

Solely Impact and Influence of Antecedent Variables on Affective, Continuance and Normative commitment among Saudi employees working in Banking Sector

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Abstract

In the light of previous findings the present study is proposed to measure the impact and influence of each factor (work setting, job security, compensation fulfilment and Participation in decision making) on Affective, Continuance and Normative commitment among Saudi employees working in banking sector. A random sample of 180 development bank employees in Jeddah was selected and disseminated a survey questionnaire. Linear Multiple Regression was applied to confirm whether the independent variables have strong and significant relationship with the dependent variables. The analysis showed positive correlations between the dependent and independent variables. The findings of the current study indicated that job security has strong and significant relationship affecting continuance commitment and that work setting has a strong and significant relationship on normative commitment at the individual level. Compensation fulfilment has a significant but low impact on affective and have inverse relationship with continuance commitment and does not totally influence towards normative commitment. Participation commitment is the only variable which does not influence affective, continuance and normative commitment altogether.

Furthermore, the study tries to find out the significant and positive impact of demographic variables i.e. Gender, Age, Marital and Nationality on work setting, job security, compensation fulfillment and participation in decision making. Multivariate analysis of variance (MANOVA) result indicates that gender has a significant effect on work setting, job security, compensation and participation in decision making. Whereas, the test confirmed that nationality has a significant effect on work setting, compensation and participation in decision making and does not have any significant effect on job security. Age and Marital status does not have any significant effect on work setting, job security, compensation fulfilment and participation in decision making.

Objective: The research objectives are (1). Measure how independent variables i.e. Work setting, Job security, Compensation fulfilment and participation in decision making having individual impact on Affective, Continuance and Normative commitment. (2). Impact of demographic variables i.e. Gender, Age, Marital status, Nationality on Independent variables.

Keywords: Work settings, Job security, Compensation fulfilment, Participation in decision making (Membership), Affective, Continuance and Normative commitment.

Introduction

The conception of commitment within the workplace remains one amongst the most challenging and explored concepts in the fields of industrial sociology, management, business & public administration, and HRM. Several studies have been conducted to explore the model of organizational commitment (OC). Although there have been numerous definitions and measures of OC, Meyer and Allen's (1991) three-component model of OC has been the leading framework for organizational commitment research in the past decade because it is based on a more comprehensive understanding of OC. The three-component model consists of: (a) affective commitment (AC) is the employee's positive emotional attachment to one's organization, (b) continuance commitment (CC) is "Fear of Loss" when employees start weigh up the pros and cons of leaving the organization and, (c) normative commitment (NC) occurs when employees feel a sense of obligation towards their organization even if they are unhappy in their current role. This study is an attempt to check the association of four factors which are positively and significantly related towards affective, continuance and normative of banking sector employees in Saudi Arabia. It is imperative as suggestions may be given to the banking sector in order to bring an awareness of the commitment level of employees. Gaining awareness of commitment level and the respective influencing factors will minister to concentrate on increasing the commitment of employees.

Numerous studies have been conducted widely in banking organizations in other parts of the world yet not studied in the same way in Saudi Arabia. Many studies focus on several factors influencing organizational commitment at aggregate level and none of them were researched which indicates that how independent variables (work setting, job security, compensation fulfillment and participation in decision making) have solely impact on Affective, Continuance and Normative commitment on banking employees. Therefore, this piece of research is intended to explore antecedents of organizational commitment among Saudi employees working in banking sector. It is very important to understand that which independent variable is having a high and a low impact and shows significant relationship with Affective, Continuance and Normative commitment at individual level among banking employees which could subsequently enhance their performance.

Literature Review

Organizational Commitment

The success of the organization does not only depend on how it develops employees' proficiencies but also how it enhances individual commitment toward the organization as per Beukhof et al. (1998); Thornhill et al. (1996). Organizational commitment has been evidenced to be valuable for the employees and the organization such as it enhances feeling of belongingness, job security, good work setting, better compensation and more intrinsic rewards by Rowden (2000). According to Buchanan (1974), define "Commitment act as a bond between an employee and the organization he is working for". The strength of this bond is

dependent on various factors. This research will try to find the relation of some of these factors with organizational commitment. Organizational commitment has a strong relation with the employee behaviour. If an employee is committed to an organization, it would reduce the chances or occurrences of absenteeism and turnover (Igbaria and Greenhaus, 1992). Commitment refers to an employee's willingness to work positively in an organization and his continuance to work for it as recommended by Mowday et al. (1982). Figure 1 shows three dimensional constructs as affective, continuance and normative commitment.

