

Developing and Testing a Model of Antecedents and Consequences of Organization Commitment

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Abstract

In the era of globalization, business environment becomes highly dynamic with high risk and uncertainty. This uncertainty decreases market share and increases organizational inefficiency. The increasing attention on human resource management (HRM) in small and medium enterprises (SMEs) is a comparatively recent phenomenon. HR-researchers have largely ignored the SMEs, even though smaller companies could be fruitful subjects for empirical investigation because of their numbers, the growth-rates and not least diversity in the qualitative aspects of management practices. Thereby HRM in SME's has been a white spot on the map, and this despite the characteristic Pakistan industrial structure, i.e. the large proportion of SMEs; the long tradition for a rather institutionalized and well unorganized labor market, which could provide a basis for a more professional approach to human resources, and finally the supposed very good basis for future competitiveness, due to the values characterizing employees as well as managers in Pakistani companies, i.e. democratic management style, (A Democratic Management Style has moderate approach to a situation whether at work or in a social places. The way things are get done is to seek opinion from your staffs as opposed to giving a direct instruction.

Index terms— Organization Commitment, Team Work, Knowledge Management, Organization Performance.

1 Introduction

It's generally accepted by the organizational theorists that human resource is the most imperative asset of an organization because things have to be done through employees. In other terms, the achievement of any organization in realizing its objectives actually depends upon the performance of its employees. Performance is considered to be related with the concepts of ability, opportunity, motivation and commitment. All organizations, whether public or private, need satisfied as well as committed employees to be effective and efficient in their execution, in addition to the other factors. Employees, who are dedicated, work vigorously and creatively toward the accomplishment of organizational goals is one of the most important inputs to organizational success. Consequently, the challenge for organizations is to ensure that their employees are satisfied and hence committed towards the accomplishment of organizational goals.

Human resource is a very significant and unique asset of an organization. The victorious management of any organization's human assets is very important, exciting and challenging task, especially at the instant when world has become a global village and economies are in stage of change. The lack of talented and committed employees in the growing prospects of the modern day worker has additionally increased the involvement of the human resource management and execution of its function.

Impact of knowledge management on organization commitment is very important and interesting issue to be researched throughout the world especially in Pakistan. It has been observed and summarized that teams are

easy to form and simple to manage, capable of producing mutually efficient and effective outcomes. Organization performance is defined as overall performance of organization and expansion in the growth of firm's sales, increase in market share, number of customers and profit on investment. It highlights not only the significance of Knowledge Management, but also identifies its importance for individuals and managerial actions (Bailey & Clarke, 2000). In the last two decades management gurus and academicians have researched knowledge management as an instrument for the achievement of innovation and competitiveness. In any economy the source for long-term competitive advantage is knowledge (Nonaka, 1998) cited in (Koh et al., 2005). b) Team Work Team performance requires time to develop, team requires leadership which is important for building a team and maintaining team development through different stages (Ingram, 1996). Many writers suggest teams are very simple to formulate and manage, competent of producing outcomes, efficiently and effectively. In actual there are certain problems incorporated in team that includes, negative synergy, lack of accurate and quick decision making, role conflict, and unclear goals. Team was not cost effective sometime as lots of team members don't work up to the mark as they think team will do their work. This above mentioned concept is known as social loafing. This is the phenomena that two people might be better than one, but the quality of decision making and management of goals and team structure of individual member is more useful and accurate than of two members participating in a team. Collaboration has been required to make sure that unity of purpose was both structured and worked toward and appropriate feedback to all group members has been important to team (Staniforth & West, 1995).

2 c) Organization Commitment

This research has been conducted in twenty private manufacturing companies in Igbo states Nigeria regarding the relationship among working conditions and employee commitments. The finding of this study showed that these manufacturing firms have the potential to make contribution in industrial future. There are number of workers who are satisfied because of the extrinsic equity factors of work which found to be a strongest interpreter of employee commitment as compare to intrinsic components. To build a strong and competent workforce in an enterprise success and industrial growth entrepreneur must invest in the long term objectives of the workforce and balance their interests accordingly (Ukaegbu, 2000). In this study the researcher has examined the impact of employee commitment on individual non work career satisfaction. Data upon employee's attitudes has pointed out that the individual consequences of employee's commitment has been positively supported the concept that emotional attachment to a work organization will yield personal benefit of individual. These findings disagree with the concept people unavoidably pay a higher personal cost for higher level of commitment (Romzek, 1989).

