

Organizational Commitment and Its Effects on Organizational Performance

MohammadAli Kashefi¹, Reza Mahjoub Adel², Hasan Rahimi Ghasem Abad³, Mohammad Bagher Hesabi Aliklayeh⁴, Hojjat Keshavarz Moghaddam⁵, Ghasem Nadimi⁶

123456 MA Student of Management, Islamic Azad University, Rasht Branch, Iran

Abstract

Organizational commitment is an important organizational and job approach that has interested many researchers in fields of organizational behavior in psychology, and particularly social psychology over the past years. Moreover, with respect to recent changes in the area of business such as minimizing and merging companies together, some authorities have declared that the effect of organizational commitment on other prominent variables in management area such as leaving (quitting) job, absence, and performance has decreased and therefore it is useless to examine it. But, some other researchers have not accepted this point of view and they believe that organizational commitment has not lost its importance and can still be subject to research. Perhaps, commitment to group, feeling responsibility to objectives and having a sense of obligation to team requirements may be the accurate meaning of commitment. Commitment to job and work group, especially in hard situations, is more significant and fateful. Perhaps, the best time for evaluating employees' commitment is when difficulties emerge. Of course, the commitment of group's members will be stronger when it is based on human and moral values and also when it has taken place as a result of conscious selection; Because doing affairs under compulsion and imposition will work in opposite direction of commitment.

Keywords: Organizational Commitment, Organizational Performance

Introduction

What seems considerable is the point that commitment to job and work group has no relation to people talent and intelligence; although the level of knowledge and information which exist in members will increase the level of commitment more and more. As we look at managerial changes in the field of human resources, we will find out clearly that paying attention to human in management and organization world has been one the main concerns of management authorities from a long time ago. The attention to human resources has increased gradually to the point that today, manpower are called as customers of organizations; it means that in modern era, the necessity to answer employees' basic needs in each organization is in the first priority, because reaching to the organization's objectives is dependent to the fulfillment of logical and legitimate needs and objectives of human resources. One of the most important needs of employees in an organization is to establish a trust relationship between manager and them. Higher level of trust in organization will lower the costs of evaluation and other control mechanism, and employees will control themselves and will have inner motivations to work. With respect to the fact that building trust will lead to organizational effectiveness and reduction of control and evaluation costs, so the necessity to detect factors which lead to building trust is noticeable. Employees' organizational commitment is influenced by this matter, because if managers are willing to reduce the amount of absence and job departure among their employees, they should take actions that make organization's members to have a positive attitude towards their job, and if lack of trust be dominant in an organization's atmosphere, this positive attitude will disappear gradually. With respect to what mentioned above, reaching to a strong organizational trust is related to establishing a mental relationship in

employees and their commitment to organization consequentially. In this article we try to understand what commitment is, and we will study approaches in which we can enhance it in relation to organizational performance.

Different definitions of commitment

Commitment is an attitude about employees' loyalty towards organization and it's a continuous process that show itself by individuals' participation in organizational decisions, paying attention to members, and organization's welfare and success. Liman.W.Porter and his colleagues have defined organizational commitment as relative level of defining individual's identity in relation to organization and his participation in it. Based on this definition, organizational commitment includes three factors:

1. Accepting organization's objectives and values
2. Having tendency towards strong effort for organization
3. Having strong tendency to continue membership in organization

Many studies have been executed about organizational commitment that the most significant ones belong to Meyer and Allen. They suggested different kinds of commitment as following sentences:

Emotional commitment: it refers to employees' emotional concern about organization, their sense of solidarity with organization, and their active presence in it. Usually, employees who possess organizational commitment are willing to remain in organization and this is one of their desires.

Continuous commitment: this kind of commitment is about costs and benefits which are related to remaining in or quitting organization. In fact, this commitment suggests a kind of calculation which is referred to as rational commitment and expresses that quitting organization will have exorbitant expenditures for employees.

