A Study of Factors Affecting Organizational Commitment among Bank Officers in Pakistan

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Abstract

There has been lesser evidence regarding the factors driving the commitment from countries like Pakistan. The purpose of present research was to find out the factors affecting the organizational commitment of the officers in the banking industry of Pakistan. The hypothesized relationship between variables rests on the foundations of social exchange theory, the perceived organizational support theory, and the Gouldner's norm of reciprocity. The quantitative data was collected through self-administered closed ended questionnaire. The questionnaire was filled by 47 Grad II officers of different banks in the Metropolitan city of Lahore. The criteria for inclusion in sample were those having passed their probationary period. The data was analyzed using SPSS version 16.0. The correlations showed that the strength of relationship between factors affecting commitment and organizational commitment is higher. There are five factors which affect the organizational commitment of bank officers. These factors include organizational rewards both monetary and non-monetary, supervisor support, career development opportunities, work-family support, and favorable job conditions. The results of study may be beneficial for devising such policies as to reduce the employees' turnover which has been an area of major concern for the human resource professionals especially in the context of Pakistani banking sector.

Keywords: Organizational commitment; Banks officer; Pakistan

Introduction

The construct, "organizational commitment" has been a subject of interest for those studying the organizational psychology. Organizational commitment involves the loyalty of employees' to the organization, their readiness to put exertion on organization's behalf, the level of coincidence of personal goals with the organization, and an aspiration to continue employment with the organization. However, there is a disagreement on the definition and the way of measurement of the construct. Since commitment involves a psychological state, which is a main source of disagreement on the definition of commitment. Further differences stem from the antecedents causing the commitment and by the behaviors depicting the commitment [1-4]. Despite the differences in definitions of organizational commitment [5]; the one given Modway is considered to be most acceptable which defines organizational commitment as the might of an individual's identification with, and involvement with an organization.

Organizational commitment has three basic components; (a) identification, a strong faith and reception of goals as well as values of an organization (b) effort, an eagerness to put effort for the goals of organization (c) loyalty, an intention to remain part of the organization.

There are many factors which affect the organizational commitment of employees. These include the financial inducements [6]. Among other factors inducing organizational commitment are, good relations between supervisors and employees, good career opportunities [7], role in organizational goal setting, lesser ambiguity in role [8], and fairness in appraisal of performance [9].

Literature review and hypothesis development

It has been widely held in the literature that the organizational rewards indicate that the organization gives importance to the contribution of employees towards the organization [2]. The organizational rewards show that the organization investing in the employees. Further, rewards indicate that organization appreciates and recognizes its employees [10,11]. These kinds of rewards develop a perception of support from the employees of organization in the minds of worker, making them committed to the organization. Fasolo argues that organizational support must enhance employees' thinking that organization regards them as good performer and honors their achievements, helping employees to increase esteem [9]. The fairness in recognition and rewards signals out the care organization gives to the employees.

Landsman concluded that the belief of employees about the fairness in the distribution of rewards and punishments leads to higher commitment of employees with the organization [12]. The organizational commitment is enhanced in this manner by their mental satisfaction with the job. Therefore, following hypothesis is proposed:

H1: Higher the Organizational reward (monetary and non-monetary), higher the organizational commitment of employees.

Researcher indicates that supervisors are the agent of the organization. Higher level of support from supervisors shows support from the organization itself [2,13]. Landsman tested the relationship of supervisor support with organizational commitment [12]. It was found that better supervisor support develops a perception among employees that organization values them. Such a feeling hinders employees to leave the organization. Hence, supervisor support plays a major role in developing the organizational commitment among employees.

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Therefore, supervisor support is an important factor affecting organizational commitment. It is hypothesized that:

H2: Higher the support from supervisor, higher the organizational commitment.

