the rationale behind the permissibility of an employee consistently managing high levels of stress. What is the rationale behind the necessity of pledging unwavering dedication when joining a firm, with the expectation of an uncertain future outcome?

As mentioned earlier, it is imperative to consider contextual factors, such as the historical context, political and economic circumstances, as well as prevailing labor trends and fashions, to gain a comprehensive understanding. Moreover, it is important to consider not only the sector in which a company operates but also the distinctive attributes of individual job positions.

Let us analyze a case of economic uncertainty or a growth challenge specific to the particular stage of the company's life cycle under consideration. Under such conditions, the ability of workers to demonstrate self-sacrifice, delay gratification, and exhibit patience in anticipation of future improvements can be considered a notable attribute. These attributes are consistently esteemed, although their importance is diminished in a context of heightened affluence and regularity. While their presence would undoubtedly be beneficial, their necessity is not as pronounced, resulting in a corresponding decrease in their perceived worth.

In the same context, exceptional leadership or communication skills are consistently regarded as valuable attributes in individuals. How they perform the task may vary. These qualities are of utmost importance for a team leader aspiring to advance their career within their organization. However, for a freelancer who operates autonomously and adopts a more nomadic or even mercenary approach to completing their tasks, these qualities are still beneficial but hold relatively less significance.

Strategies for coping with denial

The management should prioritize transparency and exercise caution in their communication with an employee who exhibits a proclivity for denial. In addition, members of this specific cohort often face difficulties when endeavoring to simultaneously assimilate a significant quantity of coaching material. In the case of such employees, employing incremental coaching methods that involve breaking down information into smaller chunks tends to yield greater success. Provide the individuals with a thought-provoking concept, in essence, and subsequently assess whether they are positively comprehending the information and incorporating it in a way that may lead to a modification in their behavior.

It is expected that an employee should not be taken aback by their performance evaluation. Nevertheless, it is imperative to consistently offer coaching and feedback to an employee who exhibits a proclivity for denial, to prevent an overwhelming amount of feedback during the completion of the performance review.

Workers who exhibit denial can present challenges in the workplace. However, a connection may be established with the employee, leading to improved performance through the provision of sufficient ongoing documentation, feedback, coaching, and a comprehensive performance review.

It is advisable to encourage employees to engage in open communication with both management and their colleagues to explore potential solutions to encountered challenges, thereby fostering adaptability within the workforce. Encouraging employees to seek feedback from supervisors, engaging in training programs, and fostering the exchange of ideas with team members and leaders are all potential strategies for enhancing confidence levels.

Within the framework of tasks and objectives, employees should prioritize their responsibilities according to the degree of difficulty they present and the amount of time they are expected to take. By doing so, employees may find it more manageable to effectively handle their objectives. This approach

will assist individuals in mitigating frustration and fostering motivation to successfully accomplish their tasks.

Effective leaders can cultivate patience by gaining a deeper understanding of their team's dynamics, providing constructive feedback, and offering support when needed. Advocate for the employees to acknowledge the concept that the perspectives of others hold equal significance to their own, and encourage them to do so whenever possible. This intervention may facilitate the development of a more inclusive mindset among employees who encounter difficulties in accepting divergent thoughts and beliefs. It is imperative to allocate a sufficient amount of time to this task and refrain from disregarding novel concepts, but rather offer constructive input.

When leaders face these challenges, it is recommended that they encourage employees to address them by seeking guidance from their superiors or team leaders for training resources or by breaking down large tasks into smaller components, thereby enhancing their manageability.

Employees must understand that engaging in discussions with colleagues and management, seeking input, focusing on the overall objective of a decision rather than its intricate details, and establishing a reasonable timeframe can facilitate the acquisition of skills necessary to undertake potentially beneficial risks in the workplace.

Leadership serves as a strategic instrument for enhancing the denial management practices employed by employees. In this regard, the company identifies specific attributes in employees that are believed to enhance their professional achievements, and it is the responsibility of leaders to facilitate their realization.