Normative commitment: it refers to employees' obligation to remain in organization. Therefore, employees will remain in organization until they believe that remaining in organization is appropriate and accurate based on their opinion.

Organizational commitment is defined as individual's positive or negative attitudes towards the whole organization in which they are working.

Organizational commitment is a state in which employee considers the organization and its objectives as his indicator and has a desire to remain in organization's membership (Dennis,1998).

Porter and his colleagues define commitment as relative level of defining individual's identity in relation to organization and his involvement in a specific organization.

Commitment is composed of three components:

1. Having strong tendency to remain in an organization
2. Having tendency towards ample efforts for organization
3. Accepting organization's objectives and values

There are many definitions about commitment. We can consider commitment as a kind of obligation which limit individual's free will (Oxford Dictionary, 1969). There are many reasons why an organization should increase the level of commitment in its members (Blanchard,1999). First, organizational commitment is a new concept and generally is different from independence and job satisfaction. For example, nurses may like their work, but they may be dissatisfied with the hospital which they work in it. In this case, they will look for similar jobs in other similar environments. On the contrary, at a restaurant, waiters may have a positive feeling about their work environment; but, they may dislike waiting at the tables or generally their job .Second, researches have indicated that organizational commitment has a positive relationship with some outcomes such as job satisfaction ,presence , social organizational behavior and job performance (Meyer, Allen and Smith, 1997) and a negative relationship with tendency to quit job . Most organizations believe that as organization's commitment to employee has decreased, there is an expectation that employee's commitment to organization has been decreased, too. Studies indicated that there is an obvious relationship between organization's supports for employee and employee's commitment to organization.

Furthermore, there are many evidences which suggest that many organizations redeem their employees to reduce costs and therefore enhance their competition abilities in worldwide markets. However, on the other hand, there are evidences which suggest that organizations are looking for high performance and better human resources strategies to increase their employees' commitment, because this can provide higher economic incomes for them. Based on this point of view, employee's commitment is a managerial concept which can result to competitive benefits and financial success. In this point of view, employee's commitment is considered as a competitive strategy (Shaven and Rally, 2003, 24). Employees' organizational commitment has serious and potential effects on organization's performance and can be an important predictor of organizational effectiveness; therefore, ignoring it is damaging to organization and may impose extra costs (Allen,1990).

Moorhead and Griffin (1995) have considered organizational commitment as a sense of identity and individual's dependence to organization. Based on their opinion, commitment will influence on some crucial behaviors like transfer and absence, and may have numerous positive consequences. Employees who enjoy commitment, are more orderly, stay at organization for a longer period of time, and work more.

Buchanan defined organizational commitment as a kind of emotional and excessive solidarity to organization's values and objectives, regardless of its instrumental usefulness.

According to Robins ,“organizational commitment is a state in which the employee considers organization as his indicator and has a desire to remain in it”.

Baker and Counter have defined organizational commitment as “individual's dependence to organization because of his investments in it and marginal benefits which he earns by keeping on his activities in organization”.

Porter and his colleagues consider organizational commitment as follow: supporting organization's objectives, making effort to fulfill its goals, and having tendency to continue its membership . Dory and Ayorson have defined organizational commitment as the level of individual's loyalty to organization. Existing resources present two general outlooks about organizational commitment: the first outlook believes that organizational commitment is an emotional and perceptive affair. Based on this outlook, organizational commitment is “a strong affection for and concern for organization and identifying individual's identity based on it. Conceptually, we can define at least three

factors for organizational commitment: 1- accepting organization's objectives and having a strong belief in it. 2- Having tendency to do ample effort for fulfilling organization's objectives. 3- Having strong tendency to remain in organization and continue its . The second outlook considers organizational commitment as a behavioral affair. This kind of commitment which is called "rational commitment" is based on theoretical works of Baker and Humans. According to this outlook, because of benefits and interests which individuals possess in an organization and investments which they have implemented, they will have affection for organization and are willing to keep on their membership in it (Herbertchis & Siri,2000). Some researchers believe that these outlooks have mutual effects and are changeable to each other. Some forms of commitment can lead to some other ones. This conclusion is consistent with Meyer and his colleagues' findings. Based on studies which have been executed by Meyer and Allen since 1984, they distinguished between behavioral and perceptive dimensions of commitment and presented several definitions for each dimension of organizational commitment.