Tansky and Cohen found that the provision of career development opportunities is important for enhancing commitment of employees to the organization [14]. They suggested that it is important for an organization to have a formal program aimed at the development of career of employees. Such a program may necessarily be developed and designed to aid the workers in their goals within and outside the organization. These kinds of activities on the part of organization retain employees for the longer period of time and help them attain future plans.

The training activities not only develop employees and refine their acumen but also improve their job satisfaction and organizational commitment [15-17].

Harel and Tzafrir held that the provision of career development plans results into the tightened psychological contract and makes employees committed to their organization [15]. A feeling among employees to grow with the organization, commits them to the organization [18]. It has further been argued that the activities aimed at the development of career of employees convey to the employees that they are valued. These efforts on the part of organization are thus reciprocated by the employees. Employee development opportunities are taken as positive actions on the part of organization towards employees. In the light of above discussion we hypothesize [19]:

H3: Higher the provision of career development opportunities, higher the organizational commitment.

Family is an important aspect of lives employees. Those highly contented and satisfied in their family life perform better in their workplace. If the employees get support for their family issues from their organization, they will reciprocate in the form of higher commitment to the organization. Work-life balance and benefits enhance organizational commitment [20]. It has been suggested theoretically that work-life benefits enhance the perceived organizational support which in turn is related to organizational commitment positively and negatively to the turnover intentions [21].

According to Grover and Crooker the provision of work-life benefits is related to higher level of commitment and lesser turn over intentions among employees. It was suggested by them that the work life benefits indicate that the organization cares about the employees' well-being and enhance attachment to the organization. In a further study, Allen concluded that those organizations which give more work life benefits to the organization are regarded as family supportive organizations [22]. Moreover, it was held that family leave, flexible timings and condensed schedules of work are positively related to higher organizational commitment and lesser intentions of turnover.

H4: Higher the work-family support, higher the organizational commitment.

Job conditions mean security, autonomy and empowerment that an employee assumes while performing job. Job conditions are favorable if it carries above mentioned elements. According to Rosseau, security of job means that the organization wishes to retain employee as organization's member even in distress conditions. The theory of social exchange comes into action here. The exchange occurs. The employees in exchange become loyal to the organization and do not think of turning over. Another important aspect of job conditions is the empowerment of employee. Empowerment means the power to take actions independently. The employees are delegated powers to make decisions independently. These kinds of actions on the part of organization communicate to the employees that they are being trusted by the organization, and hence become committed to the organization. Therefore, we hypothesize:

H5: Higher the favorable job conditions, higher the organizational commitment (Figure 1).

Methodology

The study aims to delineate the factors affecting organizational commitment among bank officers in Pakistan. Survey research was used so that data could be collected at a less cost within a short period of time. Moreover honest responses could be encouraged because of the anonymity of the respondents.

Population of the present study consists of all Grade–II officers inducted through management trainee officers. The sample was
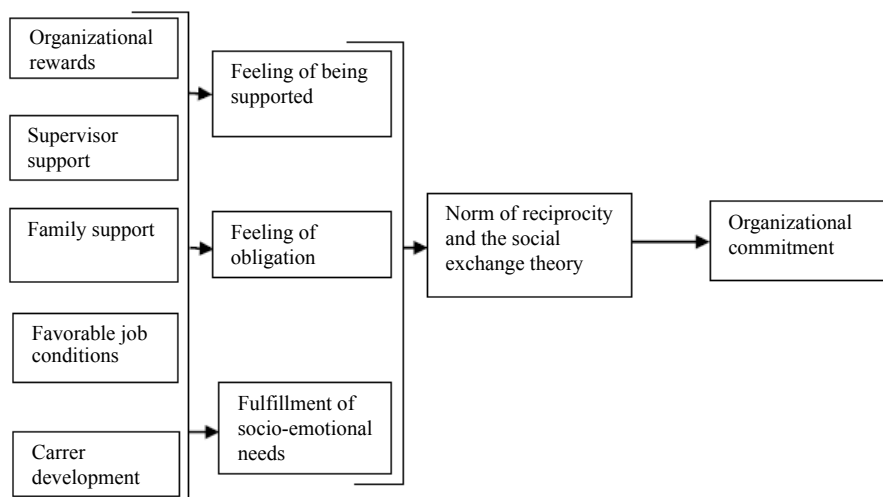

