

Organizational Factors and Employees Commitment

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Abstract

For an organization to survive in this century, leaders of the organization must offer a greater sense of meaning and purpose for their employees to enjoy working in the organization. In today's highly competitive environment, employees don't only look up for increment in pay to be committed but issues such as good leadership style, well structured organizational culture and other factors also have an influence on their level of commitment. Based on previous studies, the researchers develop a conceptual framework to suggest a relationship between organizational commitment and five organizational factors i.e., organizational culture, organizational structure, leadership style and rewards as the constructs. Questionnaire is proposed to be used as a data collection tool and multiple regressions as the statistical technique that would be used to analyze the data.

Keywords: Organizational Commitment, Organizational Culture, Organizational Structure, Pay and Reward, Management Style, Work Environment,

INTRODUCTION

Organizational commitment is denoted as the level of employees' enthusiasm shown towards work and the adherence to the core values for the organizations success. Wright, McMahan and McWilliams (1994) posited that, HRM policies are the methods used by organizations to shape employees' behavior, perception and attitude. This means that with a well structured deployment of HR policies coupled with committed employees would work assiduously towards achieving set targets.

Managing human capital needs a steady and dynamic approach towards the management of employees who are considered as treasured assets to the organization. Again managing resourceful manpower needs invariable balance between meeting the aspirations of the people and achieving the strategic needs of the organization. Thus, partnership between HRM and the strategic goals of the business evolve innovation and flexibility; hence it serves as the overall purpose of the business. Carefully, application of this strategy i.e., forging HRM and the overall business objective would encourage employee commitment which would lead to better performance, positive employee attitude and low turnover. Oorganisations' cannot withstand today's competitive market unless the employees are highly committed to the its mission, vision and work as a citizen of the organisational community. Time has far past where committed employees are seen as those who come to work every day and do their job

independently. Employees now have to be team players and “intrapreneurs” to prove their worth.

The essence of employees commitment come into play when one considers prior studies that examines the relationship between commitment and job satisfaction (Bateman & Organ, 1983), workplace justice (Moorman, Niehoff & Organ, 1992). Trust in and loyalty to the leader (Deluga, 1994) and perceptions of supervisor fairness (Niehoff & Moorman 1993).

Previous studies that examined factors influencing employees’ commitment indicated several major variables such as demographics, satisfaction, organizational engagement and HRM practices such as employee development, performance management and compensation. Most of these studies have confirmed that employees are not currently committed to their work. Employees keep moving from one organization to the other notwithstanding the amount earnings make out of the organization. The fact that turnover does not depend on employees earnings then the need to conduct a study to examine the main cause of current trend of turnover. The effect of employee satisfaction and organizational commitment on turnover intention has been discussed and the findings indicated that these variables have significant influence on turnover intention. It seems that to predict turnover, organizational commitment must be part of the model. Therefore, the need to study factors that influence employees’ commitment is pertinent because the findings would provide a clearer understanding on what would make an employee feel committed to his or her work.

THEORETICAL BACKGROUND

Organizational Commitment

According to Northcraft and Neale (1996), commitment is an attitude reflecting employees’ loyalty to the organization, and an ongoing process through which members of the organization express their concern. In another definition, Becker, Randal, and Riegel (1995) categorized the term commitment into three dimensions i.e., a strong desire to remain a member of a particular organization; a willingness to exert high levels of effort on behalf of the organization and a defined belief in and acceptability of the values and goals of the organization. According to Mowday et al., (1982), commitment is simply defined as an attachment and loyalty to one’s organization and they also categorized commitment in three dimension i.e., An identification with the goals and values of the organization, the desire to belong to the organization; and the willingness to display effort on behalf of the organization.

Looking at it from the psychological purview, Salancik (1977) defined commitment as a state of being, in which an individual becomes bound by his actions and these actions support future action and involvement. This definition implied that, commitment can be increased through employee engagement and collective decision making

Types of Commitment

Commitment is thought of simply in terms of feelings of obligation or emotional attachment. However, in the last 15 years, a growing consensus has emerged that commitment should be viewed as a multi-dimensional construct. Allen & Meyer (1990) developed an early model that received considerable attention. The three-component model they advocated was based on their observation that existing definitions of commitment at that time reflected at least three distinct themes: an affective emotional attachment towards an organisation (Affective Commitment), the recognition of costs associated with leaving an organisation (Continuance Commitment), and a moral obligation to remain with an organisation (Normative

Commitment). It is necessary to note that, not all forms of employee commitment are positively associated with superior performance (Meyer & Allen, 1997). For example, an employee who has low affective and normative commitment, but has a high continuance commitment is unlikely to yield performance benefits. The main reason why such an employee remains with an organisation is that, the costs associated with leaving are too great but not necessarily that he or she enjoy working in that organization. Currently, this model has been further explored and refined to incorporated the extent to which organizational social environment makes employees developed a sense of belongingness, and identity. O'Malley (2000) contends five general factors of employee commitment which was deduced from previous literatures. The factors are discussed as follows:

Affiliative Commitment

An organization's interest and values are compatible with those of the employee, and the employee feels accepted by the social environment of the organisation. Therefore the employee may not want to leave the organization.