They believe that there is a correlation between emotional and normative commitment and perceptive dimension, and on the other hand, there is a correlation between continuous commitment and behavioral dimension. According to their point of view, emotional commitment is emotional dependence to organization, expressing identity in relation to organization, and solidarity with organization; normative commitment is defined as a sense of obligation to organization, keeping on the work, and continuous commitment in order to perceive costs and expenditures which an individual will face by quitting organization (Meyer and colleagues, 1989; Allen and Meyer, 1990; Meyer and colleagues, 1998). They believe that "the common point of the triple dimensions of organizational commitment is the relationship between individual and organization, and consequentially decrease of quitting organization" (Allen and Meyer, 1990). Haunt and Morgan looked at organizational commitment from different point of view: micro dimension and macro dimension. In micro dimension level, commitment is defined as commitment to specific organizational groups which include work groups, supervisors, and top management. In macro dimension level, commitment is defined as: commitment to organization as a system. Accordingly, commitment in micro level is not parallel to commitment in big level, necessarily; and it is possible that the existence of strong commitment in micro level leads to weak commitment in macro level (Moshabaki, 2004). Globalization of economy has changed employees' attitude and behavior. With respect to privatization trend, many employees prefer to work in government sector, so to enjoy job security (Macaulary,2006). In current situation, some organizations prefer to pay less, and expect lower commitment from their employees in return .a situation brings up a fundamental question for managers in private and governmental institutions. Whether they should still be trying to absorb their employees' commitment and loyalty towards their organizations, or whether they should implement firing employees and reducing costs in return or more profits and productivity, and accept it in spite of decrease of employees' commitment. While pointing out to September 11 incident in America, Deliria emphasizes on the importance of employing committed staff and considers continuing researches about features and outcomes of employing committed staff in today's ever-changing work environments a critical affair. Some researchers such as Randal have found out that any levels of commitment, from low to high, may have desirable or undesirable effects on an individual and organization. They believe that we should reach a balance between different levels of commitment and the organization's desirable goals. However, the manner of striking the balance has not been detected so far and it seems that the matter needs more studies and reviews.

Different kinds of commitment

Different kinds of commitment have been specified. Heresy and Blanchard have cited five kinds of commitment:

1. Commitment to organization
2. Commitment to people
3. Commitment to job
4. Commitment to self
5. Commitment to customer or client

Summers and Brainboun have divided job commitment into five groups. Based on their opinion, these five types of commitment form a collection, but each of them is a separate perceptive variable which is related to a specific center. These include: 1- Commitment to job 2- Commitment to organization 3- Commitment to work group 4- Commitment to profession 5- Commitment to job values. Chelby considers job commitment as a kind of positive emotional tendency to consider other people's rights in form of accepted moral (social) principals about job and distinguishes between four kinds of job commitment:

1. Relational Commitment
2. Organizational Commitment
3. Professional Commitment
4. Job Commitment, which actually we can consider it as the most common, the oldest, and potentially the deepest form of commitment in job.

Effective variables on commitment

In references and literature review, we have determined that totally 73 variables have been used as independent variables and 6 variables as dependent variables (the outcome of organizational commitment). These variables are categorized into five groups:

1. Background variables include: 23 variables (age, marriage state, education, job profile, social and economical status and ...).
2. Job variables include: 23 variables (job satisfaction, challenging work, conflicting functions, vague and unclear functions, job promotion opportunity, and job security and ...).
3. Organizational variables include: 13 variables (organizational support, organizational equity, organizational participation, leadership, organizational identity and ...).
4. Environmental variables include: 13 variables (job opportunities outside of organization, social equity, union commitment, relational commitment and ...).
5. Variables which are considered as outcomes of organizational commitment include: 6 variables (job performance, tendency to remain in organization, agreement with organizational changes and ...).