Figure 1: The following schematic model summarizes all the above discussion.

selected based on the willing of respondents to participate in the study. The criteria for the inclusion of respondents were that those having passed their probationary period. A total of 60 respondents filled the questionnaire selected from the metropolitan city of Lahore, from three different banks.

The questionnaire consisted of 47 closed ended questions on five point Likert scale. For the measurement of organizational commitment, 13 items were included in the questionnaire. The items for the measurement of organizational commitment were based on the Mowday's most widely use measure of organizational commitment [23]. A total number of 34 items were included for the measurement of factors affecting organizational commitment. The items measuring factors were based on the instrument developed by Eisenberger et al. [2]. Since both the questionnaires have been widely used in studies, therefore there was no problem of reliability and validity. The data were analyzed using SPSS version 16. The following section presents the analysis of discussion.

Data Analysis and Discussion

The following Table 1 shows the correlations among the factors affecting the organizational commitment. As cursory look at Table 1 shows that there are significant correlations among the factors affecting the organizational commitment and the construct of organizational commitment. The organizational rewards (both monetary and nonmonetary) have positive correlation strength of 0.383 at significance level of 0.05. The level of supervisor support is also positively correlated with organizational commitment having a value of 0.372 at $p \leq 0.05$. This is in line with the study of Landsman [12]. According to Landsman supervisor support is correlated to organizational commitment at a level of 0.26 [12]. The results on the third factor of work-family support also show that is positively and significantly correlated to organizational commitment having strength of 0.468 at $p \leq 0.01$. This result confirms the study of Dockel who that the support and organizational commitment have a correlation of 0.31. Further correlations are also in line with the other findings.

They found correlations of 0.26. According to another research study the results are confirming the theoretical background. The third factor affecting the organizational is career opportunities. Career opportunities are strongly correlated to the organizational commitment with value of 0.626 at $p \leq 0.01$. The fact that career opportunities are correlated with organizational commitment is also support by Dockel. However Dockel found the value of correlation to a lower level of 0.34. The results also confirm the argument of Opkara that the feeling among employees to grow with the organizational commits them to the organization [18]. The fifth and the last factor which is significantly and in fact highly correlated to organizational commitment are job conditions. The value of correlation between organizational commitment and job conditions is 0.637 at $p \leq 0.01$. This is in contrast to Dockel who found no significant correlation between job characteristics and organizational commitment. But at the same time results confirm that finding of Steers, concluding there is a significant relationship between job conditions and organizational commitment (Table 1).

Table 2 shows the regression results. The independent factors explain a variation of up to 38% in the dependent variable of organizational commitment. Having a look at the regression coefficients tells that the all the factors positively affect the dependent variable of organizational commitment. If the organizational rewards are increased by 1% the level commitment will be enhanced by 2%. We can therefore claim that higher the organizational reward, higher the organizational commitment thus supporting our first hypothesis. This result is consistent to our theoretical framework and confirms the previous studies of Landsman and Fasolo [9,12].

The second regression coefficient relates to supervisor support. It tells that while the level of supervisor support towards employees increases by 1%, the level of employee commitment increases by a considerable level of 16%. These results supplement the previous studies of Eisenberger et al. [2,13]. Hence we can conclude that higher supervisor support is regarded as support by the organization itself. Therefore, higher the supervisors' support, higher the organizational commitment.