Employee performance

Performance can be defined as the execution or accomplishment of a task, activity, or function, typically involving the demonstration of skills, abilities, or competencies. It is according to the definition provided by Rotundo and Rotman (2002), job performance is characterized as the deliberate actions undertaken by individuals that effectively contribute to the attainment of organizational objectives while remaining within their sphere of influence. According to Otley (1999), the evaluation of performance within organizations can be categorized into two distinct dimensions: organizational performance and job performance. Employee performance, alternatively referred to as job performance, is a widely recognized term in the field of organizational behavior and human resource management. According to Otley (1999), the performance of an organization is contingent upon various factors, including the job performance of its employees and the organizational environment. The significance of employee performance in an organization cannot be overstated, as the success of an organization is contingent upon the employee's ability to exhibit creativity, innovation, and commitment (Ramlall, 2008). According to Macky and Johnson (2000), it has been suggested that enhancing the performance of individual employees can have a positive impact on the overall performance of the organization. The overall performance of an organization is a critical factor in determining its long-term viability. Based on the findings, it can be asserted by the researcher that the performance of individuals plays a significant role in contributing to the success of their respective departments, which in turn influences the overall success of the organization. Hence, the significance of individual performance within an organization is paramount. According to Armstrong (2014), the concept of performance pertains to the degree of excellence in the execution of a task, while reward refers to the appropriate acknowledgment individuals should receive for their performance. According to Griffin et al. (1981), it is argued that the stabilization of the economy is contingent upon the presence of favorable job performance and productivity growth. This is believed to result in various positive outcomes such as enhanced living standards, higher wages, and an expanded range of goods accessible for consumption. Furthermore, he posited that the performance of each employee holds significance for society at large. According to Hunter and Hunter (1984), a critical factor in achieving high job performance is the individual employee's ability. The employee is required to demonstrate the ability to consistently achieve favorable outcomes and maintain a high level of productivity. Individual performance is a fundamental concept

in the field of work and organizational psychology, as stated by Sinnented and Frese (2002). According to Armstrong (2014), performance can be defined as the observable actions and behaviors that lead to the achievement of desired outcomes. Performance management plays a significant role in shaping performance outcomes by facilitating individuals' comprehension of the standards associated with exemplary performance and by furnishing them with the requisite knowledge and resources to enhance their performance. Reward management has a significant impact on performance as it entails acknowledging and incentivizing commendable performance, thereby fostering an environment conducive to improvement. Viswesvaran and Ones (2000) define job performance as the measurable actions, behaviors, and outcomes exhibited by employees that are directly associated with and contribute to the achievement of organizational objectives. According to Campbell et al. (1993) as cited in Koopmans et al. (2011), a commonly accepted definition of work performance is "behaviors or actions that are pertinent to the objectives of the organization." This definition is accompanied by three key concepts: firstly, work performance should be defined based on observable behaviors rather than outcomes; secondly, work performance encompasses only those behaviors that are directly related to the goals of the organization; and thirdly, work performance is a multidimensional construct. The challenge of differentiating between behavior and outcomes has led some scholars to incorporate outcomes within their conceptualization of work performance (ibid).

Improved communication

According to Lwehabura and Matovelo (2000), management is a systematic approach that involves collaborating with and guiding individuals toward the attainment of organizational goals productively and effectively. The process of managing employees is facilitated through effective communication (Holladay & Coombs, 1993). According to Norton (1983), the communication style refers to how individuals employ verbal, non-verbal, and para-verbal cues to convey the intended level of literal meaning, interpretation, filtration, or comprehension. According to Norton (1983), communication styles can be categorized into ten distinct types: dominant, dramatic, contentious, animated, impression-leaving, relaxed, attentive, open, friendly, and precise. McCallister (1992) provides a classification of communication styles, drawing upon Norton's (1983) work. The classification encompasses three distinct styles, namely noble, reflective, and Socratic. Comstock and Higgins (1997) amalgamate Norton's various communication styles into four distinct clusters, namely cooperative, apprehensive, social, and competitive. In a similar vein to McCallister's tripartite classification of communication styles, Heffner (1997) categorizes communication styles into three distinct types: aggressive, passive, and assertive (Ibrahim & Ismail, 2007). The noble style is characterized by its direct and assertive nature, which can be likened to an aggressive style. The reflective style is characterized by its non-directive nature and can be seen as parallel to the passive style. The Socratic style places significant emphasis on the analysis of details and engaging in debates, which can be likened to the assertive style. To gain insights into the human dimensions of managerial communication and the development of interpersonal relationships within organizations, one can employ Heffner's framework for classifying communication styles to examine perceived managerial communication styles. Heffner's communication styles exhibit a greater degree of simplicity and place a stronger emphasis on fostering interpersonal relationships within the workplace, in comparison to McCallister's communication styles. Managers employ diverse communication styles. However, it is common for one type to dominate and establish a habitual pattern. In the passive communication style, managers refrain from expressing their needs and feelings and may exhibit hesitancy in asserting their rights. The aggressive communication style employed by managers involves the expression of personal emotions and viewpoints while advocating for their own needs, in a manner that infringes upon the rights of employees. Passive managers often struggle to effectively communicate their message, leading to frustration, inefficiency, and the need for additional work. On the other hand, aggressive managers prioritize maintaining their authority and control over employees, often at the expense of expediting progress. While they may achieve short-term objectives, their

