

Factors Influencing Organization Commitments: A Review of Recent Study

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Abstract:

This conceptual paper samples some of the studies conducted on organizational commitment. With fast changes happening in geometric rate, that causes changes in almost everything, including perception and nullification of certain rules that holds some years back. The author's objectives are to verify the claim of some theories such as Leadership-Member-Exchange (LMX), Two Factor Theory, and Maslow. It is observed from the study that despite the global changes in the theory or model still holds. Employees' job satisfaction has a strong positive relationship with or without organization commitment intervening. Most studies also conclude that job satisfaction and organizational commitment have an adverse correlation to employee turnover. However, study by Genevičiūtė-Janonienė and Endriulaitienė (2014) suggests that based on the approach in which commitment is investigated. It can also have an inverse correlation with organizational performance if viewed from "change approach".

Keywords: Organizational Commitment, Job Satisfaction, Employee Turnover, Managerial Support

INTRODUCTION

Organizational commitment is not a new construct in Human Resource (HR) Organizational Behavior's (OB) study. It has long been examined with diverse theories as well as concepts. Although commitments can be viewed from two perspectives that are, employees' obligations (loyalty) toward an organization, and organization or firm's commitment to employee or customer. Investigating employees' commitments which are conventional norms among previous studies, factors such as job characteristics Bashir and Ramay (2008), job satisfaction Malik, Nawab, Naeem and Danish (2010), workforce stability Nguyen, Mai and Nguyen (2014) among other factors was concluded to influence organizational commitment. Additionally, in the 1990s' when there are "only a few scholars", theories like two-factor theory, Maslow hierarchy of needs and so on to explain better how employees' satisfaction leads to loyalty. Most of the study, then gives a similar conclusion on organizational commitment. However, at present, everything has changed. Evidence of rapid globalization and the emergence of new fields such as entrepreneurs, among the few factors create alternatives for employees to choose either to be employed or to establish a new firm. With this, it is deemed necessary to

revalidate the previous claim by reviewing the conclusion of recent studies. This investigation utilizes studies from the year 2010 – 2015 to verify if previous conclusion holds or there are conflicting results. If there are conflicting results, the factors responsible for it, as discussed by the author will be investigated. This present study will be examining three variables that proposed to influence organizational commitment which are Job satisfaction, managerial support and employee turnover as the main independent variables.

Studies before the year 2010 will not be reviewed because they are presumed to be confirmed, from those studies also, the models employed today were formulated.

ORGANIZATIONAL COMMITMENT DEFINITION

Several definitions has been posited by various scholars, irrespective of all these definitions Modway, Steers and Porter (1979) categorizes all these into “evident” that is being “bound by actions”, attitude occurs when individual personality relates (or is linked) to an organization, with anticipation of maintaining the organization’s objectives. Defining this, they said commitments are more than a mere loyalty as it entails relationship exchange between the organization and the employee that warrant reward or compensation from the organization. Moreover, the organization's commitment had been thoroughly investigated with the use of Meyer and Allen three component model.

JOB SATISFACTION AND ORGANIZATION COMMITMENT

Studying organizational commitment in any field, job satisfaction is one of the constructs being examined. A study by Malik et al., (2010) on “Job Satisfaction and Organizational Commitment of University Teachers in Public Sector of Pakistan”; The result attests to the ancient 2 factor theory which concludes that to boost employees’ (teachers) commitment, increase effectiveness and efficiency, both satisfies and dissatisfying factors must be considered by a school’s administrators, policy makers. Likewise, a study by Aydogdu and Asikgil (2011) concludes job satisfaction to have a positive correlation with three scopes of organizational commitment. Job satisfaction is said to be influenced by what Herzberg classified as hygiene factors (fringe benefits, job security, vacations good pay and so on; motivators (work challenges, job opportunities, and individual’s achievement recognition and so on).

Furthermore, not do literatures investigate job satisfaction as a standalone IV. Scholars do investigate the relationship between job satisfaction and organizational commitment (Lumley, Coetzee, Tladinyane & Ferreira 2011). The results of the study by these scholars in the South African context after employing stepwise regression and correlation analysis, they conclude that there is a positive relationship between the two variables confirming above claim.

Viewing job satisfaction from other perspectives that work and family balance; employees not only feel satisfied with what they earn but with how they were able to manage their work and family time. An investigation by Agarwalaa Arizkuren-Eletab, Castilloc, Mun~iz-Ferrerd and Gartziab (2014) comparing employees of three countries concludes that employees’ favors career that were able to balance the conflict between work and family.

Conclusion on Job Satisfaction on Organizational Commitment

Form studies reviewed, it can be deduced that job satisfaction is a strong indicator of the organization's commitment from the employees' side irrespective of their context or work nature. Having positive correlation which is mediated by the reward system (intrinsic and extrinsic), logically, from the literatures, it can be deduced that the higher the employees' job satisfaction the higher their commitments while if on the other hand employee low job satisfaction results to high employee turnover. Although it should be kept in mind that job satisfaction is not the only factor that contributes to high turnover. This will be illustrated later in this study.