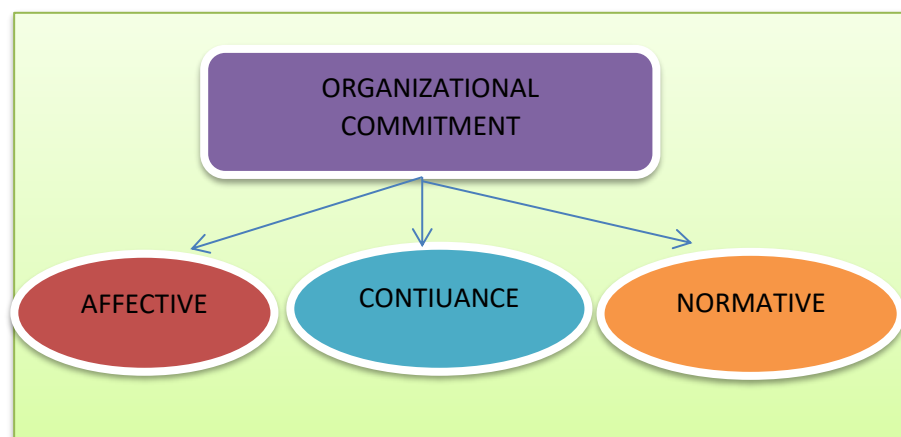


Figure 1: Three dimensions of Organizational Commitment/Mayer and Allen (1991).

Meyer and Allen (1997) argued that one can achieve a better understanding of an employee's relationship with organization when all three forms of commitment are considered together. These components have also been found to correlate differentially with variables purported to be antecedents of commitment by Allen and Meyer (1993); Lok and Crawford (2004); Meyer et al.(2002); Park and Rainey (2007); Shore and Tetrick (1991). Each component develops as the result of different experiences and has different implications for on-the-job behavior and performance as suggested by Hackett et al. (1994); Meyer and Allen (1997); Randall et al. (1990); Park and Rainey (2007); Shore and Barksdale; (1998); Wasti (2003); Wasti and Can (2008). It is postulated that employees with low affective commitment will decide to leave an organization or association, while employees with a high affective commitment will stay for longer periods, as they believe in the organization and its main goal. Continuance commitment presumably develops as employees recognize that they have accumulated investments or side-bets that would be lost if they were to leave the organization or as they recognize that the availability of comparable alternatives is constrained. Finally, normative commitment develops in response to various pre-entry experiences, and as the result of socialization experiences that emphasize the appropriateness of remaining loyal to one's employer.

The various researches showed tremendous literature on organizational commitment which has a positive relationship. In this study four factors are considered which are described in subsequent paragraphs.

Work setting

Work setting is related to the atmosphere in which an individual works in an organization. Individual join organization in order to fulfil his/her needs and desire; and would expect a good work setting where they are nurtured, reinforced, supported to meet their desired

needs as suggested by (Steers,1997). Organization should promote good work setting and employee participation, engagement activities so that sociable relations can improve between the employees; and in turn, their commitment towards the organization excels as noted by (Kirmizi and Deniz, 2009). High performers' employees need a competitive work setting whereas low performer employees are more comfortable in a less pressurized work setting.

Job security

Job security is one of the most important factors which affect the employee's commitment towards organization. An individual will be more committed to his job and organization, if he feel himself secure. Employees' do not fancy risks and are willing to stay in an environment that provides satisfaction rather than optimized change (Kirmizi and Deniz, 2009).

Compensation fulfilment

Compensation is the amount of money or payment received by employee in rendering his services to the organization. Compensation comprises of monetary and non- monetary returns. The degree of an employee's commitment towards an organization also depends on the extent of financial and personal rewards. If the organization is not able to fulfil the desired financial needs according to their employees experience and qualification then individual will be less committed to the organization as suggested by (Steers, 1977).

Participation in decision making (Membership)

Participation of employees in the decision-making process and involving them in organizational plans and goals setting has positive impact on the employees' commitment towards the organization (Kirmizi and Deniz, 2009). Higher employee participation leads to higher employee performance and organizational commitment in general (Meyer and Allen, 1991).