approach may hinder long-term success (Newbold, 1997). The assertive style lies between these two contrasting styles. According to Arredondo (2003), assertiveness is a behavioral trait that allows managers to effectively advocate for their own interests and assert their rights while respecting the rights of others. According to Lwehabura and Matovelo (2000), effective interpersonal interaction is enhanced by several key attributes, including honesty, objectivity, openness, tolerance, accuracy, self-expression, and respect for oneself and others. According to Lwehabura and Matovelo (2000), the utilization of assertiveness can facilitate the establishment of mutual comprehension and the achievement of objectives. Assertive managers demonstrate a high level of regard for the needs of their employees and engage in a cognitive evaluation to determine the specific information and methods that would best meet those needs. According to Newbold (1997), managers who are assertive possess the necessary abilities and self-assurance to confront situations characterized by ambiguity and misunderstanding. When the communication style of managers is straightforward and accurate, employees view managers as trustworthy (Tschannen-Moran & Hoy, 2000). According to Moye and Henkin (2006), this level of openness promotes employees' comprehension of tasks and empowers them to make responsible decisions. There are discernible distinctions between assertive managers and aggressive managers. Aggressive managers exhibit a tendency to either disregard or dismiss the opinions of their subordinates, in favor of promoting their own viewpoints. Typically, individuals tend to respond to the presented circumstances with impolite, disparaging, and ironic behavior, thereby exacerbating the anxiety experienced by employees. In contrast, managers who exhibit assertiveness express their viewpoints in a manner that is considerate and courteous towards their subordinates. Aggressive managers exhibit a deficiency in establishing relationships with their employees, whereas assertive managers excel in cultivating enduring relationships. The assertive communication style facilitates a manager's ability to express their opinions and thoughts in a straightforward manner, while avoiding personal attacks. It allows them to decline unreasonable requests without experiencing guilt, provide employees with constructive feedback rather than criticism, offer timely recognition and praise to foster a motivational atmosphere, deliver firm messages by employing clever questioning techniques, trust their employees, and cultivate a collaborative and harmonious work environment.

Job satisfaction

According to Aziri (2011), job satisfaction is conceptualized as a favorable emotional state that arises from an individual's perception of their job or work experience. According to Aziri (2011), employees form an attitude towards their jobs based on their behaviors, beliefs, and emotions. Research has indicated that employees tend to experience job satisfaction when they perceive their work to be fulfilling and rewarding. The importance of employee satisfaction in achieving organizational success is widely acknowledged (Javed, et al., 2014) as when employees are satisfied at the workplace, their capability to serve customers better is greater.

The theory of transformational and transactional leadership posits that leaders exert significant influence over how their subordinates carry out their tasks (Bektaş, 2017). This influence possesses the capacity to enhance the overall level of job satisfaction among employees. Job satisfaction can be categorized into three primary dimensions: extrinsic, intrinsic, and general job satisfaction. The scales measuring extrinsic and intrinsic satisfaction are derived from Herzberg's theory. Intrinsic satisfaction is positively associated with motivators such as the nature of job tasks and the opportunity for collaborative work. Extrinsic job satisfaction, as identified by Goetz et al. (2012), pertains to factors such as company policies, compensation, and supervision.

Managing the reward system

The reward system is a fundamental and cohesive element of the human resource management approach, as stated by Torrington, Hall, and Taylor (2004). The system in question can be accurately characterized as a framework that pertains to the remuneration, commodities, and services that individuals employed

by an organization obtain in return for their labor, which is precisely delineated. Conversely, the comprehensive concept of the reward system encompasses a mechanism for assessing employee performance, as the grading system frequently assumes a significant role in determining diverse forms of rewards (Bogićević Milikić, 2008). A well-designed reward system offers numerous advantages to all employees within an organization. It is of great importance to the workforce as it has a direct impact on the living standard of workers, and maintains the working atmosphere and good interpersonal relationships in the organization.

The foundation of the reward system encompasses the financial aspects associated with employees, such as fees, remuneration, compensations, or earnings. This pertains to all types of incentives or accolades that are bestowed upon employees and contingent upon their executed work (Dessler, 2007). Consequently, employees are granted different forms of rewards in recognition of their completed tasks and rendered services. The aforementioned statement highlights the significance of rewards as a crucial component within contemporary organizations. Rewards serve as a primary motivating force that provides compensation and recognition to employees for their contributions (Tropman, 2001).