Organizational commitment and factors related to performance

Some evidences have shown that there is a strong relation between high levels of organizational commitment and desirable job performance. According to Moady and his colleagues , commitment is a relative level of employee's loyalty to a specific organization and his involvement and participation in it. This definition includes three factors: strong belief in organization's objectives and values, having tendency to make considerable effort for organization, having a strong desire to continue membership in organization. Based on Allen and Meyer opinion, organizational commitment is a mental relationship between an employee and organization that decreases the possibility of his voluntary departure from organization (Allen and Meyer, 1993).

According to Robins' point of view, organizational commitment is a state in which an individual considers organization as his indicator and has a desire to remain in its membership. In other word, commitment is an attitude towards employees' loyalty to organization and it is a continuous process that brings success and welfare for organization by participation of individuals' in organizational decision, and their attention to it. Therefore, with respect to above definitions, organizational commitment has three dimensions. These are what Allen and Meyer mentioned before:

1. Emotional commitment: employees' emotional concern about organization, identifying their identity in relation to it and involving in organizational activities.
2. Continuous commitment: to have a tendency to do continuous activities, based on individual's understanding of costs and expenditures related to quitting organization.
3. Normative commitment: individuals remain in organization, because they think they should remain and they shouldn't quit organization.
4. Employees, who have high emotional commitment, will remain in organization, because they want so; Employees, who have continuous commitment, will remain in organization, because they are have to do so; and employees, who have high normative commitment, will remain in organization, because they think they should do this work (Shannon,2002). Triple dimensions of organizational commitment have some interference with each other, but they are independent and can be taken into account separately. With respect to different researches" there are many factors which have a hand in the level of organizational commitment". Moady, Stirs and Porter have classified these factors into four categories: personal features, job characteristics, job experiences, and structural features.

Factors such as organizational culture, leadership style, and human resources management systems can be used directly or indirectly to improve the level of organizational commitment. In individual level of analysis, organizational commitment can predict behaviors like transfer, absence, organizational membership, and employees' performance .

However, researches which are related to organizational commitment are directed to find out predictions and the outcomes of organizational commitment. In relation to the prediction of teachers' organizational commitment by means of internal and external factors, Richards, Obrien, and Akroy suggest that 2 internal factors and 3 external factors have a meaningful relationship with organizational commitment and may predict it. These researchers point out that managers can enhance the effect of internal factors by modification of external factors in work place. Avomleh reports that when determining effective factors in the growth of organizational commitment, managers should prioritize some variables such as motivation, education level, establishing fair criteria, and job security. Also,

studies have shown that people who work at academic environments and their job is in relation to their educational field, will be potentially motivated to do their job activities. However, external factors which are related to job such as budget, insufficient resources, and poor management decrease their job motivation (Moghimi,2006).