Previous researchers have studied the specified antecedents of organizational commitment as a complete unit and did not measure the tools of organizational commitment (Affective, Continuance and Normative commitment) at the individual level. In the light of previous findings the present study is proposed to measure the impact and influence of each factor (work setting, job security, compensation fulfilment and Participation in decision making) on Affective, Continuance and Normative commitment among Saudi employees working in banking industry. Furthermore, the study tries to find out the significant and positive impact of demographic variables on (Gender, Age, Marital and Nationality) on work setting, job security, compensation fulfillment and participation in decision making.

Following hypotheses are drawn from the above review literature:

1. There is a positive and significant relationship between work setting, job security, compensation fulfilment and Participation in decision making with Affective, Continuance and Normative commitment.
2. There is a significant and positive impact of work setting, job security, compensation fulfilment and Participation in decision making on Affective commitment.
3. There is a significant and positive impact of work setting, job security, compensation fulfilment and Participation in decision making on Continuance commitment.
4. There is a significant and positive impact of work setting, job security, compensation fulfilment and Participation in decision making on normative commitment.

5. There is a significant and positive impact of demographic variables (Gender, Age, Marital Status, and Nationality) on independent variables.

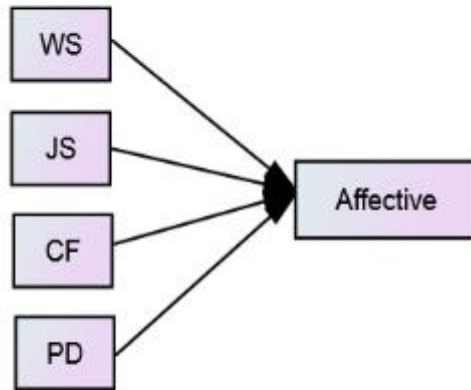


Figure 2: hypothesized relationship of Affective commitment with Work setting, Job security, Compensation fulfillment and Participation in decision making

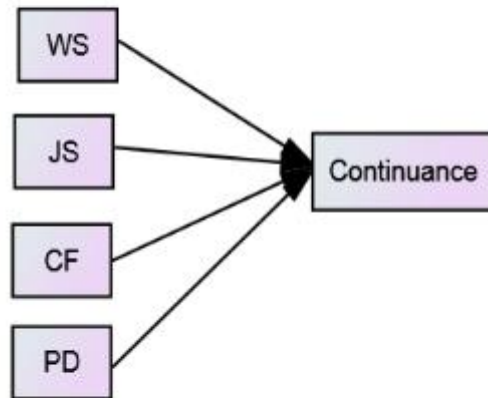


Figure 3: hypothesized relationship of Continuance commitment with Work setting, Job security, Compensation fulfillment and Participation in decision making

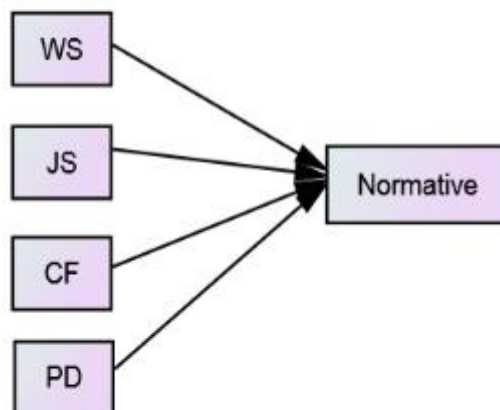


Figure 4: hypothesized relationship of Normative commitment with Work setting, Job security, Compensation fulfillment and Participation in decision making

Methodology

Sample and data collection

The sample in this study consisted of employees for both male and female working in the banking sector in Saudi Arabia. 200 questionnaires were distributed to the bank employees and a response of (n=180) usable questionnaires were returned with complete information.

Questionnaire design

The revised TCM employee commitment survey was developed by (Allen and Meyer, 1996) was used to measure affective, normative and continuance commitment at individual level. It includes three well-validated scales, the Affective Commitment Scale (ACS), the Normative Commitment Scale (NCS) and the Continuance Commitment Scale (CCS). In the revised survey there are six statements for each scale. There was another set of 26 items in total representing work setting, job security, compensation fulfilment and participation in decision making.

The questionnaire consists of two parts: the first part was divided into five appendixes. Appendix 1- includes 18 items consisting of organizational commitment (affective, normative and continuance), appendix 2- includes 7 items of work setting, appendix 3 – includes 7 items of job security, appendix 4 – includes 5 items of compensation fulfilment and appendix 5 – includes 7 items of participation in decision making. All items are measured by using 7-point scale ranging from 'strongly disagree' to 'strongly agree'. The second part of the questionnaire consisted of the respondent's demographic profile.