There are multiple justifications for organizations to prioritize the establishment of a comprehensive reward system, as its primary objective is to effectively attract, retain, and motivate employees (Babić and Lukić, 2008). One primary rationale is to effectively draw individuals who possess the requisite expertise and abilities necessary for an organization's operations, particularly those highly skilled workers who can leverage their knowledge and competencies to make valuable contributions towards achieving business success. The ability to attract workers who possess desirable qualifications is contingent upon the presence of a suitable system of rewards. In order to ensure work stability and optimal performance of all work activities, it is imperative to not only attract but also retain employees. The primary objective of implementing a reward system within an organization is to enhance employee retention rates, thereby resulting in a reduction in the overall turnover percentage. In addition to the aforementioned rationales, the primary objective of the observed system is to incentivize and inspire employees to perform at their utmost potential. The provision of a suitable reward system can have a significant impact on employee motivation, as rewards are recognized as a crucial factor in driving individuals to effectively perform their job duties. This, in turn, contributes to the overall attainment of the organization's predetermined goals. The primary function of the reward system is to establish congruence between the personal interests of individual employees and the strategic objectives of the organization. This is achieved through the attraction and retention of highly skilled personnel, as well as the facilitation and encouragement of employees' professional growth and development. Furthermore, the reward system serves to motivate employees and foster a corporate culture wherein individuals are invested in the success of the companies for which they are employed (Bogićević-Milikić, 2008).

When formulating a reward system and establishing reward policies, management must engage in decision-making processes that involve selecting between various principles and criteria that already exist. It is imperative to prioritize the establishment of both internal and external equity, which entails the provision of equal and just treatment for all employees (Bahtijarević-Šiber, 1999). According to Ilić (2014), internal equity refers to the fairness of an employee's reward in relation to other employees within the same organization. On the other hand, external equity pertains to the fairness of an employee's reward in comparison to workers in other organizations who are engaged in similar or identical job roles. The second principle pertains to management's decision-making process concerning the payment method, specifically focusing on whether the reward should be a fixed amount or vary based on predetermined criteria.

Performance of the organization

According to the research conducted by Chen et al. (2006), the concept of organizational performance refers to the process of converting inputs into outputs to attain specific outcomes. In terms of its substance, performance provides insights into the interplay between minimal and optimal cost

(economy), optimal cost and actual output (efficiency), and output and attained outcomes (effectiveness). Scott and Davis (2015) have observed a lack of consensus within the existing body of literature regarding the criteria for evaluating organizational performance. Nonetheless, it is important to note that there exist four primary dominant approaches. The approach to achieving the goal. Individuals to fulfil a particular objective, as determined by the various stakeholders involved establish organizations. Organizational performance refers to the capacity of an organization to accomplish effectively its objectives. The System Resource Approach is a theoretical framework that examines the allocation and utilization of resources within a system. This methodology elucidates the correlation between the organization and its surrounding environment. According to Cutler et al. (2003), organizational effectiveness is achieved when an organization strategically leverages its external environment to acquire valuable and scarce resources that enhance its operational capabilities. The constituency approach is a theoretical framework used in various disciplines to analyze and understand social phenomena. It focuses on the identification and examination of According to the research conducted by Agle et al. (2006), the effectiveness of an organization is determined by the perception of effectiveness held by multiple stakeholders. According to Scott and Davis (2007), organizations that possess greater control over resources are more likely to exert a significant influence on performance. The Competing Values Approach is a theoretical framework that is widely used in academic research and organizational studies. The organizational goals are formulated through diverse expectations of multiple districts, as posited by Cameron and Quinn (2006). Hence, it is plausible that organizations may employ diverse sets of criteria for the purpose of evaluating performance. Cameron et al. (2014) posit that stakeholders express a desire for their organizations to exhibit adaptability, characterized by flexibility, stability, and effectiveness. Cohen and Bradford (2005) assert that an organization's performance and effectiveness are contingent upon the establishment of robust collaboration and commitment among stakeholders, facilitated by the presence of cohesive work groups and effective management.

After analyzing the literature review, the gaps were investigated and the below model was piloted.