In the same view, Ahmad, Iqbal, Javed and Hamad (2014) conduct study on employees in the banking sector in this case using job satisfaction as dependent variable. They try to investigate the relationships that exist between organizational commitment, employees' performance and Job satisfaction. Their study affirms similar investigations in other industry with organizational commitment, as well as, job satisfaction and employees' performance.

However, despite the positive relationship that was confirmed by scholars, Genevičiūtė-Janonienė, Endriulaitienė (2014), investigating the negative side of employees' commitment suggests that in terms of changes, results from their analysis revealed a negative relationship between organizational commitment and organizations itself. This shows that employees who are committed are mostly a resistance to needed changes in the organization.

Proposition 1: Employee's job satisfaction is strongly correlated to organizations' commitment.

Managerial Support

Supports given by firm management vary across organizations as well as industry and in ways it has an influence on commitment perceived among employees. Theories such as LMX, Maslow, as well as Two-Factor theory among other theories are being used in previous investigations. It is noted in previous studies that received support by employees from management motivates and create a conducive environment for employees. Recent times, Yuan & Ning (2014) attests to this claim with an investigation conducted on 238 Chinese employees. His study concluded that perceive supervisor support (managerial) and organizational commitment is highly stable and positive in nature. Addition to this, research from Latif and Gulzar (2011) confirm the study discussed above in another dimension conducting their investigation after downsizing and morale are low among employees in the telecom industry in Pakistan. Their study reveals that managerial support in the form of organizational supervisory body support helps in getting more employee motivation resulting in an increase in their commitments. Adding to this, they posit that managerial support (supervisory) mediates the relationship between organizational supports and commitment.

Proposition 2: Good managerial supports enhance employees' motivation towards job commitments.

Employee Turnover

However, from the investigation made by Aydogdu and Asikgil (2011), their conclusion states that there exists an adverse relationship between employee turnover and job satisfaction. Employees' turnover and organizational commitment construct have been studied in numerous

ways that are organization commitment predicting employee's turnover and vice versa. Likewise organizational commitment mediating between Human Resource Practice and employee's turnover; Study by Guchait and Cho (2010) posits that OG is partially moderated by HR, also, the perception of employees has lots to do in committing their self to that organization. Suggesting that better perception about an organization from employee translation to their intention to leave or stay. Investigating causes of employees' intention to quit a certain job, Singh and Singla (2014) posits that unfavorable organization, politics have a negative relationship with job satisfaction leading to high intention to leave.

Furthermore, investigation made by Gormley and Kennerly, (2011) examining turnover intention among nurses; it is concluded by the author that among the factor that causes high turnover rate is a low organizational commitment that result in low morale as a result of low job satisfaction.

From the above discussion, studies signify that weak employees' morale leads to low job satisfaction resulting from low commitment triggering employees' high intention to quit their job.

Also, using Leadership-Member-Exchange (LMX) theory with the mediating effects of organization commitment on employees' turnover; it is observed that only 40% of LMX could explain organizational commitment while there is a negative relationship between organizational commitment and employee turnover.

Going with the study of Yuan, Yu, Li, Ning, (2014), they conclude that comparing present employees' commitment to the previous, employee are less committed to their job and these can be a great loss to the company as manpower is among the competitive advantages a firm has.

Proposition 3: Employee turnover has high inverse relation to job satisfaction and also negatively related to job commitment.

Discussion, Conclusion and Recommendations

Employee's commitment can be said to be inconclusive depending on the point of view. The results of being both positive and negative are logical enough to ponder on. On a general note, employees commitment towards organization is good as it adds to their competitive advantage, Yuen and Ling (2014) using RBV theory. On the other hand investigation conducted by Genevičiūtė-Janonienė and Endriulaitienė (2014) reveals otherwise if employees' commitment is study on change perspectives

In sum, evidence shows, irrespective of industry and or organization, employees' commitment are influenced by the same factors. Validating "ancient models", and relating it to present dynamic changes Influenced by globalization, studies prove that those models are still valid. However, for these theories to be strong enough to capture nowadays situations, an update is needed to categorize some non-existing relationship than to the model.

It is observed that Job satisfaction is the main factors influencing organizational commitments having a negative correlation with employees' turnover. Likewise, organizational/managerial supports or company's politics play a vital role in enhancing employee's motivation, especially

during the unfavorable economic condition that require downsizing. In sum, to gain full employees' commitment and minimize turnover rate, they must be satisfied with their job. Managerial supports must be there for them in terms or training and development, encouragement and so on. This was proven by past and current literatures. Additionally, going by Resource Based View Theory, Yuen and Ling (2014) viewed employees' commitment as the greatest asset that any organization can have. More to this they said some factors such as an age - group, level of education and years with organization matters in investigating employees' commitments. Further Discussion, to solve this inconclusive stance of employees' commitment in an organization, it will be a wise choice to conduct an empirical study which will investigate employees' commitment on job satisfaction as well as their resistance to change.

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