	OC	OR	SS	WFS	CO	JC
OC	1	0.383*	e.372*	0.468**	0.626**	0.637**
OR	0.383*	1	0.402*	0.590**	0.540**	0.276
SS	0.372*	0.402*	1	0.341*	0.476**	0.478**
WFS	0.468**	0.590**	0.341*	1	0.460**	0.425**
CO	0.626**	0.540**	0.476**	0.460**	1	0.615**
JC	0.637**	0.276	0.478**	0.425**	0.615**	1

*Correlation is significant at the 0.05 level (1-tailed).

**Correlation is significant at the 0.01 level (1-tailed).

OC: Organizational Commitment; OR: Organizational Rewards; SS: Supervisor Support; WFS: Work-family support; CO: Career; Opportunities; JC: Job Conditions.

Table 1: Correlations

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	T
1	Constant	10.964	8.977		1.221
	OR	0.022	0.337	0.013	0.066
	SS	0.166	0.333	0.087	0.499
	WFS	0.388	0.549	0.127	0.708
	CO	0.608	0.404	0.31	1.505
	JC	0.833	0.369	0.445	2.259

Dependent Variable: OC; F = 4.679; Adjusted R Square = 0.384; Significance =0.004.

OC: Organizational Commitment, OR: Organizational Reward, SS: Self Support, WFS: Work Family Support, CO: Career Opportunities, JC: Job Conditions

Table 2: Regression coefficients.

The third factor of work family support showed a beta coefficient of 0.388. Organizational commitment is positively affected by the support from organization in family issues. Our third hypothesis proposing higher the support in family matters, higher the organizational commitment also stands accepted confirming the previous researches [20,22].

The regression result show that our hypothesis stating that higher growth opportunities lead to higher organizational commitment of employees. An increase of 1% in the growth opportunities enhances the organizational commitment to 60%. The results thus validate the previous studies that there is positive relationship between organizational commitment and growth opportunities.

There is evidence that highly favorable job conditions lead to higher organizational commitment among the employees. The beta coefficient (Table 2) shows that our proposed hypothesis is supported. The results of regression analysis are in line with the previous studies. The interpretations of regression analysis hold true if for one factor affecting organizational commitment, the effect of other four factors is held constant (Table 2).

We analyzed the effect of factors effecting the organizational commitment of bank officers. The data analysis validates the conclusions of previous researches [24-26]. It has been found that there is direct positive effect of various factors on the commitment of banks officers. Another study was conducted on radiographers to find the effect of factors affecting the commitment of radiographers [26]. The findings of this study are also consistent with the said study. However, we did not find any previous study to have been conducted on bank officers.

The underlying theoretical framework to this study holds that through provision of various facilities to the employees, their level of organizational commitment enhances as a matter of phenomenon of norm of reciprocity. According to proposition of social exchange theory, individuals who receive good treatment from others are likely to repay. This exchange may be called as the phenomenon of reciprocity [3].

Such exchange occurs in organizations as well. In this exchange employees contribute to the achievement of organizational goals, put extra effort, and stick with the organization after having supported by the organization [2,24]. The results show that bank officers get more committed based on certain factors validating the exchange and reciprocity phenomenon.

Conclusion and Recommendations

We have investigated those factors which affect the organizational commitment of bank officers. This research happens to be unique in the context of Pakistan. The factors having positive impact on organizational were proposed on the basis of social exchange theory and the reciprocity norm. The results of our investigation show that the relevant factors must be promoted to enhance the commitment of officers. The employees in turn are likely to put more effort, and are likely to be attached with the organization for longer time.

The researchers recommend that in order to strengthen the commitment of employees with their organization, the factors responsible for enhancing the commitment must be strengthened. Lew found that committed employees are very beneficial for the organization [25]. In this research, we conclude that if the organization cares for officers, they will repay with stronger commitment to their bank. Thus phenomenon of reciprocity happens to be proved in true

sense. The organizations should provide clear and easy career paths to the employees. Among the rewards may include both monetary and non-monetary benefits. Another are of support may be the extension of support beyond the work to the family.

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