2. Model:



Figure 1: Conceptual framework Denial Management

H1: The impact of denial management on employee performance

H2: The impact of denial management on enhanced communication

H3: The impact of employee performance on job satisfaction

H4: The impact of enhanced communication on job satisfaction

H5: Reward management practices moderate the relation between job satisfaction and organization performance

H6: The impact of job satisfaction on organization performance

3. Methodology:

The research will use quantitative data to test the hypothesis. Both SPSS and SEM were utilized in the process. In order to prepare the quantitative survey, a pilot study was performed using qualitative approach to check for any unclear or biased questions.. The scale of denial management will be developed by the study, whereas, other scales will be previously used scales. Simple random sampling was utilized to collect data. The survey was converted to google form and the link was distributed via WhatsApp and LinkedIn to reach our target number.

The initial sample was 204 employees from different industries in the middle management level. After screening the moderation impact of reward management practices, we have chosen the sample that is impacted by the moderation, which is 162 respondents.

The survey was carefully prepared with easy language, simple and unbiased questions (Malhorta & Bircks, 2006). The questionnaire was distributed in a google form link via WhatsApp and emails.

The demographics of the sample were as below:

The majority of the sample were from middle management as they are in direct contact with employees and they have to deal with denial management.

Professional Experience

210 responses

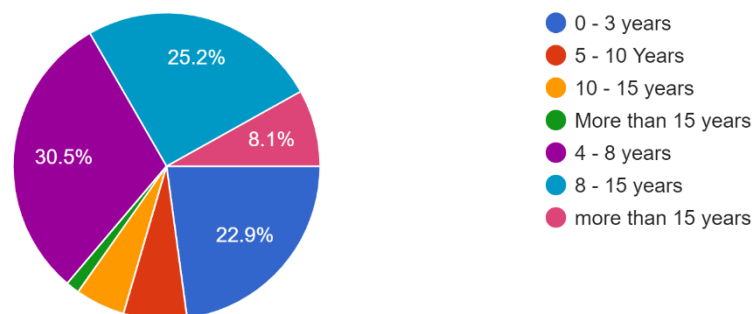


Figure 2: Professional Experience of the respondents

Consequently as most of the sample was middle management, hence, the majority of the respondents hold MBA degree as can be seen in the chart below

Level of Education
210 responses

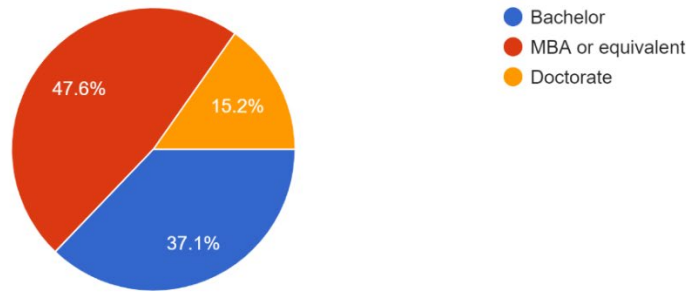


Figure 3: Level of Education of the respondents
59% of the respondents were females and 41% were males as indicated below

Gender
210 responses

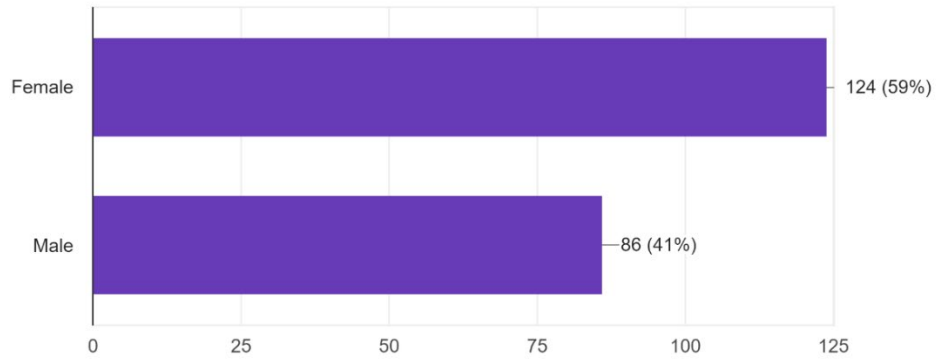


Figure 4: Gender of the respondents
Analyzing the descriptive statistics of the sample, we reached the below table.