Relation between commitment and employees' quality of life

If organizations be able to improve the level of life quality for their employees and provide such conditions at work place that encourage them to have a sense of justice, development, and enhancement of opportunities in order to express their abilities, then we can see the increase of organizational commitment and the organization's growth and development consequentially. Findings in the area of the connection between each of the dimensions of work life quality and different kind of organizational commitment show that there is a positive and meaningful relation between emotional and normative commitment, and most of the dimensions of work life quality, whereas that there is not such a relation between rational commitment and none of the dimensions of work life quality. In other words, emotional commitment which is related to feelings, interests, tendency and expressing of individual's passions, will increase, if some factors exist in organization; these include: equity in paying, providing opportunity for growth and development, continuous job security, obeying laws and regulations, observing justice and equity, paying attention to society's needs and requirements, having a respect for society, union and solidarity between employees, and providing opportunities for expressing individual abilities. In fact, presence of above mentioned factors increases individual's interest and encourages him to have more motivation for performing the affairs of organization. Normative commitment which is related to the sense of loyalty, keeping on the job and remaining in organization, is influenced by factors such as: observing justice and equity in paying salaries and benefits, presence of necessary opportunities for growth and development and job security, presence of equity and observing regulations in organization, social respect in organization, adaptation of work to personal life conditions, the sense of solidarity between employees. Presence of above mentioned factors in organization will encourage individual to be more loyal to organization. But among different dimensions of organizational commitment, it is only rational commitment that has no relationship with none of the job quality dimensions. This finding may be under the influence of the fact that there are limited job opportunities in society and if an individual quits his job, he cannot provide his life necessities and will be jobless; therefore, he has to remain in his job. In other word, although life quality conditions may not be so desirable, but the individual has to keep on his work, because job opportunities are limited and insufficient. Veremi and Richards have indicated in their studies that normative commitment is one the highest dimensions of commitment among employees, because they experience suitable conditions, organizational and job equity, and also development opportunities in their organization and have more sense of loyalty to the organization, although other job opportunities exist in other organizations and companies for them. Findings related to the relationship of life quality with dimensions of organizational commitment indicate that the sense of interest, tendency, being happy in the work place, concern, dependence to job and satisfaction of work status is influenced by the quality of work life. If this quality improves at organizational level, employees will have more emotional and normative commitment to organization. John Sword (2002) and Larsson and Macleod (2000) have indicated in their studies that if the quality of work life increases for employees, their sense of tendency, interest and dependence to organization will improve, too(Rezaian,1994).

The relation between empowerment and commitment

Many researchers have studied about empowerment of employees. These studies and reviews have been executed with respect to components of empowerment, the manner of empowerment and also the importance of empowerment in increase of job satisfaction and commitment. In a study, Jane, Shannon and Osborn (2002) reviewed dimensions of empowerment, i.e. being meaningful, choice, competence and effectiveness. They also examined how these dimensions are separately related to organizational outcomes. These outcomes include: organizational commitment job satisfaction and having tendency to quit job. The results showed that psychological empowerment has a meaningful and positive relation with organizational commitment (Shannon and Jane, 2002). In a separate study, Liu and his colleagues (2007) examined whether having an understanding of work place potential is a background for organizational commitment? The results indicated that when understanding of work place potential increases, organizational commitment will develop, too. Also, findings have shown that empowerment's relation with emotional commitment is more stable than with continuous commitment. Somech and Bogler (2004) reviewed the relations between teachers' competences and professional and organizational commitment and their citizenship behaviors. Pierson and Regression have shown that teachers' understanding of the level of their competences has a meaningful relationship with the sense of commitment to organization and profession and citizenship behaviors (Bogler and Somech, 2004). On the other hand, increase of job satisfaction will lead into stronger organizational commitment in individuals and as increase of job satisfaction has a direct relationship with the decrease of employees' transfers, therefore we can expect that empowerment will lead into the decrease of transfers (Dennis, 1998).

Conclusions

Some social psychologists believe that social pressures and group standards have often more effects on individuals' behavior in organizations than formal policies. Therefore, development of informal mechanism such as involvement culture is a central and fundamental basis to enhance the level of commitment in work place. Of course, we should mention that emergence and development of involvement culture will take place via socialization process. Socialization is a process in which new members of organization learn behaviors which are accepted and laudable by other members of the organization and pass necessary training courses in this area. So, paying attention to involvement culture in organization may also be influential in enhancing employees' commitment. manpower are the most valuable assets for organizations and as better quality be provided for manpower, organization's development, survival and success will be more. Thus, we should make ample effort to improve manpower quality, because this action is to the advantage of both organization and individuals. This action is not limited to specialized training, but it includes improvement of attitudes and modification of individuals' values, too. As we know, if organization's members accept its values more and more, and have more sense of concern about organization, and feel responsibility to make effort for implanting its objectives, the possibility of organization's success will be higher; on the other hand, the most prominent and determining factor in organization's success is the manner of its performance. Therefore, we should try to detect related and effective factors which influence on employees' performance and improve them. As you can see in figure (1), one the main factors of organization performance, is individual's insight and values.