3 d) Organization Performance

Analysis of performance and its measurement is vital for navigating the organization to comprehend its strategic as well as operational goals. And afterward the performance indicator and their relationship with goals and action have to be established and analyzed. Existing organization doesn't reflect the modeling approach in accurate manner. This research paper attempted to fill the gap between organization performance indicators, in organizational modeling framework. (Popova & Sharpanskykh, 2010). For turning organizational goal to reality by measuring and analyzing organizational performance plays a vital role. Performance is evaluated by estimation of qualitative and quantitative indication such as number of customers, profit and cost incurred by organization. (Popova & Sharpanskykh, 2010). In this research study it is suggested that compound measure of performance has been reflected more precisely the organization performance as opposed only quantitative or financial measures. Organization performance was defined as overall performance of organization and expansion in the growth in sale of firm, increase in market share, number of customers and profit in investment. (Photis & Panayides, 2007) III.

4 Methodology a) Sample

The variability in the targeted population was less as the population was comprised of the employees of universities situated in Islamabad city i.e. CIIT, Preston, MAJU and Air university. For collection of data a cross-sectional survey questionnaire was administered in universities of Islamabad. The researcher administered questionnaires among the administration and faculty members who have sufficient knowledge about the area being research. Overall, response rate was (210 questionnaires) 84%. The sample size as well as the response rate obtained from respondents in the research study enhanced the validity and reliability of the results.

5 b) Instrument

In this study the researcher have used the 5 likert-type scale ranging from "Strongly agree" (weighted 1) to "Strongly disagree" (weighted 5). Organizational commitment has been reviewed by using a measure that was developed by (Mowday, Steers, & Porter, 1979) using fourteen items through likert-type responses Organization commitment and knowledge management are significantly correlated ($p < .01$) and have positively moderate relationship between them value is (0.485**). Evident from the result Organization commitment and Team work significantly correlated ($p < .01$). There is positive and moderate relationship (.466) between organization commitment and team work. Organization commitment and organization performance have significant relationship between them ($p < .01$) and the value (0.421**) shows positively moderate relationship.

f) Knowledge Management KM was presented by four items and the result is based on the CAF (Table ??) the constructs of KM indicate an excellent fit of 16.871 where the degree of freedom =2, $p < 0.001$ the value of χ^2/df ratio was 8.435. The goodness fit (GFI), adjusted goodness of fit (AGFI), comparative fit index, Tucker-Lewis coefficient (TLI) indices was 0.961, 0.806, 0.942, 0.827. The values if these scores are close to 1.0 that shows the perfect fit. (Bentler, 1992, Bentler & Bonett 1987). Table ?? While considering the factor loading the standardize coefficient estimates values was between 0.466-0.795. Which is consider good because it's above acceptable level of 0.3 having $p\text{-value} < 0.001$. Rsquared values are (0.55, 0.63, 0.22, 0.57,) that specify the percentage of variation in each indicator (KM1, KM2, KM3, KM4,) that was explicate by the factor KM. from the analysis of result it's found that the KM2 represent the best indicator for this construct having value 0.08 which is pursued by KM4 having value of 0.75, and among them lowest is KM3. The best indicator of KM the two best highest values represent the "Knowledge shared in from of well codified and documented manuals" and these four items measure the construct "Knowledge Management". TW is presented by nine items and based on result of the CFA (Table 4) TW constructs indicates an excellent fit with χ^2 statistic of 81.061 (degree of freedom =27, $p < 0.001$) with the χ^2/df ratio having a value of 3.002. The goodness fit index (GFI) was .920, adjusted goodness of fit index (AGFI) was .867, comparative fit index (CFI) was .839, and Tucker-Lewis coefficient (TLI) was .785. The next set of fit statistics focus on the root mean square error of approximation (RMSEA) which is .098. ??) which indicates percentage of variation in each indicator (TW1, TW3, TW4, TW5, TW6, TW7, TW9) that was analyzed by the factor TW. From the analysis of result it's found that the open discussion among team members to resolve the problem (TW6) is best indicator having value 0.72 and among them lowest is TW7. OP is presented by nine items and based on result of the CFA (Table 6) OP constructs indicates an excellent fit with χ^2 statistic of 132.722 (degree of freedom = 27, $p < 0.001$) with the χ^2/df ratio having a value of 4.91. The goodness fit index (GFI) was .870, adjusted goodness of fit index (AGFI) was .784, comparative fit index (CFI) was .830, and Tucker-Lewis coefficient (TLI) was .774. The next set of fit statistics focus on the root mean square error of approximation (RMSEA) which is .137. ??) OC constructs indicates an excellent fit with χ^2 statistic of 33.618 (degree of freedom = 9, $p < 0.001$) with the χ^2/df ratio having a value of 3.735. The goodness fit index (GFI) was .948, adjusted goodness of fit index (AGFI) was .878, comparative fit index (CFI) was .933, and Tucker-Lewis coefficient (TLI) was .888. The next set of fit statistics focus on the root mean square error of approximation (RMSEA) which is .114. Table ?? According to the factor loadings analysis the SCE are (.652, .809, .501, .761, .562, .53) these all are considered good. The R-squared value of each indicator was (.43, .66, .25, .58, .32, .29) of this constructs which are graphically displayed in (Figure ??) which indicates percentage of variation in each indicator (OC1 OC2 OC3 OC4 OC5 OC6) that was analyzed by the factor OC From the analysis of result it's found that presenting your organization as best in front of friends (OC2) is best indicator having value 0.81 and among them lowest is OC5.