Table 1: Descriptive statistics of the sample

Descriptive Statistics											
	N	Range	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
DM_Mean	162	4.00	1.00	5.00	4.0222	.04577	.58256	-1.919	.191	7.988	.379
EP_Mean	162	2.57	2.43	5.00	4.0926	.03542	.45076	-.508	.191	1.046	.379
EC_Mean	162	2.00	3.00	5.00	4.1430	.03106	.39531	-.171	.191	.425	.379
JS_Mean	162	2.33	2.67	5.00	4.0473	.03265	.41552	-.362	.191	.628	.379
R_Mean	162	1.83	3.17	5.00	4.0113	.03248	.41334	.080	.191	.158	.379
OP_Mean	162	2.50	2.50	5.00	4.0360	.03474	.44222	-.220	.191	.904	.379
Valid (listwise)	N=162										

Scale validation and development

To use a scale, a researcher has two options; either to use a previously developed scale and test reliability and validity or to develop a new scale as suggested by Nunally (1967) and developed by Churchill (1979) and updates by Gerbing and Anderson (1988) and this method is referred to as “Churchill Paradigm”. As denial management was never discussed before, a scale was prepared with experts and studied for validity and reliability. This is a major contribution of this study that can be used for both academic and professional purposes. As for all other variables, previously used validated scales were utilized and studied for validity for this study.

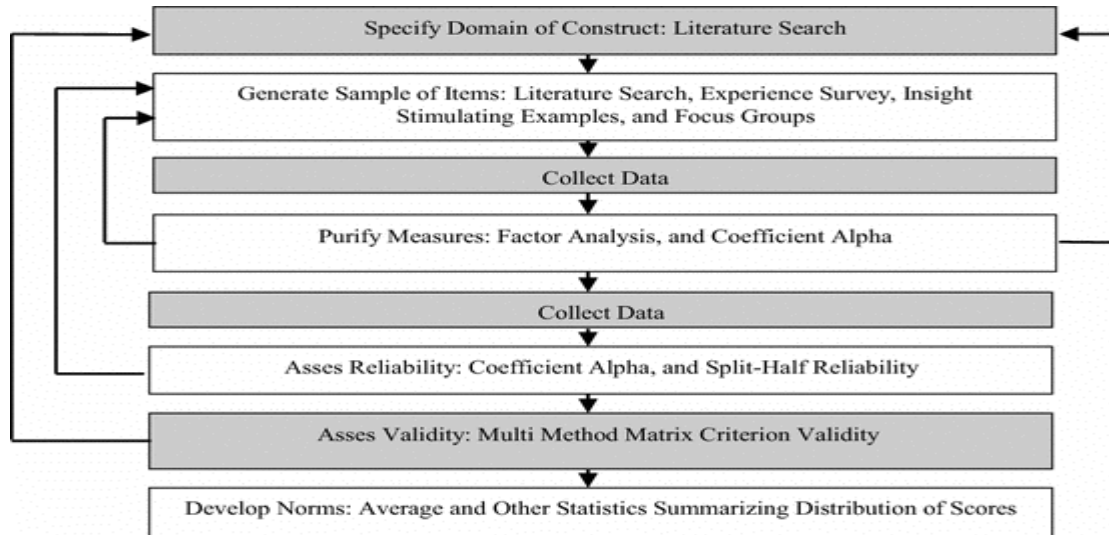


Figure 5: Churchill Paradigm for scale validation

The first two steps in Churchill paradigm were executed and an initial pool of questions were generated in collaboration with experts in the field of management.

Table 2: Initial scale for Denial Management

Q1	My supervisor monitors my work closely
Q2	My supervisor provides me with adequate feedback to improve my performance
Q3	My supervisor is knowledgeable about my tasks
Q4	When I do mistakes, my supervisor tells me gently about them
Q5	I receive proper training to improve my skills
Q6	I try not to repeat my mistakes
Q7	I am not shy talking about my weaknesses

Conducting the factor analysis of the model resulted in:

Table 3: KMO and Bartlett’s test for initial denial management scale

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.677
Bartlett's Test of Sphericity	Approx. Chi-Square	143.451
	df	21
	Sig.	.000

Table 4: Communalities of the initial denial management scale

Communalities		
	Initial	Extraction
DM1	1.000	.746
DM2	1.000	.836
DM3	1.000	.725
DM4	1.000	.855
DM5	1.000	.903
DM6	1.000	.347
DM7	1.000	.311

Communalities represent how the factors contribute to the scale and they are expected to be larger than 0.5 Items 6 and 7 showed low factors (0.347 and 0.311) so they were removed from the scale. This is the purification of the scale as discussed by Churchill. The new scale is as follows:

Table 5: Final scale for Denial Management

Q1	My supervisor monitors my work closely
Q2	My supervisor provides me with adequate feedback to improve my performance
Q3	My supervisor is knowledgeable about my tasks
Q4	When I do mistakes, my supervisor tells me gently about them
Q5	I receive proper training to improve my skills

A new factor analysis was conducted for the remaining items and the results were as follows:

Table 6: KMO and Bartlett's test for final denial management scale

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.748
Bartlett's Test of Sphericity	Approx. Chi-Square	127.597
	df	10
	Sig.	.000

After the two questions were removed, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy increased from 0.677 to 0.748. The new measure is better than the previous measure and is accepted.