Associative Commitment:

Organisational membership increases employees' self-esteem and status. The employee feels privileged to be associated with the organisation. The employees develop sense of identity and would feel reluctant to quit the organization.

Moral Commitment:

Employees perceive the organisation to be on their side and the organisation evokes a sense of mutual obligation in which both the organisation and the employee feel a sense of responsibility to each other. This type of commitment is also frequently referred to in the literature as Normative Commitment.

Affective commitment:

Employees derive satisfaction from their work and their colleagues, and their work environment is supportive of that satisfaction. Some researchers (eg Allen & Meyer, 1991) suggest that this is the most important form of commitment as it has the most potential benefits for organizations. Employees who have high affective commitment are those who will go beyond the call of duty for the good of the organisation. In recent literature this form of commitment has also been referred to as 'engagement' and is the form of commitment that is most usually measured by organizations.

Structural commitment:

Employees believe they are involved in a fair economic exchange in which they benefit from the relationship in material ways. There are enticements to enter and remain in the organization and there are barriers to leaving. This type of commitment is also frequently referred to in the literature as Continuance Commitment. With reference to the above typology, when an organization is considering assessing the commitment of its workforce, not only should it ask how much commitment exists, but also what types of commitment exist.

Organizational commitment is determined by a number of factors, including personal factors (e.g., age, tenure in the organization, disposition, internal or external control attributions); organizational factors (job design and the leadership style of one's supervisor); non-organizational factors (availability of alternatives).

HYPOTHESIS

Organizational Structure

Organizational structure plays an important role in organizational commitment. Bureaucratic structures tend to have a negative effect on organizational commitment. Zeffanne (1994) indicates that “the removal of bureaucratic barriers and the creation of more flexible structure are more likely to contribute to the enhancement of employee commitment both in terms of their loyalty and attachment to the organization”. The management can increase the level of commitment by providing the employees with greater direction and influence (storey, 1995). Thus, the first hypothesis is stated:

H1: Organisational structure has a positive significant relationship with employees commitment.

Organisational Culture

Organisational culture is the personality of the organisation, the manner in which things in the organisation (Schein, 1975). Ravasi and Schultz (2006) state that organisational culture is a set of shared mental assumptions that guide interpretation and action in the organisation by defining appropriate behaviour for various situations. However, a company may have its' own unique culture especially in larger organisations ,sometimes issues emanates due to conflicting cultures that co-exist due to different characteristics of the management team who are managing the units. These issues would result in discrimination, conflicts and other acrimonious situations which will culminate in declining employees commitment. Therefore it can be deduce that organisational culture may have a negative or positive effect on employees' commitment. The above discussion leads to the second hypothesis.

H2: Organisational culture has a positive significant relationship with organisational commitment

Management Style

Zeffanne (1994) posits that “the answer to the question of employee commitment, morale, loyalty and attachment may consist not only in providing motivators, but also to remove demotivators such as styles of management not suited to their context and to contemporary employee aspirations”. For instance, bad management prowess of a first line supervisor in an organisation could result in higher turnover of employees. A management style that encourages employee involvement can help to satisfy employee's desire for empowerment and demand for a commitment to organizational goals. Gaertner (1999) argues that “more flexible and participatory management styles can strongly and positively enhance organizational commitment”. Organizations need to ensure that their management strategies are aimed at improving employee commitment rather than compliance (William & Anderson, 1991). The third hypothesis is stated:

H3: Management style has a positive relationship with employee commitment

Work Environment

The working environment is also identified as another factor that affects organizational commitment. One of the common working environmental conditions that may influence organizational commitment positively is partial ownership of a company. Ownership of any kind gives employees a sense of importance and they feel part of the decision-making process (Klein, 1987). This concept of ownership which includes participation in decision making on a

new development and changes in the working practices, creates a sense of belongingness (Armstrong, 1995). A study conducted by Subramaniam and Mia (2001) also indicates that managers who participate in budget decision-making tend to have a high level of organizational commitment. Another factor within the work environment that may affect organizational commitment is work practices in relation to recruitment and selection, performance appraisal, promotions and management style (Meyer and Allen 1997). A study conducted by Metcalfe and Dick (2001) concluded that inappropriate selection and promotional method could be the reason for the low level of organizational commitment shown in the behaviour of constables.

H3: Work environment has a positive relationship with employee commitment.

Positive Relationships

The organization as a workplace environment is built up of working relationships; one of which is the supervisory relationship. According to Randall (1990, p 370) “the supervisory relationship can affect organizational commitment either positively or negatively”. a positive supervisory relationship depends on how work-related practices such as performance management are being implemented in the organization (Randall, 1990). When individuals find the supervisory relationship to be fair in its practices, they tend to be more committed to the organization (Benkhoff, 1997). Other work relationships such as teams or groups which exist in the workplace can affect organizational commitment. Organizational members can demonstrate commitment when they are able to find value through work relationships (Mathieu & Zajac 1990). Brooke, Russell, and Price (1988) state that “employee commitment and attachment to the organization can be increased through efforts made to improve the organizations social atmosphere and sense of purpose”. in essence, when work relationship reflect mutual respect to individuals, they are able to commit themselves to the organization.