6 IV. Discussion & Managerial Implication

To remain competitive and enhance organizational commitment, it is imperative to engage workforce which is skilled, possess knowledge and imbued with the passion to grow in their career pursuit. Employees imbued with these capabilities would be generally committed towards organizational goals. They would understand that personal objectives alignment with organizational goals is a hall mark to achieve winwin situation. The results of this study also support this management concepts ($R=.18$) which reveals that 18% change take place in organizational commitment having knowledge employees. It therefore, becomes sestina that to engender knowledge management and develop motivated workforce, organization need to engage knowledge employees. It would provide them competitive edge. The results of this study are in line with the work done by various scholars. Research in this area also highlights the improved understanding that what might be the factors that motivates employees to share their knowledge at work. In accordance with (Hislop, 2003) it has been suggested that organization commitment is very important variable that influence knowledge management initiatives as well as the employees attitude towards sharing knowledge with others.

In current management practices, usage of employee's abilities is being accorded greater significance. Committed employee would think and act in a most dynamic manner however, using his full potentials. Once there potentials are harnessed in a team work, it has provided impetus to the organizational growth. Since employees in team own their responsibilities therefore, they demonstrate full commitment towards their assigned task. It facilitates organizations to make best use of the potential in a team segment. This study also supports this concept of team work and organizational commitment through demonstration of the results of these two variables in form of (R) value is (.30), which means that harnessing of team work would improve organizational commitment by 30%. Results of this study are also supported by the work done by the different scholars. In accordance with the study of (Elloy, 2005) the result of the research enlighten that the team which were led by the leaders who actually have the characteristics to be super leader have higher level of organization commitment selfesteem and job satisfaction.

Committed workforce would finally contribute towards the enhancement of organization performance. There could be improvement in the process, introducing new functions and undertaking various odious tasks willingly that will result in the organization performance in monetary terms. Result of this study shows that as regard to the organizational commitment and organizational performance ($R=.31$) it means 31% variation would be observed if the employees are motivated and will lead to higher organization performance. Study done by other

scholar in the same context proved similar results (Steyrer, Schiffinger, & Lang, 2008) that show the organizational commitment have significant relationship with organizational performance for all engaged performance measures.

7 V. Limitations And Delimiting Factors

While this study has provided valuable insight, there are some limitations, which may limit generalisability:

? This research is based on data from different universities of Islamabad that permits the researcher to collect all data from faculty members of all universities of Pakistan. The obtained information was summarized on the information collected from the faculty members of four different universities situated in Islamabad.



Figure 1:

1

signifies the demographic details of the

respondent's demographics variable are described as

the characteristics of a human population. In this

research study the demographics variable its frequency and percentage is given in the Table 1.