Table 7: Communalities of the final denial management scale

Communalities		
	Initial	Extraction
DM1	1.000	.810
DM2	1.000	.874
DM3	1.000	.861
DM4	1.000	.933
DM5	1.000	.938

As all communalities were above 0.5 then the scale is considered accepted and all questions will be used in the survey. This scale is validated to be used to measure denial management in the future

In any scale, Cronbach alpha measures the internal consistency of the scale. We measure Cronbach alpha for all scales to validate the internal consistency for the model. Generally, any value of Cronbach alpha more than 0.7 is acceptable.

Cronbach Alpha for Denial management

Table 8: Reliability test for denial management

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.810	.811	5

Cronbach alpha is greater than 0.7 thus the internal consistency of the model is acceptable and we will proceed with our measurements.

Cronbach Alpha for Employee Performance

Table 9: Reliability test for employee performance

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.778	.785	7

Cronbach alpha is greater than 0.7 thus the internal consistency of the model is acceptable and we will proceed with our measurements.

Cronbach Alpha for Enhanced Communication

Table 10: Reliability test for enhanced communication

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.711	.711	6

Cronbach alpha is greater than 0.7 thus the internal consistency of the model is acceptable and we will proceed with our measurements.

Cronbach Alpha for Job satisfaction

Table 11: Reliability test for job satisfaction

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.804	.807	9

Cronbach alpha is greater than 0.7 thus the internal consistency of the model is acceptable and we will proceed with our measurements.

Cronbach Alpha for Reward Management System

Table 12: Reliability test for reward management system

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.701	.707	6

Cronbach alpha is greater than 0.7 thus the internal consistency of the model is acceptable and we will proceed with our measurements.

Cronbach Alpha for Organization Performance

Table 13: Reliability test for organization performance

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.755	.755	6

SEM allows for the testing of complex theoretical models with multiple dependent and independent variables and latent constructs. SPSS can handle simpler models, but when your hypotheses involve complex relationships among variables, SEM is more appropriate. SEM analysis of the model:

AMOS was utilized to analyze the model. The model was transferred to AMOS and the results were as below.

Table 14: Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P	Label
EP <--- DM	.540	.108	5.009	***	
EC <--- DM	.568	.105	5.392	***	
JS <--- EC	.878	.199	4.408	***	
JS <--- EP	.468	.166	2.820	.005	
OP <--- JS	.917	.165	5.564	***	
DM1 <--- DM	1.000				
DM2 <--- DM	1.297	.182	7.120	***	
DM3 <--- DM	1.190	.181	6.561	***	
DM4 <--- DM	1.348	.185	7.277	***	
DM5 <--- DM	1.204	.179	6.713	***	
EP1 <--- EP	1.000				
EP2 <--- EP	1.563	.272	5.753	***	
EP3 <--- EP	1.505	.288	5.217	***	

	Estimate	S.E.	C.R.	P	Label
EP4 <--- EP	1.311	.258	5.075	***	
EP5 <--- EP	1.677	.299	5.599	***	
EP6 <--- EP	1.492	.273	5.467	***	
EP7 <--- EP	1.315	.298	4.406	***	
EC1 <--- EC	1.000				
EC2 <--- EC	1.032	.191	5.413	***	
EC3 <--- EC	.729	.178	4.098	***	
EC4 <--- EC	1.084	.195	5.550	***	
EC5 <--- EC	1.221	.202	6.031	***	
EC6 <--- EC	1.068	.191	5.578	***	
JS1 <--- JS	1.000				
JS2 <--- JS	.772	.151	5.116	***	
JS3 <--- JS	.863	.172	5.007	***	
JS4 <--- JS	.832	.153	5.437	***	
JS5 <--- JS	.834	.158	5.293	***	
JS6 <--- JS	.757	.155	4.896	***	
JS7 <--- JS	.791	.152	5.196	***	
JS8 <--- JS	.837	.150	5.577	***	
JS9 <--- JS	.979	.163	6.010	***	
OP1 <--- OP	1.000				
OP2 <--- OP	.962	.148	6.487	***	
OP3 <--- OP	.901	.148	6.075	***	
OP4 <--- OP	.847	.145	5.835	***	
OP5 <--- OP	1.087	.167	6.511	***	
OP6 <--- OP	.645	.130	4.946	***	

H1: The impact of denial management on employee performance

To validate H1, we refer to the SEM results of the regression weights in table 13 in row 1:

EP <--- DM	.540	.108	5.009	***
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As p value is 0.000 then H1 is valid.