Results And Analysis

Table 1 –

Demographic Profile (Sample Size = 180)

	N=180	
Percentage		
Gender		
Male	162	90
Female	18	10
Age		
20 – 30 years	59	32.8
31 – 40 years	63	35
41 – 50 years	25	13.9
Above 51 years	33	18.3
Qualification		
Graduate	100	55.6
Master's	60	33.3
MS	5	2.8
Ph.D	9	5
Others	6	3.3
Nationality		
Saudi	45	25

Non - Saudi 110 61.1

**Marital
Status**

Married 122 67.8

Single 33 18.3

Note: Source from Survey

Table 2 –
Mean, Standard Deviation & Pearson Correlation

	Mean	SD	MWS	MJS	MCF	MPD	MAC	MCC	MNC
MWS	4.639	1.074	1						
MJS	4.461	1.106	.705	1					
MCF	4.569	1.391	.673	.548	1				
MPD	4.837	1.272	.689	.515	.711	1			
MAC	3.887	0.621	.332	.262	.322	.235	1		
MCC	4.194	1.221	.357	.545	.058	.137	.189	1	
MNC	4.625	1.130	.680	.598	.411	.405	.268	.475	1

Note: ** Correlation is significant at the 0.01 level (2- tailed). * Correlation is significant at the 0.05 level (2-tailed).

MWS = Work Setting, MJS = Job Security, MCF = Compensation fulfilment, MPD = Participation in decision making, MAC = Affective commitment, MCC = Continuance commitment, MNC = Normative Commitment.

The model in figure 2, figure 3 and figure 4 was tested using multiple regression at the individual level. The framework model indicates that all the four antecedents (work setting, Job security, compensation fulfilment and participation in decision making) are strong predictors of organizational commitment i.e. (Affective, Normative and continuance commitment).

At Individual level – Linear Multiple Regression was applied to confirm whether the independent variables have strong and significant relationship with the dependent variable. Table 3 shows that compensation fulfilment has significant relationship but low impact on affective commitment. However, the other independent variables i.e. work setting, job security, and participation in decision making does not have significant relationship with affective commitment.

Table 3
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.973	.209		14.238	.000
	MWS1- Worksetting	.132	.070	.229	1.889	.061
	MJS1- Job security	.016	.056	.029	.289	.773
	MCF1- Comp	.097	.048	.218	2.013	.046
	MPD1- Participation	-.045	.054	-.092	-.840	.402

a. Dependent Variable: MAC1- Affect

The outcome showed in table 4 confirms that work setting have a significant relationship and have low impact on continuance commitment. Job security has strong and significant relationship affecting continuance commitment. The result also shows that compensation fulfillment has significant and inverse relationship on continuance commitment and participation in decision making does not have significant relationship on continuance commitment.

Table 4
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.775	.342		5.182	.000
	MWS1- Worksetting	.238	.115	.209	2.071	.040
	MJS1- Job security	.710	.092	.644	7.689	.000
	MCF1- Comp	-.346	.079	-.394	-4.361	.000
	MPD1- Participation	-.056	.088	-.059	-.641	.522

a. Dependent Variable: MCC1-Continuance

Table 5
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.152	.288		4.003	.000
	MWS1- Worksetting	.652	.097	.620	6.753	.000
	MJS1- Job security	.258	.078	.253	3.329	.001
	MCF1- Comp	-.059	.067	-.073	-.892	.373
	MPD1- Participation	-.089	.074	-.100	-1.209	.228

a. Dependent Variable: MNC1-Normative

The above table 5 indicates that work setting has a strong and significant relationship on normative commitment. Job security has a significant relationship but low impact on normative commitment. The other two variables i.e. compensation fulfillment and participation in decision making does not have significant relationship on normative commitment.

From the above analysis it is showed that Job security has strong and significant relationship affecting continuance commitment and that work setting has a strong and significant relationship on normative commitment both at the individual level.