Figure 2: Table 1

1

31

Figure 3: Table 1 :

2

Figure 4: Table 2 :

| | | | | | | | | | | | | | | |
|----------------|---|------|------|----|------|------|-----------|------|------|---|-------|------|--------|----------|
| | | | | | | | | | | MAJU | 11 | | | |
| | | | | | | | | | | Preston | 52 | | | |
| | | | | | | | | | | Year of Experience Less than 1 Year 1-3 Years | 25 74 | | | |
| | | | | | | | | | | 4-6 Years 7-10 Years 11-15 Years 16-20 Years | 61 18 | | | |
| | | | | | | | | | | 21 Years or longer | 15 | | | |
| 2012 | | | | | | | | | | | | | | |
| ear Y | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | |
| and Business | OP | TW | KM | OC | Mean | Std. | Deviation | .458 | .525 | .695 | .655 | OC | KM | |
| Research Vol- | g) | Team | Work | | 2.02 | | | | | | | .421 | ** .43 | |
| ume XII Issue | | | | | 2.12 | | | | | | | ** | 1 | |
| XIII Version I | | | | | 2.24 | | | | | | | .466 | | |
| | | | | | 2.13 | | | | | | | ** | | |
| | | | | | | | | | | | | .485 | | |
| | | | | | | | | | | | | ** 1 | | |
| Global | ?2 16.871 2 df p-value ?2/df .000 8.435 | | | | | | | | GFI | | | | AGFI | CFITLI R |
| Journal of | | | | | | | | | .961 | | | | .806 | .942 |
| Management | | | | | | | | | | | | | | |

Figure 5:

4

to the factor loadings analysis the
SCE are (.164, .431, .357, .381, .524, .272, .212) these
all are considered good. The R-squared value of each
indicator was (.16, .43, .36, .38, .52, .27, .21) of this
constructs which are graphically displayed in (Figure

Figure 6: Table 4 According

6

INN2 INN3 INN4 LG1 LG3) that was analyzed by the factor OP From the analysis of result it's found that Your Organization continually experiment new ideas and approaches on work performance (INN4) is best indicator having value 0.69 and among them lowest is LG1.Chi-Square= 132.722

.26, .27) of this constructs which are graphically displayed in (Figure 4) which indicates percentage of variation in each indicator (CMP1 CMP2 CMP3 INN1

Figure 7: Table 6

8

| χ ² | df | p-value | χ ² /df | GFI | AGFI | CFI | TLI | RMSEA | AIC | |
|-------------------------|-----|---------|--------------------|------|------|------|------|-------|------|------|
| 33.618 | 9 | .000 | 3.735 | .948 | .878 | .933 | .888 | | .114 | .560 |
| Organization Commitment | | | | | | | | | | |
| OC1 | .43 | .65 | .81 | .50 | | .76 | .56 | | .54 | |
| | | OC2 | .66 | OC5 | .25 | | OC6 | .58 | OC8 | .29 |
| e1 | | e2 | | e5 | | e6 | | e8 | | OC1 |
| χ ² | df | p-value | χ ² /df | GFI | AGFI | CFI | TLI | RMSEA | AIC | |
| 132.722 | 27 | .000 | 4.91 | .870 | .748 | .830 | .774 | | .137 | .623 |

[Note: (p<.05)* (p<.01) **]

Figure 8: Table 8 :

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Figure 9:

.1 Y

H1: Knowledge Management has significant effect on organization commitment.

The value of standardized regression estimate for KM-OC model is 0.177 which indicates that organization commitment changes by 0.177 units by the unit change in knowledge management. The value of standardized regression estimate (?) is significant ($p < .05$) which indicates that knowledge management has a significant impact on organizational commitment. The hypothesis H1 is therefore accepted. H2: Team Work has significant effect on organization commitment.

The value of standardized regression estimate (?) for TW-OC model is 0.297 which indicates that unit change in team work brings change in organization commitment by 0.297 units. The value of standardized regression estimate (?) is highly significant ($p < .01$) which indicates that team work has a significant impact on organization commitment. Therefore the hypothesis H2 is accepted. H3: Organization Commitment has significant effect on organization performance.

The value of standardized regression estimate (?) for OC-OP model is 0.305 which indicates that unit change in Organization Commitment brings change in Organization performance by 0.305 units. The value of standardized regression estimate (?) is highly significant ($p < .01$) which indicates that organization commitment has a significant impact on organization performance. Therefore the hypothesis H5 is accepted.

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