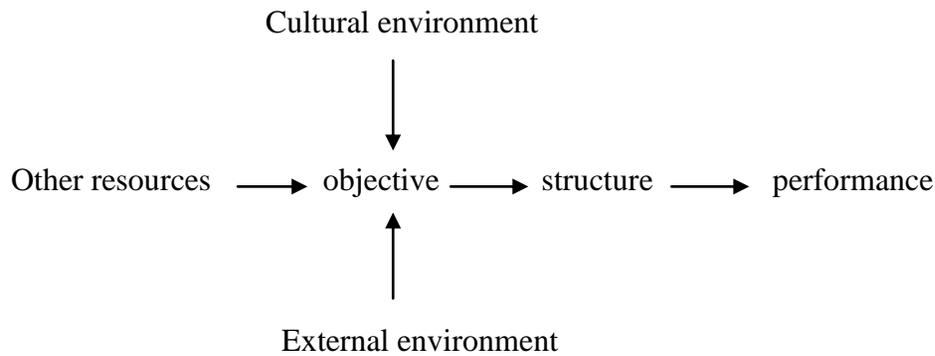


Figure 1: The main factors of organization performance

On the other hand, commitment is individual's inner attitude (insight) towards organization, job or group which is effective in his judgments, performance and loyalty to the organization. The level of employees' loyalty to organization is influential in its survival and this matter depends to the organization's nature. If this organization has to do with financial and human affairs and sensitivities like these, the importance of employees' commitment to the organization will be much more. It is necessary for Organizations to have committed employees in order to be able to trust them and compete with other organizations. Single dimensional or multi dimensional outlook of different researches which are executed about the relationship between employees' organizational commitment and their personal features and job characteristics shows that there is a meaningful relationship between some personal features and job characteristics and organizational commitment.

References

- Allen ,N.J. &Meuer J.P. (1990). The measurement and antecedents effective continuance and normative commitment to the organization. *Journal of Occupational Psychology*,63,1-18.
- Allen, N. Meyer, J. (1997), *Commitment in the Workplace: Theory, Research and Application*, Sage, Newbury Park, CA.
- Blanchard, P.(1999).*Organizational management behavior*. Translated by Kabiri, Gh, Tehran, Jihad daneshgahi institute.
- Dennis ,G.(1998). Here today gone Tomorrow. *Corrections Today*, 60(3)12-36
- Herbertchi, H., Siri, G.(2000).*Theories of organizational management, elements & process*, 2 nd ed , Tehran, Doran Nashr.
- Moshabaki, A.(2004). *Perspective of organization. A review on valuable work of Geret Morgsan about organization and its metaphors*. 1th , Tehran, management faculty of Tehran University press.
- Moghimi, S. M. (2006). *Organization and management, research approach*,4th ed. Tehran, Termeh publication.
- Morhead, B & Grefin, H.(1995). *Organizational behavior*, translated by Dr Alvani, et, al. 1st. Tehran, Morvarid publication
- Macaulay, M & Lawton, A.(2006). *From Virtue To competence: Changing the Principles of Public Service*, *Journal of public administration Review*, September / October 2006
- Rezaian, A. (1994). *Principles of Construction Management*, Tehran, SAM publication.
- Shannon, O. J.(2002),*components of empowerment and how they differently relate to employee job satisfaction ,organizational commitment and intent to leave the job*,pp1-2