At Aggregate Level – The results below indicate that work setting and job security has a moderate and significant relationship on overall organizational commitment. It is also showed that compensation fulfillment has significant inverse relationship and participation in decision making does not have significant relationship on complete organizational commitment.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.966	.188		10.468	.000
	MWS1- Worksetting	.341	.063	.485	5.406	.000
	MJS1- Job security	.328	.051	.481	6.479	.000
	MCF1- Comp	-.103	.044	-.189	-2.360	.019
	MPD1- Participation	-.063	.048	-.107	-1.318	.189

a. Dependent Variable: MOC1

Multivariate analysis of variance (MANOVA)

Multivariate analysis of variance was used to test the demographic effect on four independent variables (work settings, job security, compensation fulfillment and participation in decision making).

Gender

The result indicates that gender has a significant effect on work setting ($f=17.94$; $p=.000$) with a mean score (Male = 4.747, Female = 3.666), Job security ($f=7.37$; $p=.007$) having a mean score as (Male = 4.535, Female = 3.801), Compensation fulfillment ($f=8.50$; $p=.004$) with mean score as (Male = 4.668, Female = 3.680) and Participation in decision making ($f=24.37$; $p=.000$) having a mean score as (Male = 4.984, Female = 3.515). The possible explanation could be that male employees are highly satisfied with the kind of working atmosphere and are more committed towards their organization as they find their jobs more secured. Moreover male employees are satisfied and contented with compensation and would prefer to involve in important decision making as compare to the female employees.

Age and Marital Status

Age and Marital status does not have any significant effect on work setting, job security, compensation fulfillment and participation in decision making.

Nationality

The test confirmed that nationality has a significant effect on work setting ($f=18.27$; $p=0.00$), having a mean score (Saudi = 4.066, Non Saudi = 4.820) compensation fulfillment ($f=13.576$; $p=.000$) with a mean score (Saudi =3.933, Non Saudi =4.759), participation in decision making ($f=12.530$; $p=.001$) having mean score (Saudi = 4.244, Non Saudi = 5.018) and Nationality does not have significant effect on job security. The findings suggest that Non Saudi employees are highly satisfied with the kind of good work setting, financial and non-financial returns and are extremely involve in decision making and work related issues. Employees are free to suggest changes pertaining to their job.

Discussion

As showed in table 3 compensation fulfilment found to have a significant relationship but low impact on affective commitment. It clearly indicates that employees are generally satisfied with the amount of pay and fringe benefits received from the organization and would prefer to work continuously not for the sake of only attaining financial returns but also for gaining professional experience. Employees would be very happy to spend the rest of their career and would feel as if the organization's problems are their own. However, the other independent variables i.e. work setting, job security, and participation in decision making does not have significant relationship with affective commitment.

Result showed in table 4 that work setting has a significant relationship and have low impact on continuance commitment. Job security has strong and significant relationship influencing continuance commitment. Job security is one of the most important factors which affect the employee's commitment towards organization. An individual will be more committed to his job and organization, if he feel himself secure. However one possible reason could be that employees have very few options to consider leaving the organization. The main reason to continue to work is that leaving would require considerable personal sacrifice and staying with the job is a matter of necessity as much as desire. The result also shows that compensation fulfilment has significant and inverse relationship on continuance commitment

and participation in decision making does not have significant relationship on continuance commitment.

As per table 5 it shows that work setting has a strong and significant relationship on normative commitment. Organization should promote good work setting and employee engagement activities so that friendly relations can improve between the employees; and in turn, their commitment towards the organization excels. Employees will also have a sense of obligation to stay in the organization and will show loyalty towards their organization. Job security has a significant relationship but low impact on normative commitment. The other two variables i.e. compensation fulfillment and participation in decision making does not have significant relationship on normative commitment.

Based on the result shown in table 3, table 4 and table 5 it has been clearly indicated that participation in decision making is the only independent variable which do not have positive and significant effect on affective, continuance and normative commitment. One possible explanation could be that employees are not entitled to participate in important decision making and work related issues. Participation in decision making has a negative effect which may mean that this is the only variable which might not highly contribute towards affective, continuance and normative commitment.

The findings from multivariate analysis also shows that gender have significant effect on work setting, job security, compensation fulfillment and participation in decision making. Nationality has significant effect on work setting and compensation whereas participation does not have any effect on job security.

Conclusion

Overall, the findings of the current study indicate that job security has strong and significant relationship affecting continuance commitment and that work setting has a strong and significant relationship on normative commitment at the individual level. Compensation fulfillment has a significant but low impact on affective and have inverse relationship with continuance commitment and does not totally influence towards normative commitment. Participation commitment is the only variable which does not influence affective, continuance and normative commitment altogether.

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