H4: Positive Employees Relationship has a positive significant relationship with organizational commitment.

Pay and Reward

Its no news that employees may remain with an organization because there are constraints against leaving and incentives for staying. Organizations have to provide a succinate environment that increase commitment. One of the major reasons why people within an organization is because staying the organization makes sense economically. Compensation or pay establishes perpetuation of the employment relationship because it is the only credence of the relationship. Organizations’ that add on benefits are establishing the foundation for richer forms of commitment by producing a need for the relationship (i.e.creating dependence). A Study conducted by Grover & Crooker (1995) examined the relationship between the availability of family responsive benefits and affective organizational commitment. They found a positive correlation between the availability of family responsive benefits and commitment. Similarly, Cohen & Gattiker (1994) investigated the connection between organizational commitment and rewards, operationalised as actual income and satisfaction. They concluded that commitment was more strongly related to pay satisfaction than to actual income. In summary, it can be conclude that pay and reward has a strong tenacity to increase organizational commitment. The last hypothesis is stated:

H5: Pay and reward has a positive significant relationship with organizational commitment.

RESEARCH MODEL

Drawing from related literatures, a research model has been designed to represent the relationship between knowledge sharing and self motivation, self efficacy, self worth, self concept .

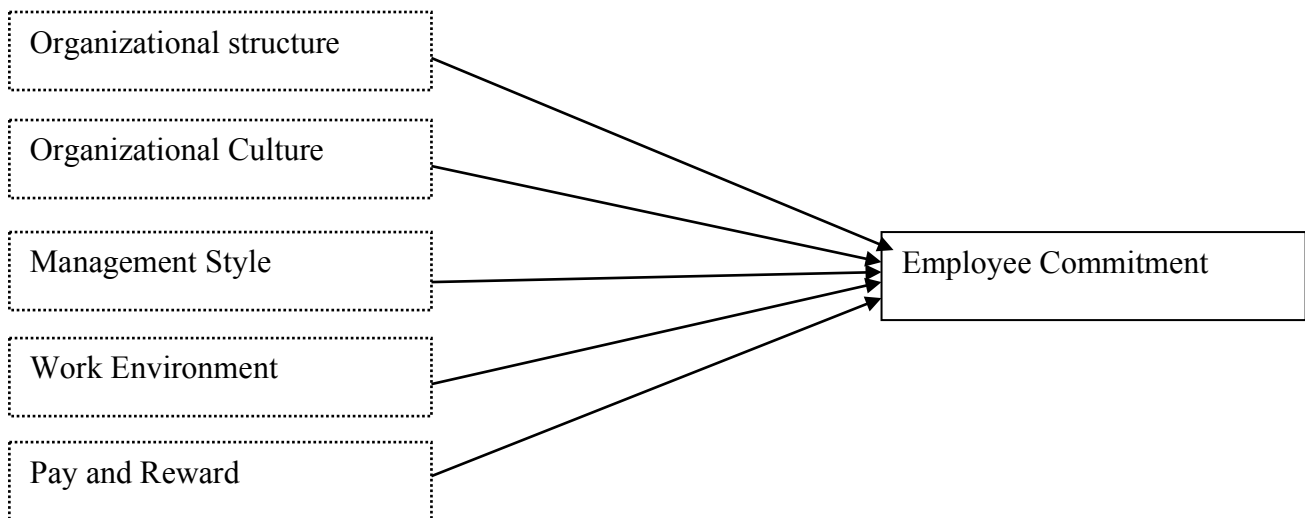


Fig. 2.1 Relationship between organizational factors and employee commitment

METHODOLOGY

Proposed Empirical Test

The researcher proposed an empirical study to test the suggested hypotheses. A questionnaire can be used to collect data on organizational variables i.e., Management style, reward and pay, organizational structure, work environment, positive relationship and dependent variable i.e., organizational commitment. Each item used to measure the construct will be on the 5 points Likert scale ranging from strongly agree to strongly disagree. The questionnaire consists of part A and part B. The part A may capture the respondent's demographic variables, which include: Age, Gender, Tenure, and Level of education and Position. These would be closed ended questions where a respondent only has to choose from the list of categories attributed to them. Part B would consist of 25 Likert scale questions, 5 questions for each of the variables. That is the independent variables and the dependent variable i.e., Management style, reward and pay, organizational structure, work environment, positive relationship and the dependent variable which is organizational commitment. Multiple regression is proposed as the statistical technique that would be used to test the relationships.

CONCLUSION

Individual employees would be committed only when managers begin to create a friendly working environment, good leadership style, reward and recognized employees as they deserve. Practical implication of the study's result would be discussed in further studies.

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