H2: The impact of denial management on enhanced communication

To validate H2, we refer to the SEM results of the regression weights in table 13 in row 2:

EC <--- DM	.568	.105	5.392	***
------------	------	------	-------	-----

As p value is 0.000 then H2 is valid

H3: The impact of employee performance on job satisfaction

To validate H3, we refer to the SEM results of the regression weights in table 13 in row4:

JS <--- EP	.468	.166	2.820	.005
------------	------	------	-------	------

As p value < 0.05 then H3 is valid

H4: The impact of enhanced communication on job satisfaction

To validate H4, we refer to the SEM results of the regression weights in table 13 in row3:

JS <--- EC	.878	.199	4.408	***
------------	------	------	-------	-----

As p value is 0.000 then H4 is valid

H6: The impact of job satisfaction on organization performance

To validate H6, we refer to the SEM results of the regression weights in table 13 in row5:

OP <--- JS	.917	.165	5.564	***
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As p value is 0.000 then H6 is valid

Moderator analysis:

The moderator is the reward management practices and it moderates the relation between job satisfaction and organization performance.

H5: Reward management practices moderate the relationship between job satisfaction and organizational performance

This hypothesis is divided into two categories:

H5a: The higher reward management practices the better organizational performance

H5b: The lower reward management practices the better organizational performance

Studying the impact of both moderations on the organizational performance, we reached the below results:

H5a was verified on 162 respondents and the significance value was 0.0004 which is < 0,05 and thus there is a moderation relation when increasing reward management.

H5b was tested and the significant result was 0.171 which is > 0.05 concluding that H5b is not valid.

4. Conclusion

In conclusion, this study introduces denial management as a new concept in the management literature and provides empirical evidence for its impact on organizational performance. We developed a valid and reliable scale for measuring denial management, which can be used by researchers and practitioners to assess and improve their employees' performance, communication, and job satisfaction. Our findings suggest that organizations should prioritize denial management practices as a way to enhance their overall performance, especially when combined with effective reward management practices. The theoretical and managerial implications for the study are mentioned below.

Theoretical implications:

Denial management is a relatively new concept in the field of management, and the purpose of this study is to discuss it. This idea is derived from the fact that we observe employees on a daily basis who refuse to admit that they have shortcomings. This denial will, without a doubt, have an effect on the performance of the organization, which is the primary objective of this research. The purpose of denial management is to improve a very widespread and detrimental weakness that employees may possess, with the end goal of increasing performance, employee communication, and job satisfaction. According to the findings of the study, there is a significant connection between deny management and the performance of an organization. As an additional finding, the investigation revealed that there was a strong correlation between the independent variable and the three mediators.

Managerial implications:

Denial can significantly impair organizational performance in a number of ways such as:

- Decreased problem identification and resolution: Problems that are hidden are less likely to be found and dealt with right away. Delays in implementing remedial measures may result from this, causing issues to deepen and fester.
- Denial hinders decision-making, which can impair judgment and make it harder for leaders to decide wisely based on the facts.
- Decreased morale and motivation: When workers believe issues are not addressed transparently, it can cause dissatisfaction, cynicism, and disengagement. Creativity, productivity, and morale may suffer as a result.
- Relationships and reputational damage: Denial can weaken trust and harm connections with stakeholders, partners, and customers. An organization's reputation may suffer and establishing relationships and trust may become more challenging if employees are unwilling to address its issues.

However, our study also has some limitations that should be addressed in future research. First, our sample may not be representative of all industries or cultures, so our findings may not generalize to other contexts. Second, our cross-sectional design does not allow for causal inferences, so future research should use longitudinal or experimental designs to establish the causal effects of denial management on organizational outcomes. Third, we focused on a limited set of mediators and moderators, so future research should explore other potential mechanisms and boundary conditions of the denial management-performance relationship.

Despite these limitations, our study makes a significant contribution to the management literature by introducing a new concept and providing empirical evidence for its importance. We hope that our findings will inspire further research on denial management and its applications in various organizational settings.

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